



**ROSS LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ROSS LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
General-Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups.	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund	8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget-Actual (Non-GAAP Budgetary Basis)- All Governmental Fund Types	10
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	12
Combined Statement of Cash Flows - All Proprietary Fund Types	13
Notes to the Financial Statements	15
Schedule of Federal Awards Expenditures	43
Notes to Schedule of Federal Awards Expenditures	44
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	45
Report on Compliance with Requirements Applicable to each Major Federal Program and Internal Control over Compliance in Accordance with <i>OMB Circular A-133</i>	47
Schedule of Findings	49
Schedule of Prior Audit Findings	50

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INDEPENDENT ACCOUNTANTS' REPORT

Ross Local School District
Butler County
3371 Hamilton-Cleves Road
Hamilton, Ohio 45013

To the Board of Education:

We have audited the accompanying general-purpose financial statements of Ross Local School District, Butler County, Ohio (the District), as of and for the fiscal year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Ross Local School District, Butler County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2000 on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Jim Petro
Auditor of State

December 15, 2000

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**ROSS LOCAL SCHOOL DISTRICT
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000**

	GOVERNMENTAL FUND TYPES			
	General Fund	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Equity in pooled cash and investments.....	\$3,741,065	\$349,200		\$104,359
Receivables (net of allowances)..... for uncollectibles)				
Taxes - current.....	5,490,000		50,471	
Taxes - delinquent.....	22,320			
Accounts.....	5,130			
Accrued interest.....	25,419			
Intergovernmental - federal.....		22,996		
Prepayments.....	12,704	76		
Materials and supplies inventory.....	1,395			
Restricted Equity in Pooled Cash and Investments....	285,491			
Property, plant and equipment (net of accumulated depreciation, where applicable).....				
Other debits:				
Amount to be provided for retirement of General Long-term Obligations.....				
Total assets and other debits.....	\$9,583,524	\$372,272	\$50,471	\$104,359

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$271,591	\$433	\$142,641			\$4,609,289
					5,540,471
					22,320
341					5,471
		593			26,013
					22,996
					12,781
25,906					27,301
					285,491
66,749	710		30,466,038		30,533,496
				1,141,144	1,141,144
\$364,587	\$1,143	\$143,234	\$30,466,038	\$1,141,144	\$42,226,772

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ROSS LOCAL SCHOOL DISTRICT
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS - continued
JUNE 30, 2000

	GOVERNMENTAL FUND TYPES			
	General Fund	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable.....	\$60,325	\$5,401		\$5,084
Accrued wages and benefits.....	1,338,586	57,405		
Compensated absences payable.....	59,654			
Capital Lease payable.....				
Pension obligation payable.....				
Deferred revenue	4,964,198		50,471	
Due to students/government.....				
General obligation bonds payable.....				
Retirement incentive obligations.....				
Accrued interest payable.....				
Total liabilities.....	6,422,763	62,806	50,471	5,084
Equity and other credits:				
Investment in general fixed assets.....				
Retained earnings: unreserved.....				
Fund Balances:				
Reserved-				
Reserved for encumbrances.....	270,925	17,183		44,690
Reserved for supplies inventory.....	1,395			
Reserved for taxes.....	548,122			
Reserved for prepayments.....	12,704	21		
Reserved for budget stabilization.....	285,491			
Unreserved-Undesignated.....	2,042,124	292,262	0	54,585
Total equity and other credits.....	3,160,760	309,466	0	99,275
Total liabilities, equity and other credits.....	\$9,583,524	\$372,272	\$50,471	\$104,359

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
					\$88,314
\$6,718		\$10,785			1,464,495
68,505					662,502
25,688				577,160	71,757
				71,757	91,676
				91,676	5,028,769
14,100					0
				130,000	130,000
				270,551	270,551
115,010	0	10,785	0	1,141,144	7,808,064
			30,466,038		30,466,038
249,576					249,576
					332,799
					1,395
					548,122
					12,725
					285,491
	1,143	132,449			2,522,563
249,576	1,143	132,449	30,466,038	0	34,418,707
\$364,587	\$1,143	\$143,234	\$30,466,038	\$1,141,144	\$42,226,770

**ROSS LOCAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2000**

	GOVERNMENTAL FUND TYPES			
	General Fund	Special Revenue	Debt Service	Capital Projects
Revenues:				
From local sources:				
Taxes.....	\$4,444,644		\$52,744	
Tuition.....	17,029			
Earnings on investments.....	259,243	1,949		
Other local revenues.....	124,972	368,149		
Intergovernmental - State.....	7,998,297	190,866		146,752
Intergovernmental - Federal.....		430,519		
Total revenues.....	12,844,185	991,483	52,744	146,752
Expenditures:				
Current:				
Instruction:				
Regular.....	7,024,153	133,748		30,098
Special.....	721,087	234,907		
Vocational.....	37			
Other.....	192,733			1,526
Support services:				
Pupil.....	513,083	29,888		
Instructional staff.....	511,503	111,625		
General administration.....	16,161			
School administration.....	1,274,106	24,565		3,000
Fiscal.....	344,509			
Operations and maintenance.....	922,694			
Pupil transportation.....	1,277,144			
Miscellaneous.....		4,681		
Community services.....		125,057		
Extracurricular activities.....	251,129	137,178		
Capital outlay.....	42,653			52,752
Debt service:				
Principal retirement.....	68,243		45,000	
Interest and fiscal charges.....	7,210		7,744	
Total expenditures.....	13,166,444	801,650	52,744	87,376
Excess (deficiency) of revenues over (under) expenditures.....	(322,259)	189,833	0	59,376
Other financing sources (uses):				
Refund of prior year expenditures.....	61,946			
Operating transfers in.....	108,599			
Operating transfers (out).....	(108,599)	(1,561)		
Proceeds of Capital Leases.....	(140,000)			
Sale and loss of fixed assets.....	135			
Total other financing sources (uses).....	(77,919)	(1,561)	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	(400,178)	188,272	0	59,376
Fund balance, July 1.....	3,563,769	121,194	0	39,899
Increase in reserve for inventory.....	(2,831)			
Fund balance, June 30.....	\$3,160,760	\$309,466	\$0	\$99,275

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FIDUCIARY FUND TYPE	Totals (Memorandum Only)
Expendable Trust	
	\$4,497,388
	17,029
1,428	262,620
65,229	558,350
	8,335,915
	430,519
66,656	14,101,820
20,134	7,208,134
	955,993
	37
	194,259
	542,971
	623,128
	16,161
	1,301,671
	344,509
	922,694
	1,277,144
	4,681
11,150	136,207
	388,307
	95,405
	113,243
	14,954
31,284	14,139,498
35,372	(37,678)
	61,946
	108,599
	(110,160)
	(140,000)
	135
0	(79,480)
35,372	(117,157)
54,173	3,779,035
	(2,831)
\$89,545	\$3,659,046

**ROSS LOCAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR YEAR ENDED JUNE 30, 2000**

	General Fund			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes.....	\$5,415,742	\$5,415,742	\$0			\$0
Tuition.....	17,029	17,029	0			0
Earnings on investments.....	244,395	244,395	0	1,949	1,949	0
Other local revenues.....	120,990	120,990	0	370,583	370,583	0
Intergovernmental - State.....	7,998,297	7,998,297	0	190,866	190,866	0
Intergovernmental - Federal.....	0	0	0	407,523	407,523	0
Total revenues.....	13,796,453	13,796,453	0	970,921	970,921	0
Expenditures:						
Current:						
Instruction:						
Regular.....	7,072,358	7,072,358	0	160,276	131,170	29,106
Special.....	710,577	710,577	0	211,283	211,283	0
Vocational.....	29	29	0			0
Other.....	270,265	270,265	0			0
Support services:						
Pupil.....	500,449	500,449	0	29,973	29,973	0
Instructional staff.....	518,879	518,879	0	105,680	105,680	0
General administration.....	17,741	17,741	0			0
School administration.....	1,279,613	1,279,613	0	24,675	24,675	0
Fiscal.....	346,317	346,317	0			0
Operations and maintenance.....	953,241	953,241	0			0
Pupil transportation.....	1,317,157	1,317,157	0			0
Central.....	0	0	0	5,580	5,580	0
Community services.....			0	134,854	134,854	0
Extracurricular activities.....	256,079	256,079	0	216,773	150,290	66,483
Capital outlay.....	329,763	329,763	0	152,966	0	152,966
Debt service:						
Principal retirement.....			0			0
Interest and fiscal charges.....			0			0
Total expenditures.....	13,572,468	13,572,468	0	1,042,060	793,505	248,555
Excess (deficiency) of revenues over (under) expenditures.....	223,985	223,985	0	(71,139)	177,416	248,555
Other financing sources (uses):						
Operating transfers in.....	108,599	108,599	0	11,163	11,163	0
Operating transfers (out).....	(108,599)	(108,599)	0	(12,725)	(12,725)	0
Refund of prior year transactions	61,946	61,946	0			0
Proceeds of sale of fixed assets.....	135	135	0			0
Contingencies			0			0
Total other financing sources (uses).....	62,081	62,081	0	(1,562)	(1,562)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	286,066	286,066	0	(72,701)	175,854	248,555
Fund balance, July 1.....	3,080,160	3,080,160	0	119,296	119,296	0
Prior year encumbrances appropriated.....	344,100	344,100	0	31,409	31,409	0
Fund balance, June 30.....	\$3,710,326	\$3,710,326	\$0	\$78,004	\$326,559	\$248,555

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Debt Service			Capital Projects			Total (Memorandum only)		
Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
\$52,744	\$52,744	\$0			\$0	\$5,468,486	\$5,468,486	\$0
		0			0	17,029	17,029	0
		0			0	246,344	246,344	0
		0			0	491,573	491,573	0
		0	146,752	146,752	0	8,335,915	8,335,915	0
		0			0	407,523	407,523	0
52,744	52,744	0	146,752	146,752	0	14,966,870	14,966,870	0
		0	69,905	69,905	0	7,302,539	7,273,433	29,106
		0			0	921,860	921,860	0
		0			0	29	29	0
		0	6,527	6,527	0	276,792	276,792	0
		0			0	530,422	530,422	0
		0			0	624,559	624,559	0
		0			0	17,741	17,741	0
		0	3,000	3,000	0	1,307,288	1,307,288	0
		0			0	346,317	346,317	0
		0			0	953,241	953,241	0
		0			0	1,317,157	1,317,157	0
		0			0	5,580	5,580	0
		0			0	134,854	134,854	0
		0			0	472,852	406,369	66,483
		0	52,752	52,752	0	535,481	382,515	152,966
45,000	45,000	0			0	45,000	45,000	0
7,744	7,744	0			0	7,744	7,744	0
52,744	52,744	0	132,184	132,184	0	14,799,455	14,550,901	248,555
0	0	0	14,568	14,568	0	167,414	415,969	248,555
		0			0	119,762	119,762	0
		0			0	(121,324)	(121,324)	0
		0			0	61,946	61,946	0
		0			0	135	135	0
0	0	0	0	0	0	60,519	60,519	0
0	0	0	14,568	14,568	0	227,934	476,488	248,555
0	0	0	29,104	29,104	0	3,228,560	3,228,560	0
		0	10,912	10,912	0	386,421	386,421	0
\$0	\$0	\$0	\$54,585	\$54,585	\$0	\$3,842,914	\$4,091,469	\$248,555

**ROSS LOCAL SCHOOL DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES
 FOR YEAR ENDED JUNE 30, 2000**

	<u>PROPRIETARY</u>		Total (Memorandum only)
	<u>Enterprise</u>	<u>Internal Service</u>	
Operating revenues:			
Tuition and fees.....	74,451		74,451
Sales/Charges for services.....	\$609,071	41,386	650,458
Interest revenues.....	11,994		11,994
Total operating revenues.....	695,516	41,386	736,902
Operating expenses:			
Personalservices.....	420,041		420,041
Contract services.....	25,580		25,580
Materials and supplies.....	409,272		409,272
Other operating expenses.....	1,173	41,530	42,703
Depreciation.....	11,151		11,151
Total operating expenses.....	867,217	41,530	908,747
Operating Income.....	(171,701)	(144)	(171,844)
Nonoperating revenues (expenses):			
Refund of prior year expenditures.....	74		74
Operating grants.....	103,185		103,185
Commodities Used.....	59,245		59,245
Total nonoperating revenues (expenses).....	162,504	0	162,504
Net income (loss).....	(9,197)	(144)	(9,340)
Retained earnings at July 1.....	258,773	1,286	260,059
Retained earnings at June 30.....	\$249,576	\$1,143	\$250,719

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

ROSS LOCAL SCHOOL DISTRICT
COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
FOR YEAR ENDED JUNE 30, 2000
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Enterprise	Internal Service	Total (Memorandum only)
Cash flows from operating activities:			
Cash received from sales/service charges.....	\$609,071	41,386	650,458
Cash received from other operations.....	86,232		86,232
Cash payments for personal services.....	(410,252)		(410,252)
Cash payments for contract services.....	(25,074)		(25,074)
Cash payments for supplies and materials.....	(350,025)		(350,025)
Cash payments for other expenses.....	(1,173)	(41,530)	(42,703)
Net cash provided by operating activities.....	(91,221)	(144)	(91,365)
Cash flows from noncapital financing activities:			
Cash received from operating grants.....	117,989		117,989
Cash received from non-operating grants.....			-
Net cash provided by noncapital financing activities.....	117,989	0	117,989
Net increase (decrease) in cash and cash equivalents.....	26,767	(144)	26,623
Cash and cash equivalents at beginning of year.....	244,824	577	245,401
Cash and cash equivalents at end of year.....	\$271,591	\$433	\$272,024
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss).....	(\$171,701)	(\$144)	(\$171,845)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation.....	11,151		11,151
Changes in assets and liabilities:			
Supplies inventory.....	9,219		9,219
Commodities used.....	59,245		59,245
Capital Assets.....	(5,242)		(5,242)
Accounts receivable.....	(287)		(287)
Accounts payable.....	2,987		2,987
Accrued wages and benefits.....	2,995		2,995
Compensated absences payable.....	6,793		6,793
Deferred revenue.....	(6,381)		(6,381)
Net cash provided by operating activities.....	(91,221)	(144)	(91,365)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

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NOTE 1-DESCRIPTION OF THE DISTRICT

The Ross Local District (the "District") is organized under Sections 2 and 3, Article VI, of the Constitution of the State of Ohio and Chapters 3311 and 3315 of the Ohio Revised Code. Under existing statutes, the Ross Local Board of Education, on behalf of the District, has the authority to acquire, maintain and dispose of school property; develop and adopt school programs; and establish, organize and operate schools.

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ross Local 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 District's significant accounting policies are described below.

A. Reporting Entity

The District's reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement 14, The Financial Reporting Entity, effective for financial statements for periods beginning after December 15, 1992. The reporting entity is composed of the school district (primary government). The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. Potential component units were reviewed for possible inclusion in the financial statements. Component units are legally separate organizations for which the District would be financially accountable. The District would be financially accountable for an organization if the District appointed a voting majority of the organization's governing board and (1) the District was able to significantly influence the programs or services performed or provided by the organization; or (2) the District was legally entitled to or can otherwise access the organization's resources; the District was legally obligated or had otherwise assumed the responsibility to finance the deficits of or provided financial support to, the organization; or the District was obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District. There were no component units included in the reporting entity. The Ross Local School District reporting entity includes all funds and account groups of the District.

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

Jointly Governed Organization: The District participates in a jointly governed organization. This jointly governed organization is described in Note 12.

B. Basis of Presentation - Fund Accounting

The accounting system is organized on the basis of funds and account groups, each of which is considered a separate accounting entity. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The operation of each fund is accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The following fund types and account groups are used by the District:

Governmental Fund Types

Governmental Funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except for those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The following are the District's Governmental Fund types:

General Fund - This 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 District for any purpose provided it is expended or transferred according to the bylaws of the Ross Local Board of Education and the laws of the State of Ohio.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital assets or facilities (other than those financed by Proprietary Funds).

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and for the payment of interest on general obligation notes payable.

Proprietary Fund Types

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (Enterprise Funds) or to other departments or agencies primarily within the government (Internal Service Funds). The following are the District's Proprietary Fund types:

Enterprise Funds - These funds are used to account for the District's food services program and school supplies program which are financed and operated in a manner similar to private business enterprises with the intent that costs (expenses, including depreciation) of providing goods or services are financed or recovered primarily through user charges and/or subsidies on behalf of users.

Internal Service Fund - This fund is used to account for the District's Rotary Fund. This fund is used to account for student related transactions where it is the desire of the District to determine costs of service.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other funds. These include Expendable Trust Funds and Agency Funds. The District currently has Expendable Trust Funds which fall into the Fiduciary Fund Type category, and are accounted for in essentially the same manner as Governmental Funds. The District also has Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of operations.

Account Groups

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long term liabilities related to specific funds and those of general nature, the following Account Groups are used:

General Fixed Assets Account Group

This Account Group is used to account for all of the District's fixed assets other than those accounted for in the Proprietary and Trust Funds.

General Long-Term Debt Account Group

This Account Group is used to account for all of the District's long-term obligations other than those accounted for in the Proprietary and Trust Funds.

C. Basis of Accounting/Measurement Focus

Measurement Focus: Governmental Fund Types and Expendable Trust Funds are accounted for on a spending, or "current financial resources," measurement focus. Governmental Fund Types and Expendable Trust Funds operating statements represent increases and decreases in net current assets. Their reported fund balances are considered a measure of available spendable resources.

Proprietary Fund Types are accounted for on a cost of services, or "economic resources," measurement focus. Proprietary Fund Types income statements represent increases and decreases in net total assets.

Basis of accounting refers to when revenues, expenditures (or expenses) and transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

Governmental, Expendable Trust, and Agency Funds use the modified accrual basis of accounting. Under this basis, revenues and other financing sources are recognized in the accounting period in which they become both available and measurable to finance current District operations. Expenditures and other financing uses are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due, and costs of accumulated unpaid vacation and sick leave are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by the employee. In applying the susceptible to accrual concept under the modified accrual basis, revenue sources deemed both measurable and available (i.e., collectible within the current period, or soon enough thereafter, to be used to pay obligations of the current period) are those received within 60 days after year-end. Those revenues susceptible to accrual are property taxes available for advance, tuition fees, interest, grants and entitlements (to the extent intended to finance the current fiscal year). Current property taxes measurable as of June 30, 2000, and which are intended to finance fiscal 2001 operations, have been recorded as deferred revenues. Delinquent property taxes measurable and available (received within 60 days) are recognized as revenue.

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

Other miscellaneous receipts are recorded as revenue when received in cash because they are generally not available for use within the current period or soon enough thereafter to be used to pay obligations of the current period.

Proprietary Funds use the accrual basis of accounting. Under this basis, revenues are recognized when they are earned and expenses are recognized when they are incurred.

D. Budget and Budgetary Accounting

An annual budget prepared on the basis of cash receipts and disbursements is legally required to be prepared for all fund types (except Agency Funds) of the District. The District follows the following procedures in establishing the budgetary data reported in the combined financial statements:

Tax Budget and Estimated Resources - The Board of Education submits a tax budget for the following fiscal year to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year. Based upon this tax budget, the County Budget Commission issues to the District an official certificate of estimated resources which states the projected receipts of each fund. This certificate is issued prior to April 1. On or about July 1, this certificate is amended to include actual, unencumbered cash balances from the preceding year, finalized estimated tax receipts and any revised other revenue submitted by the District. The District's final appropriation for the year, from any fund, may not exceed the amount stated in the certificate of estimated resources.

Appropriations - An annual appropriation measure to control cash disbursements is passed by the Board of Education no later than July 1 each year for the ensuing fiscal year. (Statute permits a temporary appropriation to be effective until no later than October 1 of each year). The annual appropriation budget is the actual spending plan for the fiscal year. The primary objective is to develop an appropriation that insures a fiscally sound operation throughout the year. The appropriations may be amended or supplemented during the year as new information becomes available, but may not exceed the estimated resources.

Amended and supplemental appropriations measures were enacted by the Board of Education during fiscal year 2000, none of which significantly changed overall appropriations.

ROSS LOCAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

Encumbrances - The District is required to use the encumbrance method of accounting. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. All unencumbered appropriations lapse at year end. Encumbrances need not be reappropriated in the ensuing year's budget. For reporting in conformity with generally accepted accounting principles, encumbrances are recorded as a reservation of the fund balances for governmental fund types and the fiduciary fund type. The District reports its budget on a cash basis, which considers encumbrances to be the equivalent of expenditures in order to demonstrate legal compliance. The reconciliation to GAAP Basis is as follows:

Reconciliation of Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses

	<u>Governmental Funds</u>		
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Budget Basis	\$ 286,066	\$ 175,854	\$ 14,568
Net Adjustment for Revenue Accruals	(952,268)	20,563	0
Net Adjustment for Expenditure Accruals	89,795	(30,785)	(4,967)
Net Adjustment for Other Sources (Uses)	(140,000)	0	0
Encumbrances	<u>316,229</u>	<u>22,640</u>	<u>49,775</u>
GAAP Basis	<u>\$ (400,178)</u>	<u>\$188,272</u>	<u>\$59,376</u>

E. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the combined balance sheet.

During the year, Ross Local School District invested in CD's and a Money Market Mutual Fund. Investments are reported at fair value which is based on quoted market prices. Nonnegotiable certificates of deposit are reported at cost.

Interest earnings are allocated to the General Fund, Special Revenue Funds, Expendable Trust Funds and the Enterprise Fund based on average monthly cash balances. Interest income earned in fiscal year 2000 totaled \$259,297.

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

An analysis of the Treasurer's investment account at the year-end is provided in Note 3.

F. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish reserves for the purchase of textbooks, capital improvements and budget stabilization. These reserves are required by State statute. The restricted assets can be used to purchase textbooks and supplies and for capital improvements. The budget stabilization set aside can be used only after receiving approval from the Board with a 2/3 vote of its members, and is appropriate from this budget reserve if it:

1. experiences a deficit unreserved fund balance for the current fiscal year as defined in the 5 year forecast; and
2. files an acceptable schedule to replenish the set-aside balance; and certifies that the deficit was caused by one of the reasons identified in the revised rule or the district is in fiscal watch or emergency.

A corresponding fund balance reserve has also been established.

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous short-term interfund loans are made. These short-term interfund loans are classified as interfund loans receivable or interfund loans payable on the balance sheet. The District had no interfund receivables and payables as of June 30, 2000.

H. Inventories

Inventories for all Governmental Funds are valued at cost on a first-in, first-out basis and are accounted for using the purchase method, which records an expenditure when purchased. Material inventories of funds are reported as assets, which are equally offset by a fund balance reservation which indicates that they do not constitute "available expendable resources", even though they are a component of assets. Inventories of Proprietary Funds are valued at the lower of cost or market and expensed when used (consumption method) rather than when purchased.

Proprietary Fund inventory consists of food and consumable classroom supplies. General Fund inventory consists of custodial supplies.

I. Fixed Assets and Depreciation

All fixed assets except those in the Proprietary Funds are accounted for in the General Fixed Assets Account Group. All fixed assets are stated at cost or estimated historical cost. Donated fixed assets are stated at their estimated fair value when received. The District follows the policy of capitalizing assets which have an original cost of at least \$500.

The District does not possess any infrastructure.

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of fixed assets in the Proprietary Fund type is computed using the straight-line method over the following estimated useful lives:

Machinery and equipment	10 years
Furniture and fixtures	10 years

J. Compensated Absences

Compensated absences of the District consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purpose of establishing a liability for severance on employees expected to become eligible to retire in the future, all employees age fifty (50) or greater with at least ten (10) years of service were considered expected to become eligible to retire in accordance with GASB 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

Accumulated vacation and severance of Governmental Fund type employees meeting the above requirements have been recorded in the appropriate Governmental Fund as a current liability to the extent that the amounts are expected to be payable within the current available period. The balance of the liability is recorded in the General Long-Term Obligations Account Group. Vacation and sick leave for employees meeting the above requirements who are paid from Proprietary Funds is recorded as an expense when earned.

Non-teaching District employees earn vacation leave at graduated rates based on length of service. The District accrues the vacation leave benefits as earned. Accrued vacation may be carried forward to the next fiscal year with Board of Education approval. At June 30, 2000 a liability of \$74,850 has been provided in the General Long Term Debt Account Group for earned, but unused vacation leave.

Vacation does not accumulate for teaching employees. Each teaching employee is required to work a specific number of days in accordance with their contract.

District employees earn sick leave which, if not taken, accumulates until retirement. Upon retirement, an employee is paid 26.4% of accumulated sick leave up to a maximum of 50 days, calculated at current wage rates.

A liability for earned but unused sick leave has been provided in the General Long Term Debt Account Group in the amount of \$104,990 for vested District employees. A liability for earned but unused sick leave has been provided in the General Long-Term Debt Account Group in the amount of \$363,502 for those employees expected to become vested in the future. A liability for employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future has been provided in the General Long Term Debt Account Group in the amount of \$138,809.

K. Prepaids and Deferrals

Prepayments and deferrals for Governmental Funds represent cash disbursements which have occurred and are therefore not current expendable resources. These items are reported as fund assets on the balance sheet using the allocation method, which amortizes their cost over the periods benefiting from the advance payment. At period end, because prepayment and deferrals are not available to finance future Governmental Fund expenditures, the fund balance is reserved by an amount equal to the carrying value of the asset.

L. Intergovernmental Revenues

In Governmental Funds, non-reimbursable grants (to the extent such grants relate to the current fiscal year) are recorded as receivables and revenue when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Grants for Proprietary Fund operations are recognized as revenue when measurable and earned. The District currently participates in various state and federal programs categorized as follows.

Non-Reimbursable Grants:

Special Revenue Funds

- Management Information Systems
- Title VI B
- Title I
- Title VI
- Drug-Free School
- Local Professional Development Block
- Eisenhower
- E-Rate
- School Net
- Safe School Help Line
- Preschool
- Continuous Improvement Grant

Reimbursable Grants:

General Fund

School Bus Purchases
Driver Education
Vocational Education Travel/Salary

Proprietary

National School Lunch Program

Grants and entitlements amounted to approximately 33% of the District's operating revenue during the 2000 fiscal year.

M. Advances on Other Funds

Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources which are available for appropriation. At June 30, 2000, the District had no such advances.

N. Long-Term Obligations

For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a government fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

O. Fund Equity

Reserved fund balances indicate that a portion of fund equity is not available for current appropriation or is legally segregated for a specific use. Fund balances are reserved for encumbrances, property taxes recognized as revenue but not available for appropriation, materials and supplies inventory, prepaids, and Budget Stabilization Reserve. The unreserved portions of fund equity reflected for the Governmental Funds are available for use within the specific purposes of those funds.

P. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Q. Financial Reporting for Proprietary and Similar Fund Types

The District's financial statements have been prepared in accordance with GASB No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting." This statement is effective for financial statements beginning after December 15, 1993. The District accounts for its proprietary activities in accordance with all applicable GASB pronouncements, as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

R. Estimates

The preparation of the 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 could differ from those estimates.

S. Memorandum Only - Total Columns

Total columns on the General Purpose Financial Statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

NOTE 3-EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments".

State statute requires the classification of monies held by the District into three categories:

Active Deposits - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the 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 - Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories or as savings or deposit accounts, including, but not limited to, passbook accounts.

Interim Deposits - Interim monies are those monies which 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 accounts including passbook 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, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Ohio law permits interim monies to be invested or deposited 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 and interest by the United States;

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

2. Bonds, notes, debentures, or any other obligations or securities issued by any 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);

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.

During fiscal year 2000, all investments of the School District had a maturity of two years or less.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits With Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

ROSS LOCAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2000

(A) DEPOSITS

At year end, the carrying amount of the District's pooled deposits was \$15,405 and the bank balance was \$139,847. Of the bank balance, \$139,847 was covered by federal depository insurance.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

(B) INVESTMENTS

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year end (GASB Statement 3). Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution or its trust department or agent, but not in the District's name. The Mutual Fund is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	<u>Interest Rate</u>	<u>Unclassified</u>	<u>Fair/Carrying Value</u>
Fountain Square-US Treasury Mutual Fund	N/A	<u>4,879,374</u>	<u>4,879,374</u>
Total Investments		<u>4,879,374</u>	<u>4,879,374</u>

NOTE 4-PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District.

All property is required to be reappraised every six years with a triennial update.

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

Real property taxes, excluding public utility property, are assessed at 35% of appraised market value. Pertinent real property tax dates are:

- . Collection Dates February 13 and July 9 of the current collection year
- . Lien Date January 1 of the year preceding the collection year
- . Levy Date April 1 of the year preceding the collection year

Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value.

The taxes are based on assessed values determined at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of the current calendar year. Pertinent tangible personal property tax dates are:

- . Collection Dates April 30 and September 30 of the current year
- . Lien Date January 1 of the current year
- . Levy Date April 1 of the year preceding the collection year

Most public utility tangible personal property currently is assessed at 35 percent of its true value except for rural electric companies (50%) and railroads (30%). Pertinent public utility tangible personal property tax dates are:

- . Collection Dates February 13 and July 9 of the current year
- . Lien Date December 31 of the second year preceding the collection year
- . Levy Date April 1 of the year preceding the collection year

The School District receives property taxes from Butler County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000 are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

ROSS LOCAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2000

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. 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 year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

The amount available as an advance at June 30 was \$548,122 for the General Fund. The amount is recognized as revenue in its respective fund.

The assessed values of real and tangible personal property upon which property tax revenues were based are as follows:

	<u>2nd Half 1999</u>	<u>1st Half 2000</u>
Real Property	\$173,865,590	207,818,580
Tangible Personal Property	7,569,992	7,835,089
Public Utility Personal Property	<u>12,694,070</u>	<u>12,960,720</u>
	<u>\$194,131,652</u>	<u>\$228,614,389</u>

NOTE 5-FIXED ASSETS

Balances in the General Fixed Assets Account Group are as follows:

<u>Component</u>	<u>Balance June 30, 1999</u>	<u>Additions</u>	<u>Reductions</u>
Land and Land Improvements	\$ 1,472,434	\$ 0	\$ 0
Buildings and Building Improvements	23,728,237	169,042	0
Furniture and Equipment	<u>4,768,785</u>	<u>492,229</u>	<u>(155,498)</u>
Total	<u>\$29,969,456</u>	<u>\$ 661,271</u>	<u>\$(155,498)</u>

	<u>Adjustments</u>	<u>Balance June 30, 2000</u>
Land and Land Improvements		\$ 1,472,434
Buildings and Building Improvements	\$ (12,656)	23,884,623
Furniture and Equipment	<u>3,465</u>	<u>5,108,981</u>
Total	<u>\$(9,191)</u>	<u>\$30,466,038</u>

ROSS LOCAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2000

A summary of the Proprietary Fund fixed assets at June 30, 2000 follows:

Furniture and Equipment	\$ 130,426
Less: Accumulated Depreciation	<u>(62,967)</u>
Net Fixed Assets - Proprietary Fund	<u>\$ 67,459</u>

NOTE 6-LONG-TERM OBLIGATIONS

Long-Term Obligations - At June 30, 2000, the following obligations are included in the General Long-Term Debt Account Group:

	Balance At <u>June 30, 1999</u>	Additions/ <u>(Deletions)</u>	Balance At <u>June 30, 2000</u>
Compensated Absences Liability	\$510,150	\$67,010	\$577,160
Pension Obligation Payable	\$ 90,232	1,444	91,676
Capital Leases Payable	\$140,000	(68,243)	71,757
STRS Early Retirement Incentive (Includes Note 7 A & B)	\$261,863	8,687	\$270,550
School Energy Conservation Bonds	<u>\$175,000</u>	<u>\$(45,000)</u>	<u>\$130,000</u>
Total General Long-Term Debt	<u>\$1,177,245</u>	<u>\$(36,102)</u>	<u>\$1,141,143</u>

ROSS LOCAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

The District's legal debt margin was approximately \$20,445,295 at June 30, 2000. The annual debt service requirements to maturity for School Energy Conservation Bonds, including interest of \$10,953 are as follows:

Fiscal Year Ending <u>June 30</u>	<u>School Energy Conservation Bonds</u>
2001	50,471
2002	43,315
2003	26,657
2004	<u>20,510</u>
Total	<u>\$140,953</u>

NOTE 7-EARLY RETIREMENT INCENTIVE PROGRAM

During fiscal year 2000, the District participated in the State Teacher Retirement System Early Retirement Incentive program for certificated staff. During fiscal year 2000, two (2) teachers who were eligible to participate, retired. The District purchased two years of service credit for eligible certificated employees. Principal obligations of the purchased credit are based upon individual age, length of service and salary at retirement.

A. Future principal and interest requirements to pay the early retirement incentive debt obligation to the State Teachers Retirement System are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$111,437	\$ 0	\$111,437
2001	<u>111,437</u>	<u>8,636</u>	<u>120,073</u>
Total	\$228,874	\$8,636	\$231,510

B. Also, as part of the Early Retirement Incentive plan offered by the District, severance pay for unused accumulated sick leave was offered to employees participating in the plan. This is to be paid during Fiscal Years 2001, 2002 and 2003.

ROSS LOCAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2000

Future payment requirements to pay this severance debt obligation are as follows:

<u>Fiscal Year</u>	<u>Payment</u>
2000	\$32,201
2001	\$29,753
2002	<u>\$ 9,288</u>
	\$71,242

NOTE 8-RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts receivable, accrued interest, and intergovernmental grants and entitlements (to the extent such grants and/or entitlements relate to the current fiscal year).

All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes and the stable condition of state and federal programs.

A summary of the principal items of receivables follows:

<u>General Fund</u>	<u>Amounts</u>
Taxes - Current	\$5,490,000
Accounts & Accrued Interest	\$ 30,549.
 <u>Debt Service</u>	
Taxes	\$ 50,471
 <u>Special Revenue</u>	
Intergovernment - Federal	\$ 22,996

NOTE 9-OSBA WORKERS' COMP PROGRAM

OSBA GROUP RATING PROGRAM

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 Ohio School Boards Association. 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.

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

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 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. The firm of GatesMcDonald & Co. provides administrative, cost control and actuarial services to the GRP.

NOTE 10-EMPLOYEE RETIREMENT SYSTEMS

All District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). District employees hired after April 1, 1986 are also currently covered under the Federal Social Security Act for the Medicare portion only. The District's employer contributions to both systems are based on a percentage of employees salaries. State law requires the District to pay the employer share as determined by each Retirement System.

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credits to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14%. Their contribution rates are not determined actuarially, but are established by SERS's Retirement

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

Board within the rates allowed by State statute. A portion of the Ross Local School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. The District considers all liabilities for the employer's share of pension payments to be payable from current available financial resources, and therefore they are considered a fund liability. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the year ended June 30, 2000, 1999, 1998, were \$277,628, \$254,977, and \$220,818 respectively, equal to the required contributions for each year.

STATE TEACHERS RETIREMENT SYSTEM

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

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%, 6 percent was the portion used to fund pension obligations. The District considers all liabilities for the employer's share of pension payments to be payable from current available financial resources, and therefore they are considered a fund liability. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2000, 1999, and 1998 were \$999,972, \$956,516, and \$889,416, respectively, equal to the required contributions for each year.

POSTEMPLOYMENT BENEFITS

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

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. As of July 1, 1999, eligible benefit recipients totaled 95,796. For the fiscal year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

For the fiscal year, employer contributions to fund health care benefits were 8.5 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. The surcharge rate added to the unallocated portion of the 14 percent employer contribution rate provides for maintenance of the asset target level for the health care fund. For the School District, this amount equaled \$22,043 during the 2000 fiscal year. The number of participants currently receiving health care benefits is 51,000. For the fiscal year ended June 30, 1999, net health care costs paid by SERS were \$126,380,984.

NOTE 11-SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains two Enterprise Funds to account for the operations of Food Service and Uniform Supplies. The table below summarizes the more significant financial data relating to the Enterprise Funds of the district for the year ended June 30, 2000.

ROSS LOCAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2000

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Total</u>
Operating Revenues	\$ 620,449	\$ 75,067	\$695,516
Operating Expenses Before Depreciation	778,226	77,840	856,066
Depreciation	11,151	0	11,151
Operating Income (Loss)	(168,929)	(2,772)	(171,701)
Operating Grants	103,185	0	103,185
Donated Commodities	59,245	0	59,245
Net Income (Loss)	(6,425)	(2,772)	(9,197)
Net Working Capital	182,808	14,118	196,926
Total Assets	346,342	18,244	364,586
Total Liabilities	110,885	4,126	115,011
Total Equity	235,458	14,118	249,576

NOTE 12-JOINTLY GOVERNED ORGANIZATION

The Southwest Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of Ohio school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each member district appoints a representative to the Board of Directors which is the legislative and managerial body of SWOCA. The degree of control exercised by any participating member district is limited to its representation on the Board.

NOTE 13-RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year, the District contracted with Ingram Insurance Company for property and general liability insurance and boiler and machinery insurance.

Boiler and machinery coverage has a \$1,000 deductible. General liability is protected by Harcum-Hyre Insurance Company with a \$2,000,000 each occurrence, \$5,000,000 aggregate limit. Vehicles are covered by Ingram Insurance Company with a \$1,000 deductible. Public officials bond insurance is provided by ISI (Insurance/Security/Inc.). The Treasurer is covered by a \$20,000 bond provided by Ohio Casualty Insurance Company.

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

The District has elected to provide employee medical and dental benefits through Butler County Health Insurance Plan (BCHP), a public entity risk pool currently operating as a common risk management and insurance program. BCHP is comprised of ten other school districts in Butler County. CoreSource provides claims review and processing services for BCHP. The District pays a monthly premium to the pool for its general insurance coverage. The employees share the cost of the monthly premium for the coverage with the Board. The risk of loss transfers entirely to BCHP.

There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three fiscal years.

NOTE 14-CONTINGENT LIABILITIES

A. LITIGATION

The District's attorney estimates that all potential claims against the District not covered by insurance resulting from litigation would not materially affect the financial statements of the District.

B. FEDERAL AND STATE GRANTS

The District participates in several state and federally assisted grant programs. The federal grants have been audited in accordance with the Single Audit Act of 1996, Public Law 98-502. Provisions of the Act allow federal agencies to conduct any additional audit work necessary to carry out their responsibilities under federal law or regulations, and to arrange for funding the cost of such additional audits. The state grants are subject to review and audit by the grantor agencies or their designee. Such federal or state audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant.

NOTE 15-STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

system. Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$7,126,533 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the Ohio General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

ROSS LOCAL SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2000

NOTE 16-STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2000, the reserve activity (cash-basis) was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve
Set-Aside Cash Balance 7/1/99	\$ 0	\$ 0	\$ 176,893
Current Year Required Set-Aside	325,611	325,611	108,598
Current Year Offset Credits	0	0	0
Qualifying Disbursements	<u>455,571</u>	<u>639,460</u>	<u>0</u>
Total	<u>\$(129,960)</u>	<u>\$(313,849)</u>	<u>\$ 285,491</u>
Cash Balance Carried Forward To Fiscal Year 2000	<u>\$(129,960)</u>	<u>\$ 0</u>	<u>\$ 285,491</u>

Offsets and expenditures for the textbook reserve exceeded the required set-aside. Offsets and expenditures for the capital maintenance reserve exceeded the required set-aside.

NOTE 17-CAPITALIZED LEASES - LESSEE

The District entered into capitalized leases for the acquisition of a boiler. The principal payment pertaining to this lease was \$68,243 during fiscal year 2000.

ROSS LOCAL SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2000

The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments are reflected in the General Fund in the Combined Financial Statements.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2000:

	<u>General</u>
June 2001	\$ <u>75,453</u>
Total Payments	75,453
Less: Amounts Representing Interest	<u>3,696</u>
Present Value of Minimum Lease Payments	<u>\$ 71,757</u>

ROSS LOCAL SCHOOL DISTRICT
BUTLER COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Cash Basis)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Food Distribution Program	nn-n1	10.550	\$0	\$52,882	\$0	\$59,245
National School Lunch Program	04-PU	10.555	113,327	0	113,327	0
Total U.S. Department of Agriculture			<u>113,327</u>	<u>52,882</u>	<u>113,327</u>	<u>59,245</u>
U.S. DEPARTMENT OF LABOR						
<i>Passed Through Ohio Department of Education:</i>						
School to Work	WKBE	17.249	0	0	5,000	0
Total U.S. Department of Labor			<u>0</u>	<u>0</u>	<u>5,000</u>	<u>0</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Title VI-B	6B-SF	84.027	142,634	0	136,391	0
Preschool Grant	PG-S1	84.173	1,170	0	1,129	0
Total Special Education Cluster			<u>143,804</u>	<u>0</u>	<u>137,520</u>	<u>0</u>
Title I	CX-S1	84.010	189,988	0	175,153	0
Title VI	C2-S1	84.298	10,210	0	9,453	0
Drug-Free Schools Grant	DR-S1	84.186	11,224	0	12,135	0
Title VI - R	CR-S1	84.340	38,549	0	33,796	0
Dwight D. Eisenhower Grant	MS-S1	84.281	2,756	0	11,272	0
Total U.S. Department of Education			<u>396,531</u>	<u>0</u>	<u>379,329</u>	<u>0</u>
TOTAL FEDERAL ASSISTANCE			<u>\$509,858</u>	<u>\$52,882</u>	<u>\$497,656</u>	<u>\$59,245</u>

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

**ROSS LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had food commodities valued at \$14,100 in inventory.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Ross Local School District
Butler County
3371 Hamilton-Cleves Road
Hamilton, Ohio 45013

To the Board of Education:

We have audited the financial statements of Ross Local School District, Butler County, Ohio (the District), as of and for the fiscal year ended June 30, 2000, and have issued our report thereon dated December 15, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated December 15, 2000.

Ross Local School District
Butler County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

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

Jim Petro
Auditor of State

December 15, 2000



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

Ross Local School District
Butler County
3371 Hamilton-Cleves Road
Hamilton, Ohio 45013

To the Board of Education:

Compliance

We have audited the compliance of Ross Local School District, Butler County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the fiscal year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the fiscal year ended June 30, 2000.

Internal Control Over Compliance

The management of Ross Local School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the District as of and for the fiscal year ended June 30, 2000, and have issued our report thereon dated December 15, 2000. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

Jim Petro
Auditor of State

December 15, 2000

**ROSS LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Title I – CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all other programs
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

**ROSS LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-10409-001	Title I eligibility files should be centrally maintained by the Title I Coordinator.	Yes	



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ROSS LOCAL SCHOOL DISTRICT

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 10, 2001**