



OHIO AUDITOR OF STATE
KEITH FABER



**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS
BUTLER COUNTY
JUNE 30, 2025**

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**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS
BUTLER COUNTY
JUNE 30, 2024**

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OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Butler Technology and Career Development Schools, Butler County, Ohio (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, Butler County, Ohio as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 16 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, required budgetary comparison schedules, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 22, 2025

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BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
Year Ended June 30, 2025

This discussion and analysis provides key information from management highlighting the overall financial performance of the Butler Technology and Career Development Schools ("School District") for the fiscal year ended June 30, 2025. 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 School District's financial statements.

Financial Highlights

Major financial highlights for fiscal year 2025 are listed below:

- The assets and deferred outflows of resources of the School District exceeded its liabilities and deferred inflows of resources at fiscal year-end by \$99,285,000 .
- The School District's total net position increased during the fiscal year by \$24,153,215.
- The School District's total expenses were \$74,511,129, an increase of \$5,899,457, primarily due to increases in support services for maintenance and repairs and in adult education as a result of increased enrollment and expanding programming.
- Program revenues of \$15,880,304 reduced the net cost of the School District's functions to be financed from general revenues to \$58,630,825.
- The School District's General Fund increased by \$2,487,952, or 12% which included a transfer of \$13,500,000 to the Permanent Improvement fund for capital projects. The School District's unassigned fund balance in the General Fund was \$14,311,181 at the end of the fiscal year, or 24% of General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2025

Unaudited

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

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 two categories: governmental funds and proprietary 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, food services programs, school supplies, and rotary activities. 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, 2025****Unaudited**

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS**A. Net position at year-end**

The following table presents a condensed summary of the School District's overall financial position at June 30, 2025 and 2024:

		<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
		<u>FY2025</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2024</u>
Current and other assets	\$	104,463,503	97,944,156	11,364,801	8,541,164	115,828,304	106,485,320
Capital assets		76,020,384	65,648,194	1,627,711	1,097,109	77,648,095	66,745,303
Total assets		<u>180,483,887</u>	<u>163,592,350</u>	<u>12,992,512</u>	<u>9,638,273</u>	<u>193,476,399</u>	<u>173,230,623</u>
Deferred outflows		<u>12,986,648</u>	<u>14,279,499</u>	<u>1,604,581</u>	<u>1,492,208</u>	<u>14,591,229</u>	<u>15,771,707</u>
Long-term liabilities:							
Net pension liability		42,002,492	46,251,492	5,089,724	4,675,452	47,092,216	50,926,944
Net OPEB liability		1,519,908	2,310,368	168,879	256,708	1,688,787	2,567,076
Other long-term liabilities		11,758,388	9,214,187	372,358	147,669	12,130,746	9,361,856
Other liabilities		<u>9,648,046</u>	<u>12,242,842</u>	<u>278,252</u>	<u>250,737</u>	<u>9,926,298</u>	<u>12,493,579</u>
Total liabilities		<u>64,928,834</u>	<u>70,018,889</u>	<u>5,909,213</u>	<u>5,330,566</u>	<u>70,838,047</u>	<u>75,349,455</u>
Deferred inflows		<u>36,733,954</u>	<u>35,421,527</u>	<u>1,210,627</u>	<u>1,026,778</u>	<u>37,944,581</u>	<u>36,448,305</u>
Net position:							
Net investment							
in capital assets		69,988,948	59,128,130	1,627,711	1,097,109	71,616,659	60,225,239
Restricted		9,177,106	12,127,290	412,602	-	9,589,708	12,127,290
Unrestricted		<u>12,641,693</u>	<u>1,176,013</u>	<u>5,436,940</u>	<u>3,676,028</u>	<u>18,078,633</u>	<u>4,852,041</u>
Total net position	\$	<u>91,807,747</u>	<u>72,431,433</u>	<u>7,477,253</u>	<u>4,773,137</u>	<u>99,285,000</u>	<u>77,204,570</u>

The net pension liability is reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*, and the net OPEB asset/liability is reported pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and net OPEB liability to the reported net position and subtracting the net OPEB asset and deferred outflows related to pension and OPEB.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2025

Unaudited

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Prior accounting for pensions (GASB Statement No. 27) and OPEB (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB asset/liability*. GASB Statement Nos. 68 and 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio statewide pension and OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

As required by GASB Statement Nos. 68 and 75, the required net pension liability and the net OPEB asset/liability equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension and OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement systems are responsible for the administration of the pension and OPEB plans.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**Management's Discussion and Analysis****Year Ended June 30, 2025****Unaudited**

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension or net OPEB liabilities. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible part for the unfunded portion. Due to the unique nature of how the net pension and net OPEB liabilities are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statement Nos. 68 and 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB asset/liability, respectively, not accounted for as deferred inflows/outflows.

At year-end, investment in capital assets, net of accumulated depreciation and related debt used to acquire the assets were \$71,616,659. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. Additionally, \$9,589,708 of the School District's net position represents resources that are subject to external restriction on how they may be spent. The external restriction will not affect the availability of fund resources for future use.

Total assets increased by about \$20.2 million, or 12%. This was due to the combination of a \$12.4 million increase in cash and investments, due to positive operating results, and a \$10.9 million increase in capital assets due to ongoing work on the Bioscience facility expansion and the Middletown Aviation ARPA project as well as the completion of DRL Welding Lab improvements. These increases were partially offset by a \$4.7 million decrease in intergovernmental receivables, due to receiving the State's share of the Ohio Facilities Construction Commission state grant.

Total liabilities decreased by approximately \$4.5 million or 6%. There was a decrease of \$4.7 million in net pension and OPEB liabilities, due to investment gains made by the State-wide retirement systems. The School District records its proportionate share of these liabilities, as well as related changes during the measurement period, within its government-wide financial statements. There was also a decrease in other liabilities, as unspent grant proceeds from the prior year were expended on projects. This was offset by an increase in other long term liabilities as the School District's compensated absence liabilities were revised to reflect the implementation of GASB Statement No. 101. See Note 16 to the financial statements for more detail.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2025
Unaudited

B. Governmental and Business-type Activities during fiscal year 2025

The following table presents a condensed summary of the School District's activities during fiscal years 2025 and 2024 and the resulting change in net position:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>FY2025</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2024</u>	<u>FY2025</u>	<u>FY2024</u>
Revenues:						
Program revenues:						
Charges for services and sales	\$ 669,013	700,262	8,786,522	7,772,173	9,455,535	8,472,435
Operating grants and contributions	3,892,073	2,965,982	2,532,696	1,724,948	6,424,769	4,690,930
Total program revenues	4,561,086	3,666,244	11,319,218	9,497,121	15,880,304	13,163,365
General revenues:						
Property taxes	27,652,764	24,556,836	-	-	27,652,764	24,556,836
Grants and entitlements	51,815,391	51,829,610	-	-	51,815,391	51,829,610
Investment earnings	2,881,831	1,813,954	128,541	-	3,010,372	1,813,954
Miscellaneous	305,513	554,784	-	-	305,513	554,784
Gain on disposal of capital assets	-	-	-	-	-	-
Total general revenues	82,655,499	78,755,184	128,541	-	82,784,040	78,755,184
Total revenues	87,216,585	82,421,428	11,447,759	9,497,121	98,664,344	91,918,549
Expenses:						
Instruction	36,965,206	37,304,526	-	-	36,965,206	37,304,526
Support services	26,615,038	22,557,554	-	-	26,615,038	22,557,554
Non-instructional services	1,839,550	1,473,903	-	-	1,839,550	1,473,903
Interest and fiscal charges	164,081	170,988	-	-	164,081	170,988
Adult education	-	-	8,055,757	6,302,520	8,055,757	6,302,520
Food services	-	-	798,991	724,688	798,991	724,688
Other enterprise	-	-	72,506	77,493	72,506	77,493
Total expenses	65,583,875	61,506,971	8,927,254	7,104,701	74,511,129	68,611,672
Increase in net position						
before transfers	21,632,710	20,914,457	2,520,505	2,392,420	24,153,215	23,306,877
Transfers	(250,000)	(250,000)	250,000	250,000	-	-
Change in net position	21,382,710	20,664,457	2,770,505	2,642,420	24,153,215	23,306,877
Beginning net position, <i>as previously presented</i>	72,431,433	51,766,976	4,773,137	2,130,717	77,204,570	53,897,693
<i>Implement GASB Statement No. 101</i>	(2,006,396)	-	(66,389)	-	(2,072,785)	-
Beginning net position, <i>as restated</i>	70,425,037	51,766,976	4,706,748	2,130,717	75,131,785	53,897,693

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2025

Unaudited

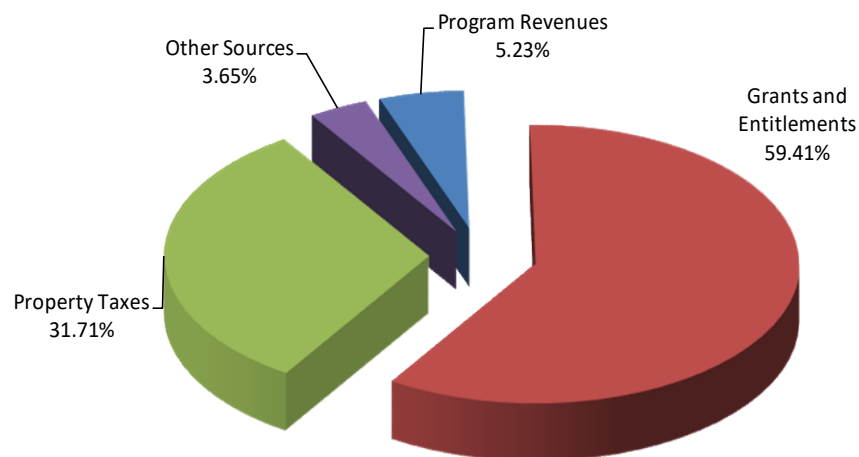
Overall, total revenues of the School District increased by approximately \$6.7 million, or 7%, from the previous fiscal year. Total expenses increased by approximately \$5.9 million, or 9%, from the previous fiscal year. Significant items that contributed to these changes include the following:

- A \$1.8 million increase in business-type activities revenue, driven by adult education, due to program restructuring and increased enrollment. This resulted in corresponding increase of approximately \$1.8 million in adult education expenses.
- A \$3.0 million increase in property taxes due to increases in property values.
- A \$4.1 million increase in support services for operation and maintenance due to increased costs for purchased services, additional building maintenance activities and the impact of inflation on supplies and materials expenses.
- A \$1.7 million increase in instruction expenses (primarily driven by vocational education amounts), due to program expansion and additional staffing needs and inflationary increases in materials and supplies and building maintenance.

Of the total governmental activities revenues of \$87,216,585, \$4,561,086 (5%) is from program revenue. This means that the School District relies on general revenues to fund the majority of the cost of services provided to its students. The School District's operations are reliant upon its property tax levy and the State's foundation program with \$27,652,764 (32%) of total revenue coming from property taxes and \$51,815,391 (59%) of total revenue coming from State funding.

Governmental Activities

Revenue Sources for 2025 Fiscal Year



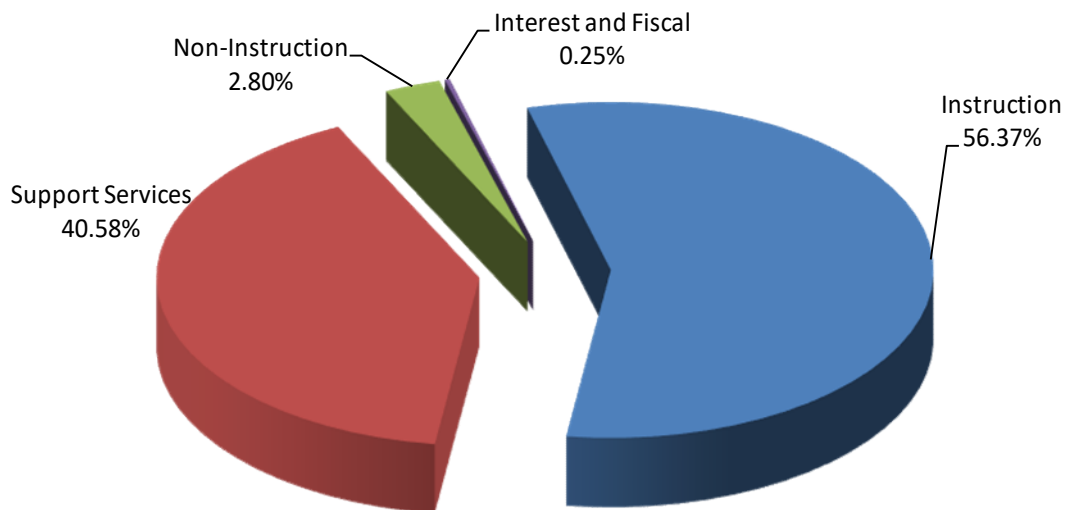
BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**Management's Discussion and Analysis****Year Ended June 30, 2025****Unaudited*****Governmental Activities***

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 7% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$36,965,206, but program revenue contributed to fund 4% of those costs. Thus, general revenues of \$35,540,115 were used to support the remainder of the instruction costs.

Governmental Activities				
	Total Cost of Services	Program Revenue	Revenues as a % of Total Costs	Net Cost of Services
Instruction	\$ 36,965,206	1,425,091	4%	35,540,115
Support services	26,615,038	2,581,425	10%	24,033,613
Non-instructional services	1,839,550	554,570	30%	1,284,980
Interest and fiscal charges	164,081	-	0%	164,081
Total	\$ 65,583,875	4,561,086	7%	61,022,789

Governmental Activities

Cost of Services by Category for 2025 Fiscal Year



BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**Management's Discussion and Analysis****Year Ended June 30, 2025****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. Overall, the increase in net position of \$2,770,505 is due to increased enrollment in adult education programming and restructured programming.

Business-type Activities				
	Total Cost of Services	Program Revenue	Revenues as a % of Total Costs	Net Cost (Revenue) of Services
Adult education	\$ 8,055,757	10,413,043	129%	(2,357,286)
Food services	798,991	812,584	102%	(13,593)
Other enterprise	72,506	93,591	129%	(21,085)
Total	\$ 8,927,254	11,319,218	127%	(2,391,964)

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

The School District has two major governmental funds: the General Fund and the Permanent Improvement Fund. Assets of these funds comprise 89% of total assets of \$103,025,180 of the governmental funds.

The General Fund's fund balance at June 30, 2025 was \$23,628,327, including \$14,311,181 in unassigned fund balance, which represents 24% of General Fund expenditures for fiscal year 2025. The fund balance increased \$2,487,952, or 12%, from the previous fiscal year. Factors contributing to this increase included significant increases in property tax revenue, previously discussed, and intergovernmental revenue, with the continued phase in of the State's Fair School Funding formula.

The Permanent Improvement Fund's fund balance at June 30, 2025 was \$34,789,689, an increase of 34%. This increase was due primarily to the transfer of \$13,500,000 from the City's General Fund for capital projects. Fiscal year 2025 accomplishments included completion of DRL Welding Lab improvements and continued work on the OFCC Bioscience facility expansion.

Proprietary funds

The School District has one major proprietary fund – the Adult Education Fund. Net position at June 30, 2025 was \$6,304,395. The Adult Education Fund experienced an increase in fund net position of \$2,485,827 due to continued increases in enrollment and program restructuring, as previously discussed.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**Management's Discussion and Analysis****Year Ended June 30, 2025****Unaudited****GENERAL FUND BUDGETARY HIGHLIGHTS**

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

For the 2025 fiscal year, actual revenues exceeded estimates by 6%. Actual expenditures for the year were approximately 8% less than budgeted. Actual taxes and intergovernmental revenue came in higher than budgeted due to additional property tax valuations and increases in State funding associated with the continued phase in of State's Fair School Funding formula and increase in student enrollment numbers. The total expenditure budget decreased by \$1.0 million (or 1.5%), primarily for an anticipated decrease in estimated vocational instruction expenditures (with some additional increases and decreases in other individual functions).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2025, the School District had \$77,648,095 invested in a broad range of capital assets, including land, buildings, equipment, vehicles, and intangible right-to-use lease assets. The change in capital assets is attributable primarily to the completion of the DRL Welding Lab improvements and ongoing work on the Bioscience facility expansion and the Middletown Aviation ARPA project, offset by current year depreciation expenses. See Note 6 to the financial statements for more detail.

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

		Governmental Activities		Business-Type Activities		Total	
		FY2025	FY2024	FY2025	FY2024	FY2025	FY2024
Land	\$	5,458,966	5,458,966	-	-	5,458,966	5,458,966
Construction in progress		10,091,182	1,523,592	-	16,132	10,091,182	1,539,724
Land improvements		2,862,206	3,032,693	78,859	81,885	2,941,065	3,114,578
Building and improvements		52,542,585	51,644,201	471,462	249,613	53,014,047	51,893,814
Furniture and equipment		4,619,376	3,530,304	906,538	560,590	5,525,914	4,090,894
Vehicles		77,642	71,742	170,852	188,889	248,494	260,631
Right-to-use lease assets		368,427	386,696	-	-	368,427	386,696
Total	\$	<u>76,020,384</u>	<u>65,648,194</u>	<u>1,627,711</u>	<u>1,097,109</u>	<u>77,648,095</u>	<u>66,745,303</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Management's Discussion and Analysis

Year Ended June 30, 2025

Unaudited

Debt

As of June 30, 2025, the School District had \$5,818,000 outstanding in general obligation bonds after making its scheduled principal payments, with \$497,000 due in fiscal year 2026.

During fiscal year 2025, the School District entered into new vehicle leases in the amount of \$131,349. These lease additions, along with the annual amortization of ongoing lease liabilities, resulted in outstanding lease liabilities of \$389,267 as of June 30, 2025, with \$152,569 due in the coming fiscal year.

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 9 to the financial statements.

ECONOMIC FACTORS

The supply and demand of the housing market has driven home values up significantly over the last couple of years. This has significantly impacted the School District's property tax valuation and has resulted in an increase in property tax collections, especially with the recent triennial County property re-evaluation. State funding for fiscal year 2024-25 saw the continued incorporation of the Fair School Funding formula. The formula is planned to be phased in over a six (6) year period with 1/6 of the formula increase being incorporated each year. For 2024-25, the Fair School Funding formula was 2/3 of the way fully implemented. The integration of the State funding model, along with increased student enrollment, resulted in School District receiving an increase in State base and career-technical restricted funding. With the interest rate climate changing, the District has also seen an increase in investment earnings as rates have climbed from the historically low rates over the past several years. During FY2024-25, increased staffing levels due to program and organizational expansion have increased the salary and benefit expenses and rising inflation and imposed tariffs have increased other district spending.

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 Paul Carpenter, Chief Financial Officer for the Butler Technology and Career Development Schools at 3603 Hamilton-Middletown Road, Hamilton, OH, 45011 or by phone at 513-868-1911.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Position

June 30, 2025

	Governmental Activities	Business- Type Activities	Total
Assets:			
Equity in pooled cash and investments	\$ 72,281,236	\$ 9,656,886	\$ 81,938,122
Receivables:			
Taxes	28,065,551	-	28,065,551
Accounts	13,846	1,295,313	1,309,159
Intergovernmental	740,102	-	740,102
Prepaid items	24,445	-	24,445
Net OPEB assets	3,338,323	412,602	3,750,925
Nondepreciable capital assets	15,550,148	-	15,550,148
Depreciable capital assets, net	60,470,236	1,627,711	62,097,947
Total assets	<u>180,483,887</u>	<u>12,992,512</u>	<u>193,476,399</u>
Deferred Outflows of Resources:			
Deferred loss on refunding	175,831	-	175,831
Pension	11,360,437	1,426,319	12,786,756
OPEB	1,450,380	178,262	1,628,642
Total deferred outflows of resources	<u>12,986,648</u>	<u>1,604,581</u>	<u>14,591,229</u>
Liabilities:			
Accounts payable	1,354,754	2,815	1,357,569
Accrued wages and benefits	5,847,341	275,437	6,122,778
Unearned revenue	2,435,874	-	2,435,874
Accrued interest payable	10,077	-	10,077
Long-term liabilities:			
Due within one year	2,205,613	94,727	2,300,340
Due more than one year:			
Net pension liability	42,002,492	5,089,724	47,092,216
Net OPEB liability	1,519,908	168,879	1,688,787
Other amounts due more than one year	9,552,775	277,631	9,830,406
Total liabilities	<u>64,928,834</u>	<u>5,909,213</u>	<u>70,838,047</u>
Deferred Inflows of Resources:			
Pension	4,865,912	595,051	5,460,963
OPEB	5,308,552	615,576	5,924,128
Taxes levied for next fiscal year	26,559,490	-	26,559,490
Total deferred inflows of resources	<u>36,733,954</u>	<u>1,210,627</u>	<u>37,944,581</u>
Net Position:			
Net investment in capital assets	69,988,948	1,627,711	71,616,659
Restricted for:			
Capital projects	4,647,210	-	4,647,210
Local grant programs	327,676	-	327,676
State grant programs	324,848	-	324,848
Student organizations	539,049	-	539,049
OPEB benefits	3,338,323	412,602	3,750,925
Unrestricted	12,641,693	5,436,940	18,078,633
Total net position	<u>\$ 91,807,747</u>	<u>\$ 7,477,253</u>	<u>\$ 99,285,000</u>

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Activities

Year Ended June 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
	Expenses					
Governmental Activities:						
Instruction:						
Regular	\$ 342,104	\$ -	\$ -	\$ (342,104)	\$ -	\$ (342,104)
Vocational education	36,364,967	114,443	1,310,648	(34,939,876)	-	(34,939,876)
Other	258,135	-	-	(258,135)	-	(258,135)
Support services:						
Pupil	1,907,091	-	436,282	(1,470,809)	-	(1,470,809)
Instructional staff	4,979,641	-	1,098,041	(3,881,600)	-	(3,881,600)
General administration	69,870	-	-	(69,870)	-	(69,870)
School administration	3,137,450	-	87,977	(3,049,473)	-	(3,049,473)
Fiscal	1,657,737	-	-	(1,657,737)	-	(1,657,737)
Business	326,257	-	-	(326,257)	-	(326,257)
Operation and maintenance of plant	9,885,696	-	796,100	(9,089,596)	-	(9,089,596)
Pupil transportation	306,340	-	-	(306,340)	-	(306,340)
Central	4,344,956	-	163,025	(4,181,931)	-	(4,181,931)
Non-instructional services:						
Extracurricular activities	1,201,884	554,570	-	(647,314)	-	(647,314)
Community service	637,666	-	-	(637,666)	-	(637,666)
Interest and fiscal charges	164,081	-	-	(164,081)	-	(164,081)
Total Governmental Activities	<u>65,583,875</u>	<u>669,013</u>	<u>3,892,073</u>	<u>(61,022,789)</u>	<u>-</u>	<u>(61,022,789)</u>
Business-Type Activities:						
Food service	798,991	372,670	439,914	-	13,593	13,593
Adult education	8,055,757	8,320,261	2,092,782	-	2,357,286	2,357,286
Other enterprise activities	<u>72,506</u>	<u>93,591</u>	<u>-</u>	<u>-</u>	<u>21,085</u>	<u>21,085</u>
Total Business-Type Activities	<u>8,927,254</u>	<u>8,786,522</u>	<u>2,532,696</u>	<u>-</u>	<u>2,391,964</u>	<u>2,391,964</u>
	<u>\$ 74,511,129</u>	<u>\$ 9,455,535</u>	<u>\$ 6,424,769</u>	<u>(61,022,789)</u>	<u>2,391,964</u>	<u>(58,630,825)</u>
General Revenues:						
Property taxes levied for general purposes				27,652,764	-	27,652,764
Grants and entitlements:						
Grants provided for permanent improvement projects				4,633,183	-	4,633,183
Unrestricted grants and entitlements				47,182,208	-	47,182,208
Investment earnings				2,881,831	128,541	3,010,372
Miscellaneous				305,513	-	305,513
Transfers				<u>(250,000)</u>	<u>250,000</u>	<u>-</u>
Total general revenues and transfers				82,405,499	378,541	82,784,040
Change in net position				21,382,710	2,770,505	24,153,215
Net position beginning of year, <i>as previously presented</i>				72,431,433	4,773,137	77,204,570
Change in accounting principle				<u>(2,006,396)</u>	<u>(66,389)</u>	<u>(2,072,785)</u>
Net position beginning of year, <i>as restated</i>				<u>70,425,037</u>	<u>4,706,748</u>	<u>75,131,785</u>
Net position end of year				\$ 91,807,747	\$ 7,477,253	\$ 99,285,000

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Balance Sheet

Governmental Funds

June 30, 2025

	General	Permanent Improvement	(Formerly major) Miscellaneous Federal Grants	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 27,043,427	\$ 34,793,526	\$ -	\$ 10,444,283	\$ 72,281,236
Receivables:					
Taxes	28,065,551	-	-	-	28,065,551
Accounts	10,702	120	-	3,024	13,846
Intergovernmental	-	-	-	740,102	740,102
Prepaid items	24,445	-	-	-	24,445
Interfund receivable	1,900,000	-	-	-	1,900,000
Total assets	<u>\$ 57,044,125</u>	<u>\$ 34,793,646</u>	<u>\$ -</u>	<u>\$ 11,187,409</u>	<u>\$ 103,025,180</u>
Liabilities:					
Accounts payable	\$ 13,198	\$ 3,957	\$ -	\$ 1,337,599	\$ 1,354,754
Accrued wages and benefits	5,834,625	-	-	12,716	5,847,341
Unearned revenue	-	-	-	2,435,874	2,435,874
Interfund payable	-	-	-	1,900,000	1,900,000
Compensated absences payable	192,934	-	-	-	192,934
Total liabilities	<u>6,040,757</u>	<u>3,957</u>	<u>-</u>	<u>5,686,189</u>	<u>11,730,903</u>
Deferred Inflows of Resources:					
Taxes levied for next fiscal year	26,559,490	-	-	-	26,559,490
Unavailable revenue	815,551	-	-	324,848	1,140,399
Total deferred inflows of resources	<u>27,375,041</u>	<u>-</u>	<u>-</u>	<u>324,848</u>	<u>27,699,889</u>
Fund Balances:					
Nonspendable	162,479	-	-	-	162,479
Restricted	409,216	-	-	5,513,935	5,923,151
Committed	1,731,667	-	-	-	1,731,667
Assigned	7,013,784	34,789,689	-	-	41,803,473
Unassigned	14,311,181	-	-	(337,563)	13,973,618
Total fund balances	<u>23,628,327</u>	<u>34,789,689</u>	<u>-</u>	<u>5,176,372</u>	<u>63,594,388</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 57,044,125</u>	<u>\$ 34,793,646</u>	<u>\$ -</u>	<u>\$ 11,187,409</u>	<u>\$ 103,025,180</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2025

Total Governmental Fund Balances	\$ 63,594,388
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	76,020,384
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Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	1,140,399
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(5,818,000)
Compensated absences	(5,358,187)
Lease liabilities	(389,267)
Accrued interest	(10,077)
	(11,575,531)

Deferred losses on refunding of long-term debt is not recorded in the fund financial statements.	175,831
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The net pension and net OPEB liabilities are not due and payable in the current period. The net OPEB assets are not available to pay for current period expenditures. Therefore, the assets, liabilities, and related deferred outflows and inflows of resources are not reported in the governmental funds:	
Deferred outflows - pension and OPEB	12,810,817
Deferred inflows - pension and OPEB	(10,174,464)
Net OPEB assets	3,338,323
Net pension liability	(42,002,492)
Net OPEB liability	(1,519,908)
	(37,547,724)

Net Position of Governmental Activities	\$ 91,807,747
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See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2025

	General	Permanent Improvement	(Formerly major) Miscellaneous Federal Grants	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 27,792,803	\$ -	\$ -	\$ -	\$ 27,792,803
Tuition and fees	114,443	-	-	-	114,443
Investment income	1,897,972	983,859	-	1,614	2,883,445
Charges for services	-	-	-	502,775	502,775
Intergovernmental	47,182,208	-	-	8,163,382	55,345,590
Miscellaneous	183,469	30,671	-	178,580	392,720
Total revenues	77,170,895	1,014,530	-	8,846,351	87,031,776
Expenditures:					
Current:					
Instruction:					
Regular	342,104	-	-	-	342,104
Vocational education	35,673,994	-	-	782,728	36,456,722
Other	126,732	-	-	115,784	242,516
Support services:					
Pupil	1,669,975	-	-	447,885	2,117,860
Instructional staff	4,184,449	-	-	1,099,289	5,283,738
General administration	72,958	-	-	-	72,958
School administration	3,036,515	-	-	141,287	3,177,802
Fiscal	1,948,154	-	-	-	1,948,154
Business	473,510	-	-	-	473,510
Operation and maintenance of plant	5,816,749	799,603	-	485,139	7,101,491
Pupil transportation	270,068	-	-	-	270,068
Central	4,585,832	-	-	148,192	4,734,024
Non-instructional services:					
Extracurricular	649,848	-	-	552,036	1,201,884
Community service	1,025	-	-	636,641	637,666
Capital outlay	1,327,536	4,881,166	-	8,048,492	14,257,194
Debt Service:					
Principal	147,503	-	-	486,000	633,503
Interest and fiscal charges	25,703	-	-	125,637	151,340
Total expenditures	60,352,655	5,680,769	-	13,069,110	79,102,534
Excess (deficiency) of revenues over (under) expenditures	16,818,240	(4,666,239)	-	(4,222,759)	7,929,242
Other financing sources (uses):					
Transfers in	-	13,500,000	-	711,637	14,211,637
Transfers out	(14,461,637)	-	-	-	(14,461,637)
Issuance of lease financing	131,349	-	-	-	131,349
Total other financing sources (uses)	(14,330,288)	13,500,000	-	711,637	(118,651)
Net change in fund balances	2,487,952	8,833,761	-	(3,511,122)	7,810,591
Fund balance, beginning of year, as previously presented	21,140,375	25,955,928	189,954	8,497,540	55,783,797
Change in reporting entity	-	-	(189,954)	189,954	-
Fund balance, beginning of year as restated	21,140,375	25,955,928	-	8,687,494	55,783,797
Fund balance, end of year	\$ 23,628,327	\$ 34,789,689	\$ -	\$ 5,176,372	\$ 63,594,388

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$	7,810,591
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*Amounts reported for governmental activities in the
statement of activities are different because:*

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

Capital asset additions		13,728,737
Depreciation and amortization expense		(3,356,547)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		184,809
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported expenditures in governmental funds:

Compensated absences		(857,600)
Interest on long-term debt		785
Deferred loss on refunding		(13,526)

Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Bond principal		486,000
Lease principal		147,503

The issuance of lease financing is recorded as other financing sources in the governmental funds, but is recorded as a long-term liability on the statement of net position.		(131,349)
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows:

Pension		5,059,107
OPEB		23,272

Except for amounts reported as deferred outflows or inflows of resources, changes in the net pension liabilities and net OPEB assets and liabilities are reported as pension and OPEB expenses in the statement of activities:

Pension		(2,720,005)
OPEB		<u>1,020,933</u>

Change in Net Position of Governmental Activities	\$	<u>21,382,710</u>
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See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Net Position

Enterprise Funds

June 30, 2025

	Adult Education Fund	Other Enterprise Funds	Total
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 8,548,710	\$ 1,108,176	\$ 9,656,886
Receivables:			
Accounts	1,294,915	398	1,295,313
Total current assets	9,843,625	1,108,574	10,952,199
Noncurrent assets:			
Net OPEB asset	412,602	-	412,602
Depreciable capital assets, net	1,553,117	74,594	1,627,711
Total noncurrent assets	1,965,719	74,594	2,040,313
Total assets	11,809,344	1,183,168	12,992,512
Deferred Outflows of Resources:			
Pension	1,426,319	-	1,426,319
OPEB	178,262	-	178,262
Total deferred outflows of resources	1,604,581	-	1,604,581
Liabilities:			
Current liabilities:			
Accounts payable	2,815	-	2,815
Accrued wages and benefits	265,127	10,310	275,437
Compensated absences	94,727	-	94,727
Total current liabilities	362,669	10,310	372,979
Long-term liabilities:			
Compensated absences	277,631	-	277,631
Net pension liability	5,089,724	-	5,089,724
Net OPEB liability	168,879	-	168,879
Total long-term liabilities	5,536,234	-	5,536,234
Total liabilities	5,898,903	10,310	5,909,213
Deferred Inflows of Resources:			
Pension	595,051	-	595,051
OPEB	615,576	-	615,576
Total deferred inflows of resources	1,210,627	-	1,210,627
Net Position:			
Investment in capital assets	1,553,117	74,594	1,627,711
Restricted for OPEB benefits	412,602	-	412,602
Unrestricted	4,338,676	1,098,264	5,436,940
Total net position	\$ 6,304,395	\$ 1,172,858	\$ 7,477,253

See accompanying notes to the basic financial statements.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Statement of Revenues, Expenses and Changes in Fund Net Position

Enterprise Funds

Year Ended June 30, 2025

	Adult Education Fund	Other Enterprise Funds	Total
Operating revenues:			
Charges for services	\$ 8,007,716	\$ 466,261	\$ 8,473,977
Other operating revenues	312,545	-	312,545
Total operating revenues	<u>8,320,261</u>	<u>466,261</u>	<u>8,786,522</u>
Operating expenses:			
Salaries and wages	4,001,443	-	4,001,443
Fringe benefits	1,563,597	10,310	1,573,907
Pension and OPEB expenses	324,455	-	324,455
Contractual services	753,478	769,394	1,522,872
Materials and supplies	1,128,872	72,506	1,201,378
Depreciation	172,873	11,848	184,721
Other expenses	111,039	7,439	118,478
Total operating expenses	<u>8,055,757</u>	<u>871,497</u>	<u>8,927,254</u>
Operating income (loss)	264,504	(405,236)	(140,732)
Nonoperating revenues:			
State and federal grants	2,092,782	408,306	2,501,088
Interest income	128,541	31,608	160,149
Total nonoperating revenues	<u>2,221,323</u>	<u>439,914</u>	<u>2,661,237</u>
Net income before transfers	2,485,827	34,678	2,520,505
Transfers in	-	250,000	250,000
Change in net position	2,485,827	284,678	2,770,505
Net position beginning of year, <i>as previously presented</i>	3,884,957	888,180	4,773,137
Change in accounting principle	(66,389)	-	(66,389)
Net position beginning of year, <i>as restated</i>	<u>3,818,568</u>	<u>888,180</u>	<u>4,706,748</u>
Net position, end of year	<u>\$ 6,304,395</u>	<u>\$ 1,172,858</u>	<u>\$ 7,477,253</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, 2025

	Adult Education Fund	Other Enterprise Funds	Total
Cash flows from operating activities:			
Cash received from customers	\$ 7,484,072	\$ 466,021	\$ 7,950,093
Cash received from other operating sources	323,732	-	323,732
Cash payments for personal services	(5,358,994)	(6,597)	(5,365,591)
Cash payments for contract services	(744,160)	(769,394)	(1,513,554)
Cash payments for supplies and materials	(1,148,361)	(72,506)	(1,220,867)
Cash payments for other expenses	(148,118)	(7,439)	(155,557)
Net cash from operating activities	<u>408,171</u>	<u>(389,915)</u>	<u>18,256</u>
Cash flows from noncapital financing activities:			
Transfers	-	250,000	250,000
Cash received from state and federal grants	4,276,534	408,306	4,684,840
Cash paid to students for tuition and other reimbursements	(2,183,752)	-	(2,183,752)
Net cash from noncapital financing activities	<u>2,092,782</u>	<u>658,306</u>	<u>2,751,088</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(715,323)</u>	<u>-</u>	<u>(715,323)</u>
Cash flows from investing activities:			
Investment income	<u>128,541</u>	<u>31,608</u>	<u>160,149</u>
Net change in cash and investments	1,914,171	299,999	2,214,170
Cash and investments at beginning of year	<u>6,634,539</u>	<u>808,177</u>	<u>7,442,716</u>
Cash and investments at end of year	<u>\$ 8,548,710</u>	<u>\$ 1,108,176</u>	<u>\$ 9,656,886</u>
Reconciliation of operating income (loss) to net cash from operating activities:			
Operating income (loss)	\$ 264,504	\$ (405,236)	\$ (140,732)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	172,873	11,848	184,721
Changes in assets, liabilities and deferrals:			
Accounts receivable	(535,763)	(240)	(536,003)
Accounts payable	(23,944)	-	(23,944)
Accrued wages and benefits	47,746	3,713	51,459
Compensated absences payable	158,300	-	158,300
Net pension liability and related deferrals	478,443	-	478,443
Net OPEB asset, liability and related deferrals	(153,988)	-	(153,988)
Net cash from operating activities	<u>\$ 408,171</u>	<u>\$ (389,915)</u>	<u>\$ 18,256</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, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Butler Technology and Career Development Schools (the "School District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

A. Reporting Entity

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

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

During the fiscal year, the School District reported a change in reporting entity, with the Miscellaneous Federal Grants Fund no longer satisfying the criteria to be reported as a major governmental fund.

B. Basis of Presentation

Government-wide Financial Statements. The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government. 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.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

B. Basis of Presentation - *continued*

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.

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, current liabilities, and deferred inflows of resources 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, liabilities and deferred outflows and inflows of resources associated with the operation of these funds are included on the balance sheet. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total assets.

Operating revenues and expenses generally result from providing services and producing and delivering services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

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 and proprietary.

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, liabilities and deferred inflows of resources 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 transferred in to be used for the acquisition, construction and improvement of capital projects 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 expenses involved in upgrading and retraining out-of-school youth and adults for the purpose of improving their skills and knowledge in their current or planned occupation.

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.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

D. Basis of Accounting - *continued*

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

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

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

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

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

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

Deferred Outflows of Resources. In addition to assets, the statement of financial position will sometimes report a separate section of deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position and proprietary funds' statement of net position for deferred loss on refunding, pension and other postemployment benefits other than pension (OPEB). A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are detailed in Notes 7 and 8.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

D. Basis of Accounting - *continued*

Deferred Inflows of Resources. In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, unavailable revenue, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and income taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 7 and 8).

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet. During 2025, investments were limited to U.S. agency obligations, commercial paper, municipal bonds, U.S. treasuries, brokered certificates of deposit, STAR Ohio, and money market funds.

The Governmental Accounting Standards Board Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value be reported in the operating statement. The School District recorded investments held at June 30, 2025 at the fair value.

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

F. Capital Assets

Capital assets, which include property, plant and equipment, and right-to-use lease assets 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 acquisition value 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.

Right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying assets. All other reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

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

G. Interfund Balances

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

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

H. Compensated Absences

The School District recognizes a liability for compensated absences for leave time that is (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

H. Compensated Absences - *continued*

A liability for compensated absences is recorded as incurred in the government-wide and enterprise fund financial statements of net position. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

I. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension and OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

J. Pension and OPEB

For purposes of measuring the net pension and OPEB assets and liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the retirement systems and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The retirement systems report investments at fair value.

K. Fund Balances

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

K. Fund Balances - *continued*

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District’s highest level of decision-making authority. The Board of Education is the highest level of decision-making authority for the School District that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

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

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

L. Net Position

Net position represents assets and deferred outflows of resources, reduced by liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

M. Estimates

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

2. DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including pass book accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

2. DEPOSITS AND INVESTMENTS—*continued*

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 State Treasury Assets Reserve of Ohio (STAR Ohio), is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

2. DEPOSITS AND INVESTMENTS—*continued*

For fiscal year 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose.

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*:

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, \$42,542,197 of the School District's bank balance of \$43,292,197 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, or by the OPCS.

Investments

The School District's investments at June 30, 2025 are summarized as follows:

	Balance at 6/30/25	Weighted Average Maturity (Years)	Concentration of Credit Risk	Moody's/ S&P Ratings
U.S. Agency Obligations	\$ 4,523,947	3.82	10.64%	Aa1 / AA+
Commercial paper	2,860,691	0.43	6.73%	P-1 / A-1 to A-1+
Municipal bonds	560,212	5.84	1.32%	Aa2 / AA+
U.S. Treasuries	7,285,158	4.08	17.13%	Aa1 / AA+
Brokered CDs	7,527,186	1.89	17.70%	n/a
STAR Ohio	18,764,922	0.08	44.14%	AAAm
U.S. Money market	994,579	0.12	2.34%	AAAm
	<u>\$ 42,516,695</u>		<u>100.00%</u>	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

2. DEPOSITS AND INVESTMENTS—continued

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 brokered certificates of deposit are covered by FDIC.

Concentration of Credit Risk

The School District's policy places no limit on the amount it may invest in any one issuer.

Interest Rate Risk

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

Fair Value Measurements

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The School District had the following reoccurring fair value measurements as of June 30, 2025:

Investments by Fair Value Level	Balance at 6/30/25	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Agency Obligations	\$ 4,523,947	\$ -	\$ 4,523,947	\$ -
Commercial paper	2,860,691	-	2,860,691	-
Municipal bonds	560,212	-	560,212	-
U.S. Treasuries	7,285,158	7,285,158	-	-
Brokered CDs	7,527,186	-	7,527,186	-
STAR Ohio (net asset value)	18,764,922	n/a	n/a	n/a
U.S. Money market (amortized cost)	994,579	n/a	n/a	n/a
	<u>\$ 42,516,695</u>	<u>\$ 7,285,158</u>	<u>\$ 15,472,036</u>	<u>\$ -</u>

Investments classified in Level 1 of the fair value hierarchy are valued using quoted market prices. Investments classified in Level 2 of the fair value hierarchy are valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

3. PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of the prior January 1, 2024, the lien date. Assessed values for real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternative payment dates to be established.

Public utility property taxes revenue received in calendar year 2025 represent collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien on December 31, 2023, were levied after April 1, 2024 and are collected in calendar year 2025 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Butler and Hamilton counties. The County Auditors periodically advance to the School District its portion of taxes collected. Second-half real property tax payments collected by the counties by June 30, 2025 are available to finance fiscal year 2025 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes that became measurable as of June 30, 2025. 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 inflows of resources for that portion not intended to finance current year operations.

The assessed values upon which fiscal year 2025 taxes were collected are:

	2024 Second-Half Collections		2025 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 14,709,637,760	94.80%	\$ 14,850,435,100	94.69%
Public Utility	806,662,810	5.20%	833,302,280	5.31%
Total Assessed Value	<u>\$ 15,516,300,570</u>	100.00%	<u>\$ 15,683,737,380</u>	100.00%
Tax rate per \$1,000 of assessed valuation	\$1.93		\$1.93	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

4. INTERFUND TRANSACTIONS

Interfund transactions for the year ended June 30, 2025, consisted of the following:

	Interfund		Transfers	
	Receivables	Payables	In	Out
General Fund	\$ 1,900,000	\$ -	\$ -	\$ 14,461,637
Permanent Improvement Fund	-	-	13,500,000	-
Other Governmental Funds	-	1,900,000	711,637	-
Other Enterprise Funds	-	-	250,000	-
Total	<u>\$ 1,900,000</u>	<u>\$ 1,900,000</u>	<u>\$ 14,461,637</u>	<u>\$ 14,461,637</u>

Interfund loans were made to provide operating capital for grant programs that operate on a reimbursement-basis. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) maintain debt service.

5. 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 2025, the School District contracted with the Ohio School Plan for general liability insurance with \$3,000,000 each occurrence limit and a \$5,000,000 aggregate. Buildings, contents and school vehicles are protected through a local insurance agent. There were no significant reductions in insurance coverage in the prior year. Settlements have not exceeded insurance coverage during the past three fiscal years.

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

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

6. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 5,458,966	\$ -	\$ -	\$ 5,458,966
Construction in progress	1,523,592	11,218,309	(2,650,719)	10,091,182
Subtotal	6,982,558	11,218,309	(2,650,719)	15,550,148
Capital assets being depreciated:				
Land improvements	5,976,428	-	-	5,976,428
Building and improvements	85,227,255	2,993,237	-	88,220,492
Furniture and equipment	20,454,997	2,008,601	-	22,463,598
Vehicles	1,284,545	27,960	-	1,312,505
Books	500,516	-	-	500,516
Right-to-use lease assets	812,092	131,349	-	943,441
Subtotal	114,255,833	5,161,147	-	119,416,980
Totals at historical cost	121,238,391	16,379,456	(2,650,719)	134,967,128
Less accumulated depreciation:				
Land improvements	2,943,735	170,487	-	3,114,222
Building and improvements	33,583,054	2,094,853	-	35,677,907
Furniture and equipment	16,924,693	919,529	-	17,844,222
Vehicles	1,212,803	22,060	-	1,234,863
Books	500,516	-	-	500,516
Right-to-use lease assets	425,396	149,618	-	575,014
Total accumulated depreciation	55,590,197	3,356,547	-	58,946,744
Capital assets, net	\$ 65,648,194	\$ 13,022,909	\$ (2,650,719)	\$ 76,020,384

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

6. CAPITAL ASSETS—continued

Depreciation and amortization expense was charged to governmental functions as follows:

Instruction:	
Vocational education	\$ 1,475,846
Support services:	
Pupil	5,424
Instructional staff	17,131
School administration	12,074
Fiscal	2,016
Business	38
Operation and maintenance of plant	1,618,674
Pupil transportation	63,756
Central	161,588
	<u>\$ 3,356,547</u>

	Beginning Balance	Additions	Disposals	Ending Balance
Business-type Activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 16,132	\$ -	\$ (16,132)	\$ -
Capital assets being depreciated:				
Land improvements	90,790	-	-	90,790
Building and improvements	352,731	241,893	-	594,624
Furniture and equipment	2,149,471	467,712	-	2,617,183
Vehicles	345,158	21,850	-	367,008
Subtotal	2,938,150	731,455	-	3,669,605
Totals at historical cost	2,954,282	731,455	(16,132)	3,669,605
Less accumulated depreciation:				
Land improvements	8,905	3,026	-	11,931
Building and improvements	103,118	20,044	-	123,162
Furniture and equipment	1,588,881	121,764	-	1,710,645
Vehicles	156,269	39,887	-	196,156
Total accumulated depreciation	1,857,173	184,721	-	2,041,894
Capital assets, net	\$ 1,097,109	\$ 546,734	\$ (16,132)	\$ 1,627,711

Depreciation expense was charged to proprietary funds as follows:

Adult education	\$ 172,873
Food services	11,848
	<u>\$ 184,721</u>

7. PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the way pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for contractually-required pension contributions outstanding at the end of the year is included in *accrued wages and benefits payable* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

7. PENSION PLANS—*continued*

Age and service requirements for retirement are as follows:

Benefits	Eligible to Retire on or before August 1, 2017*	Eligible to Retire after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2% for the first 30 years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10% for plan members and 14% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, and Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund and Medicare B Fund).

The School District's contractually required contribution to SERS was \$1,235,880 for fiscal year 2025. Of this amount, \$49,092 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

7. PENSION PLANS—*continued*

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. For members who were eligible to retire on July 1, 2015, the annual benefit is the greater of the benefit amount calculated upon retirement under the new benefit formula or the frozen benefit amount as of July 1, 2015. Effective August 1, 2021 to July 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age; or 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective August 1, 2023 to May 31, 2025, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit at age 65. Retirement eligibility for reduced benefits is 29 years of service credit at any age; or 5 years of service credit and age 60. Effective June 1, 2025 to July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age or 5 years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 29 years of service credit at any age or 5 years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 11.09% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 2.91% of the 14% employer rate is allocated to the defined benefit unfunded liabilities. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with 5 years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC Plan or CO Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

7. PENSION PLANS—*continued*

A DB or CO Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013 must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2025, plan members were required to contribute 14% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2025 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was approximately \$4,482,954 for fiscal year 2025. Of this amount, \$519,807 is recorded as accrued wages and benefits.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources for Pensions

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net			
Pension Liability	\$ 9,042,066	\$ 38,050,150	\$ 47,092,216
Proportion of the Net Pension			
Liability	0.176755%	0.197749%	
Change in Proportion	0.010206%	0.003998%	
Pension Expense	\$ 314,386	\$ 3,543,789	\$ 3,858,175

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

7. PENSION PLANS—continued

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 345,218	\$ 2,396,164	\$ 2,741,382
Change in assumptions	80,888	1,753,560	1,834,448
Change in School District's proportionate share and difference in employer contributions	661,758	1,830,334	2,492,092
School District's contributions subsequent to the measurement date	1,235,880	4,482,954	5,718,834
Total Deferred Outflows of Resources	<u>\$ 2,323,744</u>	<u>\$ 10,463,012</u>	<u>\$ 12,786,756</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 20,836	\$ 20,836
Net difference between projected and actual earnings on pension plan investments	565,576	3,271,539	3,837,115
Change in assumptions	-	1,319,927	1,319,927
Change in School District's proportionate share and difference in employer contributions	-	283,085	283,085
Total Deferred Inflows of Resources	<u>\$ 565,576</u>	<u>\$ 4,895,387</u>	<u>\$ 5,460,963</u>

\$5,718,834 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	\$ (129,150)	\$ (1,752,587)	\$ (1,881,737)
2027	810,125	3,975,219	4,785,344
2028	7,623	(483,028)	(475,405)
2029	(166,310)	(654,933)	(821,243)
	<u>\$ 522,288</u>	<u>\$ 1,084,671</u>	<u>\$ 1,606,959</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

7. PENSION PLANS—*continued*

Actuarial Assumptions - SERS

The total pension liability is determined by SERS' actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

Inflation	2.40%
Future Salary Increases, including Inflation	3.25% to 13.58%
COLA or Ad Hoc COLA	2.00%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following retirement
Investment Rate of Return	7.00% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

7. PENSION PLANS—continued

Mortality Assumptions

Service Retirement: PUB-2010 General Employee Amount Weighted Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Disabled Retirement: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Contingent Survivor: PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in the *Statement of Investment Policy*. ORC 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00%	0.97%
U.S. Equity	22.00%	4.68%
Non-U.S. Equity Developed	12.00%	4.96%
Non-U.S. Equity Emerging	6.00%	5.66%
Fixed Income/Global Bonds	18.00%	2.38%
Private Equity	14.00%	7.10%
Real Estate/Real Assets	13.00%	3.64%
Infrastructure	7.00%	4.80%
Private Debt/Private Credit	5.00%	5.86%
	100.00%	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

7. PENSION PLANS—continued

Discount Rate – Total pension liability was calculated using the discount rate of 7.0%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$13,833,109	\$9,042,066	\$5,008,266

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.00%
Investment rate of return	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%
Cost-of-living adjustments (COLA)	0%

For healthy retirees, the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table, adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

The actuarial assumptions used in the June 30, 2024 valuation are based on the results of the latest available actual experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

7. PENSION PLANS—*continued*

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00%	6.90%
International Equity	22.00%	7.70%
Alternatives	19.00%	9.10%
Fixed Income	22.00%	4.50%
Real Estate	10.00%	5.10%
Liquidity Reserves	1.00%	2.40%
	100.00%	

* Final target weights reflected at October 1, 2022.

** 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Assumption and benefit changes since the prior measurement date include: retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages, and demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Discount Rate – The discount rate used to measure the total pension liability was 7.0% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.0% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
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7. PENSION PLANS—continued

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$61,381,561	\$38,050,150	\$18,315,786

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, 2025, some members of the Board of Education have elected Social Security. The School District's liability is 6.2% of wages paid.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to (or assets for) employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the School District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, health care cost trend rates and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* or fully-funded benefits as a long-term *net OPEB asset* on the accrual basis of accounting. Any liability for contractually-required OPEB contributions outstanding at the end of the fiscal year is included in *accrued wages and benefits* on both the accrual and modified accrual bases of accounting.

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description—SERS' Health Care program provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986 need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute.

Funding Policy—The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. SERS' goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, SERS shall manage the Health Care Fund on a pay-as-you-go basis.

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, there was no portion allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, the minimum compensation amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was \$35,923.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

Plan Description - State Teachers Retirement System (STRS)

Plan Description—The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing, multiple-employer health care plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS to recover part of the cost for providing prescription coverage since all eligible STRS health care plans include creditable prescription drug coverage.

Funding Policy—Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2025, no employer allocation was made to the health care fund.

OPEB Liabilities (Assets), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability/(Asset)	\$ 1,688,787	\$ (3,750,925)	\$ (2,062,138)
Proportion of the Net OPEB Liability/(Asset)	0.165812%	0.197749%	
Change in Proportion	0.009990%	0.003998%	
(Negative) OPEB Expense	\$ (372,164)	\$ (790,106)	\$ (1,162,270)

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ -	\$ 163,057	\$ 163,057
Net difference between projected and actual earnings on OPEB plan investments	8,245	-	8,245
Change in assumptions	724,828	461,687	1,186,515
Change in School District's proportionate share and difference in employer contributions	225,804	9,098	234,902
School District's contributions subsequent to the measurement date	35,923	-	35,923
Total Deferred Outflows of Resources	<u>\$ 994,800</u>	<u>\$ 633,842</u>	<u>\$ 1,628,642</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 1,820,951	\$ 404,220	\$ 2,225,171
Net difference between projected and actual earnings on OPEB plan investments	-	161,056	161,056
Change in assumptions	775,767	1,691,646	2,467,413
Change in School District's proportionate share and difference in employer contributions	1,011,071	59,417	1,070,488
Total Deferred Inflows of Resources	<u>\$ 3,607,789</u>	<u>\$ 2,316,339</u>	<u>\$ 5,924,128</u>

\$35,923 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	\$ (644,732)	\$ (579,156)	\$ (1,223,888)
2027	(504,257)	(259,337)	(763,594)
2028	(428,974)	(331,557)	(760,531)
2029	(388,591)	(309,287)	(697,878)
2030	(386,108)	(252,042)	(638,150)
2031-2034	(296,250)	48,882	(247,368)
	<u>\$ (2,648,912)</u>	<u>\$ (1,682,497)</u>	<u>\$ (4,331,409)</u>

Actuarial Assumptions – SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Valuation Date	June 30, 2024 (the measurement date)
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Experience Study Date	Period of 5 years ended June 30, 2020
Investment Rate of Return	7.00%, net of investment expenses, including inflation
Municipal Bond Index Rate:	
Prior Measurement Date	3.86%
Current Measurement Date	3.93%
Year Fiduciary Net Position is Projected to be depleted	2059
Single Equivalent Interest Rate:	
Prior Measurement Date	4.27%
Current Measurement Date	4.88%
Future Salary Increases, including Inflation	3.25% - 13.58%
Inflation	2.40%
Health Care Cost Trend Rate	7.00% - 4.40%
Mortality Assumptions	<p><i>Base Mortality</i></p> <p>Healthy Retirees: PUB-2010 General Employee Amount Weighted Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.</p> <p>Disabled Retirees: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.</p>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—continued

Mortality Assumptions (continued)

Base Mortality

Contingent Survivors: PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

Actives: PUB-2010 General Amount Weighted Below Median Employee mortality table

Mortality Projection

Mortality rates are projected using a fully generational projection with Scale MP-2020.

The long-term expected rate of return is reviewed as part of the regular experience studies prepared every five years for SERS. The most recent five-year experience study was performed for the period covering fiscal years 2016 through 2020, and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00%	0.97%
U.S. Equity	22.00%	4.68%
Non-U.S. Equity Developed	12.00%	4.96%
Non-U.S. Equity Emerging	6.00%	5.66%
Fixed Income/Global Bonds	18.00%	2.38%
Private Equity	14.00%	7.10%
Real Estate/Real Assets	13.00%	3.64%
Infrastructure	7.00%	4.80%
Private Debt/Private Credit	5.00%	5.86%
	100.00%	

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—continued

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2024 was 4.88%. The discount rate used to measure total OPEB liability prior to June 30, 2024 was 4.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 1.5% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023 and the June 30, 2024 total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93% at June 30, 2024 and 3.86% at June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and the Health Care Cost Trend Rates – The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability calculated using the discount rate of 4.88%, as well as what the School District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.88%) and one percentage point higher (5.88%) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
School District's proportionate share of the net OPEB liability	\$2,251,938	\$1,688,787	\$1,241,288

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the School District's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (6.00% decreasing to 3.40%) and one percentage point higher (8.00% decreasing to 5.40%) than the current rates.

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$1,141,557	\$1,688,787	\$2,408,077

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—continued

Actuarial Assumptions - STRS

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.0%
Investment rate of return	7.0%, net of investment expenses, including inflation
Discount rate of return	7.0%

Health care cost trends	<u>Initial</u>	<u>Ultimate</u>
Medical		
Pre-Medicare	7.50%	3.94%
Medicare	-112.22%	3.94%
Prescription Drug		
Pre-Medicare	8.00%	3.94%
Medicare	-15.14%	3.94%

For healthy retirees, the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table, adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

The actuarial assumptions used in the June 30, 2024 valuation are based on the results of the latest available actual experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis. STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Rate of Return**</u>
Domestic Equity	26.00%	6.90%
International Equity	22.00%	7.70%
Alternatives	19.00%	9.10%
Fixed Income	22.00%	4.50%
Real Estate	10.00%	5.10%
Liquidity Reserves	1.00%	2.40%
	100.00%	

* Final target weights reflected at October 1, 2022.

** 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

8. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

Benefit term changes since the prior measurement date include healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

Discount Rate – The discount rate used to measure the total OPEB liability was 7.0% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on OPEB plan assets of 7.0% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the School District's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate and the Health Care Cost Trend Rates – The following table presents the School District's proportionate share of the net OPEB (asset) calculated using the current period discount rate assumption of 7.00%, as well as what the School District's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate. Also shown is the net OPEB (asset) as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	(\$3,049,750)	(\$3,750,925)	(\$4,361,101)
		Current Trend Rate	
	1% Decrease		1% Increase
School District's proportionate share of the net OPEB (asset)	(\$4,402,317)	(\$3,750,925)	(\$2,967,542)

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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9. LONG-TERM LIABILITIES

The changes in the School District's long-term liabilities during fiscal year 2025 were as follows:

	<i>Restated</i> Principal Beginning Balance	Additions	Reductions	Principal Ending Balance	Amounts Due in One Year
Governmental Activities:					
General obligation bonds (Direct Placement):					
School Improvement - 2020	\$ 5,595,000	\$ -	\$ (347,000)	\$ 5,248,000	\$ 355,000
Energy Conservation - 2020	709,000	-	(139,000)	570,000	142,000
Lease liabilities	405,421	131,349	(147,503)	389,267	152,569
Compensated absences*	4,511,162	1,039,959	-	5,551,121	1,556,044
Total	<u>\$ 11,220,583</u>	<u>\$ 1,171,308</u>	<u>\$ (633,503)</u>	<u>\$ 11,758,388</u>	<u>\$ 2,205,613</u>
Business-type Activities:					
Compensated absences*	<u>\$ 214,058</u>	<u>158,300</u>	<u>-</u>	<u>\$ 372,358</u>	<u>\$ 94,727</u>

* The change in compensated absences is a net change.

General Obligation Bonds

In March 2014, the School District issued \$8,100,000 in general obligation school improvement bonds to provide funds for the acquisition and construction of career-technical labs for various health-related programs as well as traditional classrooms for academic instruction and to retire outstanding bond anticipation notes. In December 2020, \$5,920,000 of these bonds were refunded with the issuance of \$6,329,000 of Refunding School Improvement Bonds which bear interest at 2.15% and mature on December 1, 2037.

In April 2014, the School District issued \$1,935,000 in general obligation school energy conservation improvement bonds to provide funds for the acquisition, constructing, and installing energy conservation measures. In December 2020, \$935,000 of these bonds were refunded with the issuance of \$995,000 of Refunding School Energy Conservation Bonds which bear interest at 1.42% and mature on December 1, 2028.

Lease Liabilities

The School District leases vehicles from Enterprise Fleet Management and recognizes lease liabilities and corresponding intangible right-to-use lease assets which are recorded with capital assets (see Note 6). These vehicle lease arrangements mature at various intervals and have interest rates ranging from 3.16% to 9.14%. In fiscal year 2025, the School District entered into new lease agreements for several vehicles in the amount of \$131,349 that bear interest rates of 7.35% to 7.45% and mature in fiscal year 2030.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
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Year Ended June 30, 2025

9. LONG-TERM LIABILITIES—continued

In fiscal year 2022, the School District entered into a lease agreement with Sanders Investment Corp. for right-to-use office space to house the School District's Project LIFE program, a comprehensive, multi-year transition program in which students develop, practice and strengthen skills that are high predictors of increased adult independence and successful, integrated employment in the community. A right-to-use lease asset and a corresponding lease liability of \$179,158 was recognized in the School District's financial statements using an incremental borrowing rate of 2.55%. The lease commenced on August 1, 2021, ends on July 31, 2026, and contains optional renewal and holdover terms. For the first twenty-four months, the annual rent is \$34,000 per year. For the remainder of the term, the annual rent increases to \$39,000 per year.

The School District entered into a lease agreement with Hamilton City School District to lease space at Hamilton High School for career and technical education services. The lease commenced on July 1, 2019 and ends on June 30, 2029. Additional terms include automatic renewals for rolling three-year periods not to exceed a total of ninety years and either party may terminate the lease without cause after June 30, 2029, with a three-year written notice. In exchange for the space, the School District agreed to invest at least \$700,000 within the first seven years of the agreement through providing career technical services, supplies, materials and/or equipment. Since the investment is based on future performance, the variable payments are recognized as outflows of resources in the fiscal year incurred.

The debt service requirements for the School District's bonds and lease liabilities are as follows:

Year ending	School Improvement		Energy Conservation		Lease Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
June 30,						
2026	\$ 355,000	\$ 109,016	\$ 142,000	\$ 7,081	\$ 152,569	\$ 24,212
2027	364,000	101,287	140,000	5,080	85,289	16,300
2028	366,000	93,439	143,000	3,072	83,428	9,195
2029	379,000	85,430	145,000	1,029	46,317	3,325
2030	384,000	77,228	-	-	21,664	703
2031-2035	2,057,000	256,935	-	-	-	-
2036-2038	1,343,000	43,677	-	-	-	-
	<u>\$ 5,248,000</u>	<u>\$ 767,012</u>	<u>\$ 570,000</u>	<u>\$ 16,262</u>	<u>\$ 389,267</u>	<u>\$ 53,735</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

10. FUND BALANCES

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

Fund Balances	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Unclaimed Funds	\$ 138,034	\$ -	\$ -	\$ 138,034
Prepays	24,445	-	-	24,445
<i>Total Nonspendable</i>	162,479	-	-	162,479
<i>Restricted for</i>				
Scholarships	-	-	186,648	186,648
Local Grant Programs	-	-	141,028	141,028
Classroom Facilities Maintenance	409,216	-	-	409,216
Career-Tech Student Organizations	-	-	539,049	539,049
State Grant Programs	-	-	4,647,210	4,647,210
<i>Total Restricted</i>	409,216	-	5,513,935	5,923,151
<i>Committed to</i>				
Termination benefits	1,731,667	-	-	1,731,667
<i>Assigned to</i>				
Other purposes	44,290	-	-	44,290
Encumbrances	3,969,494	-	-	3,969,494
Budget Resource	3,000,000	-	-	3,000,000
Capital Improvements	-	34,789,689	-	34,789,689
<i>Total Assigned</i>	7,013,784	34,789,689	-	41,803,473
<i>Unassigned</i>	14,311,181	-	(337,563)	13,973,618
<i>Total Fund Balance</i>	\$ 23,628,327	\$34,789,689	\$ 5,176,372	\$ 63,594,388

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

11. FUND BALANCE DEFICITS

At June 30, 2025, the following funds had a deficit fund balance:

Other Governmental Funds:	
Miscellaneous State Grants	\$ 324,847
Vocational Education Fund	12,716

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

12. JOINTLY GOVERNED ORGANIZATION

Southwest Ohio Computer Association

The Southwest 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 Southwest Ohio Computer Association at 3603 Hamilton-Middletown Road, Hamilton, Ohio 45011.

13. INSURANCE PURCHASING POOLS

Butler Health Plan

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

Ohio School Plan

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

13. INSURANCE PURCHASING POOLS—*continued*

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

14. COMMITMENTS AND CONTINGENCIES

Encumbrances

The School District utilizes encumbrance accounting to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The School District's outstanding encumbrance amounts outstanding at June 30, 2025 for governmental funds were:

General Fund	\$ 3,982,692
Permanent Improvement Fund	13,063,159
Other Governmental Funds	<u>8,978,479</u>
	<u>\$ 26,024,330</u>

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2025.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (ODEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by the schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODEW adjustments for fiscal year 2025 are finalized.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

15. REQUIRED SET-ASIDES

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

	<u>Capital Improvements</u>
Set-aside reserve balance as of June 30, 2024	\$ -
Current year set-aside requirement	947,687
Current year qualifying expenditures	<u>(8,250,205)</u>
Total	<u>\$ (7,302,518)</u>
Set-aside reserve balance as of June 30, 2025	<u>\$ -</u>

16. CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year 2025, the School District implemented GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 provides updated guidance on accounting for and reporting compensated absences, which includes recognizing a liability for leave that is attributable to service already rendered and is more likely than not to be used or otherwise paid or settled.

The implementation of GASB Statement No. 101 had the following impact on beginning net positions:

	<u>Adult Education Enterprise Fund</u>
Net Position at June 30, 2024, <i>as previously reported</i>	\$ 3,884,957
Adjustments:	
Change in accounting principle	<u>(66,389)</u>
Net Position at June 30, 2024, <i>as restated</i>	<u>\$ 3,818,568</u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO
Notes to the Basic Financial Statements
Year Ended June 30, 2025

16. CHANGE IN ACCOUNTING PRINCIPLE—*continued*

	Governmental Activities	Business-Type Activities
Net Position at June 30, 2024, <i>as previously reported</i>	\$ 72,431,433	\$ 4,773,137
Adjustments:		
Change in accounting principle	<u>(2,006,396)</u>	<u>(66,389)</u>
Net Position at June 30, 2024, <i>as restated</i>	<u>\$ 70,425,037</u>	<u>\$ 4,706,748</u>

**Required
Supplementary
Information**

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2025

	General Fund			
	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 26,000,000	\$ 26,000,000	\$ 27,569,137	\$ 1,569,137
Tuition	-	-	114,443	114,443
Interest	750,000	750,000	1,451,821	701,821
Intergovernmental	45,200,000	45,200,000	47,184,517	1,984,517
Miscellaneous	50,000	50,000	192,777	142,777
Total revenues	<u>72,000,000</u>	<u>72,000,000</u>	<u>76,512,695</u>	<u>4,512,695</u>
Expenditures:				
Current:				
Instruction:				
Regular	225,000	225,000	355,286	(130,286)
Vocational	39,578,227	40,156,222	36,731,597	3,424,625
Other	138,987	121,979	133,149	(11,170)
Support services:				
Pupil	1,545,716	1,536,419	1,674,941	(138,522)
Instructional staff	4,803,661	4,678,905	4,472,613	206,292
General administration	166,861	166,861	101,586	65,275
School administration	3,568,265	3,532,031	3,119,663	412,368
Fiscal	4,451,970	2,691,455	2,073,781	617,674
Business	557,814	589,826	492,699	97,127
Operation and maintenance of plant	6,522,963	6,541,076	6,409,546	131,530
Pupil transportation	430,348	575,871	533,150	42,721
Central	5,428,221	5,602,474	5,117,431	485,043
Non-instructional services:				
Extracurricular activities	1,288,568	1,288,568	1,051,731	236,837
Food services	4,214	4,128	2,465	1,663
Total expenditures	<u>68,710,815</u>	<u>67,710,815</u>	<u>62,269,638</u>	<u>5,441,177</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,289,185</u>	<u>4,289,185</u>	<u>14,243,057</u>	<u>9,953,872</u>
Other financing uses				
Transfers out	(9,500,000)	(13,600,000)	(15,599,366)	(1,999,366)
Advances out	-	(1,900,000)	(1,900,000)	-
Total other financing sources (uses)	<u>(9,500,000)</u>	<u>(15,500,000)</u>	<u>(17,499,366)</u>	<u>(1,999,366)</u>
Excess of revenues and other sources				
Net change in fund balance	(6,210,815)	(11,210,815)	(3,256,309)	<u>\$ 7,954,506</u>
Fund balance - beginning of year	20,179,707	20,179,707	20,179,707	
Prior year carryover appropriations	3,210,815	3,210,815	3,210,815	
Fund balance - end of year	<u>\$ 17,179,707</u>	<u>\$ 12,179,707</u>	<u>\$ 20,134,213</u>	

See accompanying notes to required supplementary information and accountant's compilation report.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Required Supplementary Information

Schedules of School District's Proportionate Share of the Net Pension Liability

and School District Pension Contributions

School Employees Retirement System of Ohio

Last Ten Fiscal Years

Measurement Date Fiscal Year (1)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.149331%	\$ 8,520,998	\$ 7,118,930	119.69%	69.16%
2017	0.151333%	11,076,213	6,725,307	164.69%	62.98%
2018	0.144864%	8,655,320	5,282,993	163.83%	69.50%
2019	0.148489%	8,504,245	5,705,770	149.05%	71.36%
2020	0.146331%	8,755,220	5,625,163	155.64%	70.85%
2021	0.146967%	9,720,713	5,939,400	163.66%	68.55%
2022 (2)	0.212624%	7,845,202	5,839,993	134.34%	82.86%
2023	0.154347%	8,348,266	6,443,979	129.55%	75.82%
2024	0.166549%	9,202,704	7,302,257	126.03%	76.06%
2025	0.176755%	9,042,066	8,242,207	109.70%	78.52%

(1) Amounts presented for each year were determined as of the School District's measurement date, which is the prior fiscal year-end.

(2) Fiscal year 2022 was the first year the School District was no longer the fiscal agent for SWOCA requiring a portion of the School District's proportion of the net pension liability.

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 941,543	\$ (941,543)	\$ -	\$ 6,725,307	14.00%
2017	739,619	(739,619)	-	5,282,993	14.00%
2018	770,279	(770,279)	-	5,705,770	13.50%
2019	759,397	(759,397)	-	5,625,163	13.50%
2020	831,516	(831,516)	-	5,939,400	14.00%
2021	817,599	(817,599)	-	5,839,993	14.00%
2022	902,157	(902,157)	-	6,443,979	14.00%
2023	1,022,316	(1,022,316)	-	7,302,257	14.00%
2024	1,153,909	(1,153,909)	-	8,242,207	14.00%
2025	1,235,880	(1,235,880)	-	8,827,714	14.00%

See Notes to Required Supplementary Information.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Required Supplementary Information

Schedules of School District's Proportionate Share of the Net Pension Liability

and School District Pension Contributions

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

Measurement Date Fiscal Year (1)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.181389%	\$ 50,130,722	\$ 20,584,564	243.54%	72.1%
2017	0.172089%	57,603,392	19,512,650	295.21%	66.8%
2018	0.175478%	41,683,703	20,455,157	203.78%	75.3%
2019	0.181048%	39,808,300	22,872,236	174.05%	77.3%
2020	0.181953%	40,237,889	23,684,393	169.89%	77.4%
2021	0.188937%	45,715,969	25,222,707	181.25%	75.5%
2022	0.192385%	24,598,165	26,056,979	94.40%	87.8%
2023	0.185043%	41,135,290	26,427,179	155.66%	78.9%
2024	0.193751%	41,724,240	27,651,907	150.89%	80.0%
2025	0.197749%	38,050,151	30,923,300	123.05%	82.5%

(1) Amounts presented for each year were determined as of the School District's measurement date, which is the prior fiscal year-end.

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 2,731,771	\$ (2,731,771)	\$ -	\$ 19,512,650	14.00%
2017	2,863,722	(2,863,722)	-	20,455,157	14.00%
2018	3,202,113	(3,202,113)	-	22,872,236	14.00%
2019	3,315,815	(3,315,815)	-	23,684,393	14.00%
2020	3,531,179	(3,531,179)	-	25,222,707	14.00%
2021	3,647,977	(3,647,977)	-	26,056,979	14.00%
2022	3,699,805	(3,699,805)	-	26,427,179	14.00%
2023	3,871,267	(3,871,267)	-	27,651,907	14.00%
2024	4,329,262	(4,329,262)	-	30,923,300	14.00%
2025	4,482,954	(4,482,954)	-	32,021,100	14.00%

See Notes to Required Supplementary Information.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Required Supplementary Information

 Schedules of School District's Proportionate Share of the Net OPEB Liability
 and School District OPEB Contributions
 School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability	School District's Proportionate Share of the Net OPEB Liability	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.136182%	\$ 3,881,689	\$ 6,725,307	57.72%	11.49%
2018	0.135018%	3,623,536	5,282,993	68.59%	12.46%
2019	0.138557%	3,843,951	5,705,770	67.37%	13.57%
2020	0.135895%	3,417,476	5,625,163	60.75%	15.57%
2021	0.137049%	2,978,517	5,939,400	50.15%	18.17%
2022 (3)	0.196469%	3,718,334	5,839,993	63.67%	24.08%
2023	0.143594%	2,016,074	6,443,979	31.29%	30.34%
2024	0.155822%	2,567,076	7,302,257	35.15%	30.02%
2025	0.165812%	1,688,787	8,242,207	20.49%	44.50%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the School District's measurement date, which is the prior fiscal year-end.

(3) Fiscal year 2022 was the first year the School District was no longer the fiscal agent for SWOCA requiring a portion of the School District's proportion of the net OPEB liability.

Fiscal Year (4)	Contractually Required Contributions (5)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 21,908	\$ (21,908)	\$ -	\$ 6,725,307	0.33%
2017	24,203	(24,203)	-	5,282,993	0.46%
2018	58,097	(58,097)	-	5,705,770	1.02%
2019	51,454	(51,454)	-	5,625,163	0.91%
2020	21,503	(21,503)	-	5,939,400	0.36%
2021	21,061	(21,061)	-	5,839,993	0.36%
2022	21,009	(21,009)	-	6,443,979	0.33%
2023	29,974	(29,974)	-	7,302,257	0.41%
2024	36,865	(36,865)	-	8,242,207	0.45%
2025	35,923	(35,923)	-	8,827,714	0.41%

(4) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(5) Includes Surcharge.

See Notes to Required Supplementary Information.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Required Supplementary Information

 Schedules of School District's Proportionate Share of the Net OPEB Liability/(Asset)
 and School District OPEB Contributions
 State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability/ (Asset)	School District's Proportionate Share of the Net OPEB Liability/ (Asset)	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.172089%	\$ 9,203,367	\$ 19,512,650	47.17%	37.3%
2018	0.175472%	6,846,264	20,455,157	33.47%	47.1%
2019	0.181048%	(2,909,251)	22,872,236	(12.72%)	176.0%
2020	0.181953%	(3,013,584)	23,684,393	(12.72%)	174.7%
2021	0.188937%	(3,320,560)	25,222,707	(13.16%)	182.1%
2022	0.192385%	(4,056,283)	26,056,979	(15.57%)	174.7%
2023	0.185043%	(4,791,378)	26,427,179	(18.13%)	230.7%
2024	0.193751%	(3,768,196)	27,651,907	(13.63%)	168.5%
2025	0.197749%	(3,750,925)	30,923,300	(12.13%)	158.0%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

(2) Amounts presented for each year were determined as of the School District's measurement date, which is the prior fiscal year-end.

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ -	\$ -	\$ -	19,512,650	0.00%
2017	-	-	-	20,455,157	0.00%
2018	-	-	-	22,872,236	0.00%
2019	-	-	-	23,684,393	0.00%
2020	-	-	-	25,222,707	0.00%
2021	-	-	-	26,056,979	0.00%
2022	-	-	-	26,427,179	0.00%
2023	-	-	-	27,651,907	0.00%
2024	-	-	-	30,923,300	0.00%
2025	-	-	-	32,021,100	0.00%

(3) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(4) STRS allocated the entire 14% employer contribution rate towards pension benefits.

See Notes to Required Supplementary Information.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO

Notes to Required Supplementary Information

Year Ended June 30, 2025

Note A Budgetary Basis of Accounting

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

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

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

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

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

The adjustments necessary to convert the results of operations for the year ended June 30, 2025, on the GAAP basis to the budget basis are as follows:

	General Fund
Net change in fund balance - GAAP Basis	\$ 2,487,952
Increase / (decrease):	
Due to inclusion of Public School Support Fund	(307)
Due to inclusion of Classroom Facilities Maintenance Fund	808,458
Due to inclusion of Termination Benefits Fund	(388,292)
Due to revenues	(593,126)
Due to expenditures	443,047
Due to other financing sources	(2,031,349)
Due to encumbrances	<u>(3,982,692)</u>
Net change in fund balance - Budget Basis	\$ <u><u>(3,256,309)</u></u>

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Required Supplementary Information

Notes to Required Supplementary Information

School Employees Retirement System of Ohio (SERS)

Notes to Pension Information

Changes of Benefit and Funding Terms

For measurement period 2017, the cost-of-living adjustment (COLA) was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.50% with a floor of 0.0% beginning January 1, 2018. In addition, with the authority granted to the Board under Ohio House Bill 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

For measurement period 2018, with the authority granted to the Board under Ohio Senate Bill 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the COLA was reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement periods 2022 through 2024, COLAs were increased from 2.00% to 2.50% in the subsequent calendar years.

Notes to OPEB Information

Changes of Benefit and Funding Terms

Effective January 1, 2024, the non-Medicare disability health care subsidy amounts were changed to reflect amounts equal to that of service retirees by years of service.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Required Supplementary Information

Notes to Required Supplementary Information

School Employees Retirement System of Ohio (SERS)

Notes to OPEB Information (continued)

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2017, the discount rate was reduced from 2.98% to 3.63%.

For measurement period 2018, the discount rate was increased from 3.63% to 3.70% and health care trend rates were updated.

For measurement period 2019, the discount rate was reduced from 3.70% to 3.22% and health care trend rates were updated.

For measurement period 2020, the discount rate was reduced from 3.22% to 2.63%.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the COLA was reduced from 2.50% to 2.00%, the discount rate was reduced from 2.63% to 2.27%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2022, the discount rate was increased from 2.27% to 4.08% and health care trend rates were updated.

For measurement period 2023, the discount rate was changed from 4.08% to 4.27%, health care trend rates were updated, assumption for percentage of pre-Medicare eligible retirees who choose the Wraparound plan was increased from 10% to 20%, health care trend assumption on retiree premiums was updated to not apply the trend to the \$35 surcharge, assumption was added to assume that 15% of pre-65 retirees who waive health care will elect coverage upon Medicare eligibility, and morbidity factors were updated based on the Society of Actuaries' June 2013 research report, Health Care Cost—From Birth to Death by Dale Yamamoto, and from the Actuarial Standards of Practice (ASOP) 6 practice note developed by the American Academy of Actuaries.

For measurement period 2024, the discount rate was increased from 4.27% to 4.88% and health care trend rates were updated.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Required Supplementary Information

Notes to Required Supplementary Information

State Teachers Retirement System of Ohio (STRS)

Notes to Pension Information

Changes of Benefit and Funding Terms

For measurement period 2017, the cost-of-living adjustment (COLA) was reduced to zero.

Changes of Assumptions

For measurement period 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The health and disabled assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement period 2021, the discount rate was adjusted from 7.45% to 7.00%.

For measurement period 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

For measurement period 2024, retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Notes to OPEB Information

Changes of Benefit and Funding Terms

For measurement period 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

For measurement period 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Required Supplementary Information

Notes to Required Supplementary Information

State Teachers Retirement System of Ohio (STRS)

Notes to OPEB Information (continued)

Changes of Benefit and Funding Terms (continued)

For measurement period 2019, there was no change to the claims cost process. Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For measurement period 2020, there was no change to the claims cost process. Claims curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement period 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement period 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age-based to service-based.

For measurement period 2023, health care trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

For measurement period 2024, health care trends were updated to reflect emerging claims and experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

Required Supplementary Information

Notes to Required Supplementary Information

State Teachers Retirement System of Ohio (STRS)

Notes to OPEB Information (continued)

Changes of Assumptions

For measurement period 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trends were modified along with the portion of rebated prescription drug costs.

For measurement period 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capita health care costs were updated.

For measurement period 2021, the discount rate was adjusted from 7.45% to 7.00%.

For measurement period 2022, health care trends were updated to reflect emerging claims and recoveries experience.

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	3L60	\$ 47,109
Cash Assistance			
School Breakfast Program	10.553	3L70	86,894
National School Lunch Program	10.555	3L60	312,373
COVID - 19 National School Lunch Program	10.555	3L60	-
Total Child Nutrition Cluster			<u>446,376</u>
Total U.S. Department of Agriculture			<u>446,376</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Program</i>			
Student Financial Aid Cluster:			
Federal Direct Student Loan Program	84.268		999,420
Federal Pell Grant Program	84.063		1,022,694
Total Student Financial Aid Cluster			<u>2,022,114</u>
<i>Passed Through Ohio Department of Education and Workforce</i>			
Career and Technical Education - Basic Grants:			
Carl Perkins Secondary	84.048	3L90	1,299,274
Carl Perkins Adult	84.048	3L90	441,060
Total Career and Technical Education - Basic Grants			<u>1,740,334</u>
Total U.S. Department of Education			<u>3,762,448</u>
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through Butler County Commissioners</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		4,845,637
Total U.S. Department of the Treasury			<u>4,845,637</u>
Total Expenditures of Federal Awards			<u><u>9,054,461</u></u>

The accompanying notes are an integral part of this schedule.

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Butler Technology and Career Development Schools (the District) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

NOTE F - MATCHING REQUIREMENTS

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

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

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

To the Board of Education:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the 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, Butler County, Ohio (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2025 wherein we noted that the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink, reading "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 22, 2022

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Butler Technology and Career Development Schools', Butler County, (District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Butler Technology and Career Development Schools' major federal program for the year ended June 30, 2025. Butler Technology and Career Development Schools' major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Butler Technology and Career Development Schools complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 22, 2025

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	21.027 Coronavirus State and Local Fiscal Recovery Funds (SLFRF)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

OHIO AUDITOR OF STATE KEITH FABER



BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/6/2026

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
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