

**ROSS LOCAL SCHOOL DISTRICT**

Single Audit Reports

June 30, 2007





Mary Taylor, CPA  
Auditor of State

Board of Education  
Ross Local School District  
3371 Hamilton-Cleves Road  
Hamilton, Ohio 45013

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

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

March 18, 2008

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# ROSS LOCAL SCHOOL DISTRICT

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**ROSS LOCAL SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
(Passed through Ohio Department of Education)				
Food Donation	N/A	10.550	\$ 57,485	57,485
Nutrition Cluster:				
National School Breakfast Program	05PU	10.553	8,317	8,317
National School Lunch Program	LLP4	10.555	<u>146,659</u>	<u>146,659</u>
Total U.S. Department of Agriculture			<u>212,461</u>	<u>212,461</u>
 <u>U.S. Department of Education:</u>				
(Passed through Ohio Department of Education)				
Special Education Cluster:				
Title VI - B Grant	6BSF	84.027	625,763	672,528
Preschool Grant	PGS1/PGD7	84.173	<u>2,614</u>	<u>4,196</u>
Total Special Education Cluster			<u>628,377</u>	<u>676,724</u>
Grants to Local Education Agencies (ESEA Title I)	C1S1	84.010	94,654	94,654
Innovative Education Program Strategy - Title VI	C2S1	84.298	4,164	4,552
Improving Teacher Quality State Grants	84.367	84.367	85,386	90,911
Safe and Drug Free Schools	DRS1	84.186	5,888	5,888
Technology Literacy Challenge Fund Grant	TJS1	84.318	<u>909</u>	<u>2,275</u>
Total U.S. Department of Education			<u>819,378</u>	<u>875,004</u>
 <u>Office of Library Services:</u>				
Museum and Library Services Act	N/A	45.310	<u>59,479</u>	<u>77,417</u>
Total Federal Awards			\$ <u>1,091,318</u>	<u>1,164,882</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of federal awards has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities received and disbursed.

NOTE C - MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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

To the Board of Education  
Ross Local School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ross Local School District (the School District) as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 28, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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



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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2007-1 and 2007-2.

We noted certain matters that we reported to management of the School District in a separate letter dated December 28, 2007.

The School District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

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

*Clark, Schaefer, Hackett & Co.*

Middletown, Ohio  
December 28, 2007

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

To the Board of Education  
Ross Local School District:

Compliance

We have audited the compliance of Ross Local School District (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

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

## Internal Control over Compliance

The management of the School District is responsible for establishing and maintaining effective control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

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

*Clark, Schaefer, Haeberle & Co.*

Middletown, Ohio  
December 28, 2007

**ROSS LOCAL SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2007

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	none
• Reportable condition(s) identified that are not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	yes

**Federal Awards**

Internal Control over major programs:	
• Material weakness(es) identified?	none
• Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required To be reported in accordance with section 510(a) of OMB Circular A-133?	none
Identification of major programs: <i>CFDA 84.027 &amp; 84.173- Special Education Cluster</i>	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

## **Section II - Financial Statement Findings**

### 2007-1 Expenditures and Appropriations

Per Ohio Revised Code Section 5705.41(B), no subdivision is to expend money unless it has been appropriated. During our budgetary testing, we noted four instances as of February 28 and five instances as of June 30, 2007 in which year to date expenditures in various funds exceeded appropriations for that fund.

*Managements' response: Management concurs with the finding and realizes it was caused by a timing issue with the close out process of the School District. Management will correct this oversight for the future.*

### 2007-2 Expenditures and Appropriations

Per Ohio Revised Code Section 5705.39, appropriations from each fund should not exceed estimated resources. During our budgetary testing, we noted four instances as of February 28, 2007 and June 30, 2007 in which appropriations exceeded estimated resources.

*Managements' response: Management concurs with the finding and realizes it was caused by a timing issue with the close out process of the School District. Management will correct this oversight for the future.*

## **Section III - Federal Award Findings and Questioned Costs**

None.

**ROSS LOCAL SCHOOL DISTRICT**

Schedule of Prior Audit Findings

Year Ended June 30, 2007

The prior audit disclosed no instances of noncompliance with requirements of major federal programs. In addition, no reportable conditions or material weaknesses with respect to internal controls over compliance with requirements that could have a direct and material effect on a major federal program were reported in the prior year.

**Ross Local School District,  
Butler County, Ohio**

Comprehensive  
Annual  
Financial  
Report

For the Fiscal Year Ended  
June 30, 2007





**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

of the

**ROSS LOCAL SCHOOL DISTRICT,**

**BUTLER COUNTY, OHIO**

For the Fiscal Year Ended June 30, 2007

**BOARD OF EDUCATION**

Edward Bosse

David Brown

Richard Emery

Glenda Holt

Darrell Ramsey

Steve Stitsinger

**SUPERINTENDENT OF SCHOOLS**

M. Todd Yohey

**ISSUED BY  
TREASURER'S OFFICE**

Chris Poetter,  
Treasurer

## Introductory Section

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2007**

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**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2007**

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**Comprehensive Annual Financial Report**  
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# Ross Local School District

SUPERINTENDENT (513) 863-1250

TREASURER (513) 863-1250

3371 Hamilton-Cleves Road, Hamilton, OH 45013

**ROSS HIGH SCHOOL**  
3601 Hamilton-Cleves Rd.  
Hamilton, Ohio 45013  
(513) 863-1252

**ROSS MIDDLE SCHOOL**  
3425 Hamilton-Cleves Rd.  
Hamilton, Ohio 45013  
(513) 863-1251

**ELDA ELEMENTARY**  
3980 Hamilton-Cleves Rd.  
Hamilton, Ohio 45013  
(513) 738-1972

**MORGAN ELEMENTARY**  
3427 Chapin Rd.  
Hamilton, Ohio 45013  
(513) 738-1986

December 28, 2007

To the Citizens and Board of Education of the Ross Local School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Ross Local School District (District) for the fiscal year ended June 30, 2007. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2006-2007 fiscal year. This report was prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the District's continuing commitment to provide financial information to the citizens of the Ross Local School District.

Responsibility for the accuracy, completeness, and fairness of this report rests with the District and specifically, the Office of the Treasurer. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material aspects and are reported in a manner designed to present fairly the position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District provides a full range of programs and services for its students. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; as well as a broad range of co-curricular and extra-curricular activities to compliment the students' curricular program.

In addition to these general activities, the District acts as the fiscal agent for state funds distributed to a non-public parochial school located within the District boundaries. Therefore, this fiduciary responsibility is included in the reporting entity as a special fund revenue. The parochial school served is Queen of Peace. While this organization is similar in operations and services provided, it is a separate and distinct entity whose financial statements are not included in this report.

## **ECONOMIC CONDITION**

The District is located in Miami Valley of Southwest Ohio. The District is midway between Dayton and Cincinnati in rapidly growing Butler County. The area served by the District is primarily an agricultural area. Many of our residents commute to the Cincinnati area each day.

In general, the economy of the District continues to hold steady with moderate growth in new home construction.

## **THE DISTRICT AND ITS FACILITIES**

The District is located in the southwestern section of Butler County, Ohio, and encompasses the Townships of Ross, Morgan, Hanover and St. Clair. The District has an area of 76 square miles and is primarily a residential and farming community.

The District had 2,618 students enrolled in the two elementary schools, middle school, and high school. In addition to the schools listed, the District maintained and operated a transportation facility, central office facility and several sport fields.

## **ORGANIZATION OF THE DISTRICT**

The Board of Education of the Ross Local School District (the Board) is a five member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget.

The Board members, their terms and years on the Board as of June 30, 2007 are:

<u>Board Member</u>	<u>Term</u>
Mr. David Brown	10/19/2006 – 12/31/2007
Mr. Steve Stitsinger	07/18/2007 – 12/31/2007
Mr. Richard Emery	01/01/2004 – 12/31/2007
Mr. Edward Bosse	01/01/1983 – 12/31/2009
Mr. Glenda Holt	01/01/2006 – 12/31/2009
Mr. Darrell Ramsey	01/01/2004 – 09/21/2006

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Mr. M. Todd Yohey was appointed Superintendent on July 1, 2004. Mr. Yohey has a BS in Education from the Wright State University and a MA in Educational Leadership from the University of Dayton.



The Treasurer is the chief financial officer of the District and is responsible for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio law. Mrs. Christine Cook Poetter was appointed Treasurer on January 8, 2007. Mrs. Poetter has a BS in Systems Analysis from Miami University.

## **EMPLOYEE RELATIONS**

The District has 279 full and part-time employees. This number has increased slightly over the past few years as various programs and services have been expanded to meet the changing needs of students and community. There is one organization representing the certificated employees. The District's classified and administrative employees are not currently represented.

The Ross Education Association (REA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. On August 31, 2007, the current bargaining agreement between the REA and the Board expired. Negotiations are being held and the District looks forward to an agreement in the near future.

## **SERVICES PROVIDED**

The District provides a wide variety of educational and support services as mandated by state statute or public desires. These include regular instruction and special instructional programs for handicapped students, student guidance and health services, transportation services, as well as extracurricular activities. Enterprise fund services include educational supply service and food service operation.

## **MAJOR INITIATIVES**

### **Connecting the Past with the Future**

After celebrating our 75<sup>th</sup> anniversary last school year, school officials decided to continue marking each school year with a district theme. In celebration of our new alumni association and our strong history of traditional values, we have selected "Connecting the Past with the Future" as our 2007-2008 district theme. Students and staff will benefit by connecting our rich history with the future of the community.

### **Academic Performance**

The 2006-2007 state report card rating for the Ross Local School District is effective. Three of our four schools earned an excellent rating and Ross Middle School is ranked effective. The indicators that we missed are confined mostly to one grade level which allows us to focus our intervention strategies.

While we are proud of the continued success of the majority of our students, we are especially encouraged by the academic improvements at Elda Elementary. Our high school special education department deserves recognition also for the performance of our special education population on the Ohio Graduation Test.

Congratulations to all four schools in our district for earning North Central Accreditation. That accreditation was gleaned from four reports of excellence based on visiting committees' research of our schools and the diligent work of our North Central building committees. Ross still remains one of the very few school districts in the state to have all schools accredited by North Central.

Congratulations to Ross High School, Elda Elementary, and Morgan Elementary for meeting and exceeding all of the performance indicators on the state report card. In addition to meeting all performance indicators, Elda and Ross High School also met Adequate Yearly Progress or AYP. AYP is difficult to attain and we are all be proud of this accomplishment.

Both of our elementary schools, Elda and Morgan, had a performance index score above 101. This means that more students are performing at the advanced and accelerated levels.

A further review of student achievement data shows that our students last year in 4<sup>th</sup>, 6<sup>th</sup>, 8<sup>th</sup>, and 10<sup>th</sup> grades performed above the state average in all testing areas, above similar districts in all but two areas, and overall, outperformed all other county school districts.

State Superintendent of Schools, Dr. Susan Zelman and then Governor Bob Taft each visited our district to share congratulations and visions for improvements in education for Ohio students. Both complimented our district on its continuous improvement and focus on student achievement.

Last year, Cincy Business magazine selected Ross as one of the top fifteen school districts in an eight-county region. Our school district was ranked twelfth and one of only two districts listed from Butler County.

For the past five years our students have earned one of the top two ratings for Ohio school districts.

While we give credit to our students, we must all realize that this success is really a reflection of classroom instruction. Simply put...Ross teachers are doing a fantastic job of preparing students for success. If the adage "It takes a village to raise a child" is true, then we must also recognize the contributions of parents and other community members. Together we are making a difference in the lives of children.

## **Technology**

The Ross Local School District has made a commitment to integrating technology into the instructional program. The 2007-2008 school year will see an increased effort at all grade levels on technology instruction and use. The implementation of Easy Tech and employment of an elementary technology specialist will provide our students more instruction on technology skills and applications. Upgrades to computer hardware throughout the district will provide greater access for all students. In addition, our Board of Education has approved a new Technology Course of Study and we recently garnered approval from the state for our new three-year technology plan.

## **FINANCIAL INFORMATION**

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

### **Internal Controls**

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

### **Single Audit Act**

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

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2007 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

### **Budgetary Controls**

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

In order to comply with Ohio budgetary law, the School District amends the appropriations during the last week of the fiscal year. Since little or no financial transactions are completed after this amendment, the budget versus actual variance is typically insignificant. Amendments are properly approved in accordance with Ohio law.

## **OTHER INFORMATION**

### **GFOA Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ross Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievements Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

## Independent Audit

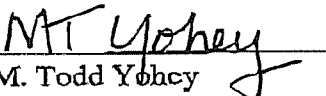
State statutes require an annual audit by independent accountants for the State Auditor's Office. Clark, Schaefer, Hackett & Co. conducted the District's 2007 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-1333. The auditor's report on the basic financial statements and combining and individual fund statements is included in the financial section of this report.


## Acknowledgements

The preparation and publication of this report would not have been possible without the cooperation of the entire Treasurer's Office.

Finally, this report would not have been possible without the support and interest of the Board. We appreciate their leadership and commitment to excellence.

Sincerely,

  
M. Todd Yohcy  
Superintendent

  
Christine Cook Poetter  
Treasurer

Ross Local School District  
Appointed Officials  
June 30, 2007

**Official**

**Title**

Mr. M. Todd Yohey

Superintendent

Mrs. Christine Cook Poetter

Treasurer

Mr. Greg Young

Assistant Superintendent

Mr. Ronald Mandery

Director of Transportation

Ms. Dorothy Schmidt

Coordinator of Food Services

Ross Local School District  
Consultant and Advisors  
As of June 30, 2007

---

**Architect**

Steed Hammond Paul  
82 Williams Avenue  
Hamilton, Ohio 45015

**Bond Counsel**

Peck, Shaffer, & Williams  
425 Walnut Street  
Cincinnati, Ohio 45202

**Independent Auditor**

Clark, Schaefer, Hackett, & Co.  
160 North Briel Boulevard  
Middletown, Ohio 45042

**Investment Counselor**

Seasongood & Mayer  
414 Walnut Street  
Cincinnati, Ohio 45202

**Legal Counsel**

Ennis, Roberts, & Fischer  
Attorneys at Law  
121 West Ninth Street  
Cincinnati, Ohio 45202

**Underwriter**

Seasongood & Mayer  
414 Walnut Street  
Cincinnati, Ohio 45202

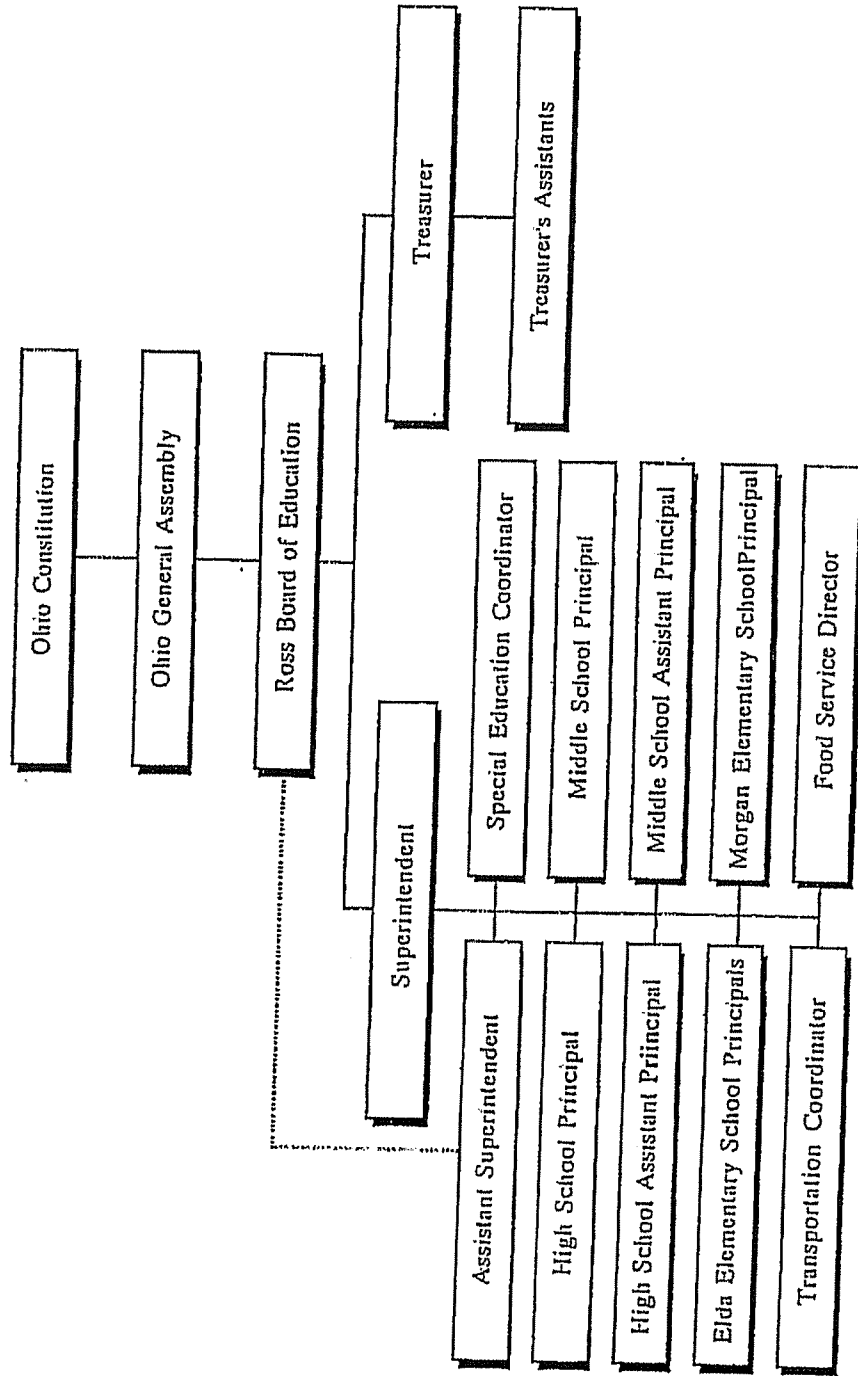
**Official Depository**

Fifth Third Bank  
4005 Hamilton Cleves Road  
Hamilton, Ohio 45013

**Health Insurance – 3<sup>rd</sup> Party Administrator**

Principal Financial Group  
PO Box 39710  
Colorado Springs, Colorado 80949

# Ross Local School District Organization Chart





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ross Local School District  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

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



*Oliver S. Cox*

President

*Jeffrey R. Emery*

Executive Director

## Financial Section



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

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Ross Local School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross Local School District, as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross Local School District, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2007, on our consideration of Ross Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is

to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary comparison information on pages 3 through 10 and 43 through 44, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Clark Schaefer, Hackett & Co.*

Middletown, Ohio  
December 28, 2007

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

This discussion and analysis provides key information from management highlighting the overall financial performance of the Ross Local School District for the year ended June 30, 2007. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

### **Financial Highlights**

Major financial highlights for fiscal year 2007 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$16.8 million. Of this amount, \$2.4 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$860,000.
- ✓ The School District had \$25.8 million in expenses related to governmental activities; only \$2.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$23.8 million, made up primarily of property taxes and State Foundation payments, were adequate to provide for these programs.
- ✓ The General Fund balance increased by \$300,000 from \$2.0 million at June 30, 2006 to \$2.3 million at June 30, 2007.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**ROSS SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2007**  
**Unaudited**

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The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The School District has no business-type 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 fiduciary funds.

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

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

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

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

**ROSS SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2007**  
**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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

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

	<b>Governmental Activities 2007</b>	<b>Governmental Activities 2006</b>
Current and other assets	\$ 16,511,813	15,103,898
Capital assets	36,398,841	37,077,241
Total assets	<u>52,910,654</u>	<u>52,181,139</u>
Long-term liabilities	24,200,860	24,837,414
Other liabilities	11,906,907	11,404,357
Total liabilities	<u>36,107,767</u>	<u>36,241,771</u>
Net assets:		
Invested in capital assets, net of debt	13,233,413	13,033,241
Restricted:		
For capital purposes	123,598	266,316
For debt service	976,969	761,937
For other purposes	69,386	-
Unrestricted	<u>2,399,521</u>	<u>1,877,874</u>
Total net assets	<u>\$ 16,802,887</u>	<u>15,939,368</u>

The largest portion of the School District's net assets reflects its investment in capital assets, less any related debt to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The balance of unrestricted net assets of \$2,399,521 may be used to meet the government's ongoing obligations to citizens and creditors.

ROSS SCHOOL DISTRICT, OHIO  
Management's Discussion and Analysis  
Year Ended June 30, 2007  
Unaudited

**B. Governmental Activities during fiscal year 2007**

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

	<b>Governmental Activities 2007</b>	<b>Governmental Activities 2006</b>
<b>Revenues:</b>		
Program revenues:		
Charges for sales and services	\$ 1,533,278	1,409,001
Operating grants and contributions	1,306,060	1,268,128
Total program revenues	<u>2,839,338</u>	<u>2,677,129</u>
General revenues:		
Property and Income Taxes	11,164,933	8,337,754
Grants and entitlements	12,172,806	12,071,717
Investment earnings	281,311	197,853
Miscellaneous	199,001	418,309
Total general revenues	<u>23,818,051</u>	<u>21,025,633</u>
<b>Total Revenues</b>	<u>26,657,389</u>	<u>23,702,762</u>
<b>Expenses:</b>		
Instruction	13,364,855	10,602,779
Support Services:		
Pupil	818,693	823,651
Instructional Staff	1,302,590	1,182,254
Board of Education	14,304	83,630
Administration	1,756,814	1,795,625
Fiscal	525,050	518,893
Operation of maintenance and plant	2,628,197	2,134,602
Pupil transportation	2,192,810	2,021,368
Central	10,058	21,697
Non-instructional services	1,287,341	1,123,818
Interest on long-term debt	965,394	1,006,783
Food services	927,764	906,186
<b>Total expenses</b>	<u>25,793,870</u>	<u>22,221,286</u>
<b>Change in net assets</b>	<u>\$ 863,519</u>	<u>1,481,476</u>



**ROSS SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2007**  
**Unaudited**

Of the total governmental activities revenues of \$26,657,389, \$2,839,338(11%) is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, 47% (\$11,164,933) comes from property tax levies and income taxes and 51% (\$12,172,806) is from state funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

***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 \$2,839,338 of the cost of the general government programs was recouped in program revenues. Instruction costs were \$13,364,855 but program revenue contributed to fund 4% of those costs. Thus, general revenues of \$12,871,714 were used to support the remainder of the instruction costs.

The School District's governmental activities net assets increased by \$863,519. This increase was attributable mainly to the increase in income tax revenue. The district received a full year of revenue compared to half of a year for fiscal year 2006.

	<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost of Services</u>
Instruction	\$ 13,364,855	493,141	4%	12,871,714
Support Services	9,248,516	770,114	8%	8,478,402
Non-instructional services	1,287,341	590,896	46%	696,445
Food service	927,764	985,187	106%	(57,423)
Interest on long-term debt	<u>965,394</u>	<u>-</u>	<u>0%</u>	<u>965,394</u>
Total	\$ <u>25,793,870</u>	<u>2,839,338</u>	<u>11%</u>	<u>22,954,532</u>

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

**Governmental funds**

The School District has two major governmental funds: the General Fund and the Debt Service Fund. Assets of these funds comprise \$15,591,503 (96%) of the total \$16,261,458 governmental funds assets.

**General Fund:** Fund balance at June 30, 2007 was \$2,288,876, including \$1,493,602 of unreserved balance, which represents 11% of expenditures for fiscal year 2007. The primary reason for the increase in fund balance was an overall increase in income tax revenues that offset increasing instruction and non-instruction expenditures.

**ROSS SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2007**  
**Unaudited**

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**Debt Service Fund:** The fund balance at June 30, 2007 was \$1,007,787, which will be used for future principal and interest payments on long-term debt. Current year change in fund balance was \$245,850. The cause of the increase relates to the decrease in interest payments related to the school improvement bonds.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The schedule comparing the School District's original and final budgets and actual results are included in the required supplementary information. Significant differences between the original and final are as follows:

- Final budgeted revenues were higher than original due to increases in intergovernmental and income tax revenues.
- Final budgeted expenditures were higher than original primarily due to increases in instructional expenses.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2007, the School District had \$36,398,841 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total decrease in the School District's investment in capital assets for the current fiscal year was \$678,400. See Note 8 to the financial statements for more detail.

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

		<b>Governmental Activities</b>
Land	\$	1,262,525
Land improvements		1,231,781
Building and improvements		32,514,361
Furniture and equipment		795,242
Vehicles		594,932
		36,398,841

**ROSS SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2007**  
**Unaudited**

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**Debt**

In March 2003, the Board issued bonds in the amount of \$24,900,000 to build a new high school and additions to Elda Elementary. A portion of these bonds were advance refunded during fiscal year 2007. The remaining principal of \$12,670,000 will be repaid for the next eighteen years, maturing in 2025.

The District issued \$9,415,000 in fiscal year 2007 for the partial advance refunding of \$9,415,000 of general obligation bonds issued in 2003. These bonds include current interest serial bonds that will mature in 2028; two issues of current interest term bonds that mature in 2020 and 2025; and capital appreciation bonds that will mature in 2015.

As a result, the refunded bonds are considered to be defeased and the liability associated with these bonds has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$550,120. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next twenty-two years by \$604,518 and resulted in an economic gain of \$625,610.

The District entered into a lease agreement in June 2004 in the amount of \$1,251,000. The lease relates to additional improvements and equipment for the new high school. The principal payment of \$44,000 was made in fiscal 2007, as well as related interest of \$49,553.

See Note 9 to the financial statements.

**ECONOMIC FACTORS**

A challenge facing the School District is the future of state funds. On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including a change in the school districts that are used as the basis for determining the base cost support amount and fully funding parity aid no later than the beginning of fiscal year 2004. The State of Ohio asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. The Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator.

**ROSS SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2007**  
**Unaudited**

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The mediator issued his final report indicating that the conference was unable to produce a settlement so the case was reconsidered by the Court. On December 11, 2002, the Court found the state's school funding system unconstitutional but declined to retain jurisdiction of the matter meaning the decision included no timeline for compliance or accountability for lack of compliance. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**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. If you have questions about this report or need additional financial information, contact the Treasurer's office at the Ross Local School District, 3371 Hamilton Cleves Road, Hamilton, Ohio 45013.

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# ROSS LOCAL SCHOOL DISTRICT, OHIO

## Statement of Net Assets

June 30, 2007

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 4,029,002
Receivables:	
Property taxes	9,850,218
Income taxes	1,832,144
Intergovernmental	83,245
Interest	63,789
Supplies inventory	9,618
Restricted cash	392,800
Deferred charges	250,997
Nondepreciable capital assets	1,262,525
Depreciable capital assets, net	<u>35,136,316</u>
<b>Total assets</b>	<u>52,910,654</u>
<b>Liabilities:</b>	
Accounts payable	73,290
Accrued wages and benefits	1,806,233
Due to other governments	13,503
Pension obligation payable	496,782
Interest payable	71,133
Unearned revenue	9,445,966
Noncurrent liabilities:	
Due within one year	963,374
Due within more than one year	<u>23,237,486</u>
<b>Total liabilities</b>	<u>36,107,767</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	13,233,413
Restricted for:	
Capital projects	123,598
Debt service	976,969
Other Purpose	69,386
Unrestricted	<u>2,399,521</u>
<b>Total net assets</b>	<u>\$ 16,802,887</u>

See accompanying notes to the basic financial statements.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Activities  
Year Ended June 30, 2007

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 11,323,356	309,079	86,065	\$ (10,928,212)
Special education	1,782,823	-	97,997	(1,684,826)
Adult/continuing	1,837	-	-	(1,837)
Other	256,839	-	-	(256,839)
Support services:				
Pupil	818,693	-	6,542	(812,151)
Instructional staff	1,302,590	-	706,481	(596,109)
Board of Education	14,304	-	-	(14,304)
Administration	1,756,814	-	20,003	(1,736,811)
Fiscal	525,050	-	-	(525,050)
Operation and maintenance of plant	2,628,197	-	-	(2,628,197)
Pupil transportation	2,192,810	-	-	(2,192,810)
Central	10,058	-	37,088	27,030
Non-instructional services:				
Extracurricular activities	1,075,040	455,068	-	(619,972)
Community service	212,301	-	135,828	(76,473)
Food service	927,764	769,131	216,056	57,423
Interest on long-term debt	965,394	-	-	(965,394)
<b>Total Governmental Activities</b>	<u>25,793,870</u>	<u>1,533,278</u>	<u>1,306,060</u>	<u>(22,954,532)</u>
<b>General Revenues:</b>				
Property taxes, levied for general purposes				6,393,115
Property taxes, levied for debt services				1,738,698
Property taxes, levied for permanent improvement				112,081
Income taxes				2,921,039
Grants and entitlements not restricted to specific programs				12,172,806
Investment earnings				281,311
Miscellaneous				199,001
<b>Total general revenues</b>				<u>23,818,051</u>
Change in net assets				863,519
Net assets beginning of year				<u>15,939,368</u>
Net assets end of year			\$	<u>16,802,887</u>

See accompanying notes to the basic financial statements.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Balance Sheet  
 Governmental Funds  
 June 30, 2007

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 2,581,835	975,428	471,739	4,029,002
Restricted cash	392,800	-	-	392,800
Receivables:				
Property Taxes	7,971,039	1,770,813	108,366	9,850,218
Income Taxes	1,832,144	-	-	1,832,144
Intergovernmental	-	-	83,245	83,245
Interest	63,789	-	-	63,789
Interfund receivable	642	-	-	642
Supplies inventory	3,013	-	6,605	9,618
<b>Total assets</b>	<u>12,845,262</u>	<u>2,746,241</u>	<u>669,955</u>	<u>16,261,458</u>
<b>Liabilities:</b>				
Accounts payable	53,253	-	20,037	73,290
Accrued wages and benefits	1,693,770	-	112,463	1,806,233
Pension obligation payable	447,912	-	48,870	496,782
Compensated absences payable	7,960	-	4,380	12,340
Retirement incentive obligation	41,034	-	-	41,034
Due to other governments	12,757	-	746	13,503
Interfund payable	-	-	642	642
Unearned revenue	8,299,700	1,738,454	123,321	10,161,475
<b>Total liabilities</b>	<u>10,556,386</u>	<u>1,738,454</u>	<u>310,459</u>	<u>12,605,299</u>
<b>Fund Balances:</b>				
Reserved for:				
Encumbrances	253,801	-	32,220	286,021
Budget stabilization	392,800	-	-	392,800
Property taxes	145,660	32,359	1,980	179,999
Supplies inventory	3,013	-	6,605	9,618
Unreserved, reported in:				
General Fund	1,493,602	-	-	1,493,602
Special Revenue Funds	-	-	199,540	199,540
Debt Service Fund	-	975,428	-	975,428
Capital Projects Funds	-	-	119,151	119,151
<b>Total fund balances</b>	<u>2,288,876</u>	<u>1,007,787</u>	<u>359,496</u>	<u>3,656,159</u>
<b>Total liabilities and fund balances</b>	<u>\$ 12,845,262</u>	<u>2,746,241</u>	<u>669,955</u>	<u>16,261,458</u>

See accompanying notes to the basic financial statements.



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

<b>Total Governmental Fund Balances</b>		\$ 3,656,159
Amounts reported for governmental activities in the statement of net assets are different because:		
Deferred charges in governmental activities are not financial resources and therefore are not reported in the funds.		250,997
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		715,509
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		36,398,841
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(949,115)	
Early retirement incentive	(32,943)	
Interest payable	(71,133)	
Bonds payable	(22,097,868)	
Discount on bond issue	86,463	
Premium on bond issue	(566,556)	
Deferred amount on refunding	535,533	
Lease-purchase agreements	<u>(1,123,000)</u>	
Total		<u>(24,218,619)</u>
Net Assets of Governmental Activities		\$ <u>16,802,887</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2007

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 6,391,030	1,737,930	109,614	8,238,574
Income taxes	2,589,139	-	-	2,589,139
Tuition and fees	65,501	-	-	65,501
Interest	232,177	-	32,849	265,026
Extracurricular	65,026	-	390,342	455,368
Charges for services	-	-	878,028	878,028
Intergovernmental	11,942,514	215,561	1,337,863	13,495,938
Other local revenues	<u>295,497</u>	<u>5,479</u>	<u>32,406</u>	<u>333,382</u>
<b>Total revenues</b>	<u>21,580,884</u>	<u>1,958,970</u>	<u>2,781,102</u>	<u>26,320,956</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	10,602,617	-	370,188	10,972,805
Special education	1,569,839	-	194,635	1,764,474
Other instruction	258,676	-	-	258,676
Support services:				
Pupil	721,887	-	92,909	814,796
Instructional staff	836,907	-	456,949	1,293,856
Board of Education	14,304	-	-	14,304
Administration	1,666,122	18,442	34,165	1,718,729
Fiscal	505,688	9,626	579	515,893
Operation and maintenance of plant	1,903,710	-	-	1,903,710
Pupil transportation	1,870,097	-	24,123	1,894,220
Non-instructional services:				
Extracurricular activities	548,393	-	356,923	905,316
Community service	-	-	185,510	185,510
Food service	-	-	926,394	926,394
Capital outlay	655,408	-	276,340	931,748
Debt Service:				
Principal	56,000	780,000	-	836,000
Interest and fiscal charges	49,787	905,052	-	954,839
<b>Total expenditures</b>	<u>21,259,435</u>	<u>1,713,120</u>	<u>2,918,715</u>	<u>25,891,270</u>
Excess of revenues over (under) expenditures	<u>321,449</u>	<u>245,850</u>	<u>(137,613)</u>	<u>429,686</u>
<b>Other financing sources (uses):</b>				
Proceeds from issuance of refunding bonds	-	9,415,000	-	9,415,000
Premium from issuance of refunding bonds	-	581,988	-	581,988
Issuance costs	-	(157,821)	-	(157,821)
Payment to escrow agent for refunding bonds	-	<u>(9,839,167)</u>	-	<u>(9,839,167)</u>
<b>Total other financing sources:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	321,449	245,850	(137,613)	429,686
Fund balance, beginning of year	<u>1,967,427</u>	<u>761,937</u>	<u>497,109</u>	<u>3,226,473</u>
Fund balance, end of year	<u>\$ 2,288,876</u>	<u>1,007,787</u>	<u>359,496</u>	<u>3,656,159</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2007

**Net Change in Fund Balances - Total Governmental Funds** \$ 429,686

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

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

Capital outlay	630,304
Depreciation expense	(1,308,704)

Governmental funds report the effect of issuance costs, discounts, premiums and deferrals when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities

Discount from sale of bonds	(5,261)
Premium on sale of bonds	15,432
Deferred amount on refunding	(14,587)
Bond issuance costs	(10,109)

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 assets. 836,000

Accretion on capital appreciation bonds is recorded each year as interest in the statement of net assets (12,868)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 6,729

Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (39,536)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds 336,433

Change in Net Assets of Governmental Activities \$ 863,519

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Net Assets

Fiduciary Funds

June 30, 2007

	Private- Purpose Trust	Agency Funds
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 2,052	54,596
Total assets	<u>2,052</u>	<u>54,596</u>
<b>LIABILITIES</b>		
Due to student groups	-	54,596
Total liabilities	<u>-</u>	<u>54,596</u>
<b>NET ASSETS</b>		
Held in trust	\$ <u>2,052</u>	<u>-</u>

See accompanying notes to the basic financial statements.

# ROSS LOCAL SCHOOL DISTRICT, OHIO

## Statement of Changes in Net Assets

### Fiduciary Funds

Year Ended June 30, 2007

	Private- Purpose Trust
<b>Additions:</b>	
Interest	\$ <u>14</u>
Total additions	<u>14</u>
<b>Deductions:</b>	
Community service	<u>-</u>
	<u>-</u>
Change in net assets	14
Net assets, beginning of year	<u>2,038</u>
Net assets, end of year	\$ <u><u>2,052</u></u>

See accompanying notes to the basic financial statements.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**NOTE 1-DESCRIPTION OF THE DISTRICT**

The Ross Local School 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.

**A. Reporting Entity**

The financial 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 in that the District approves the budget, the issuance of debt, or the levying of taxes. There were no component units included in the reporting entity.

Jointly Governed Organization: The District participates in two jointly governed organizations. These jointly governed organizations are described in Note 15.

**B. Basis of Presentation**

*Government-wide Financial Statements* – The statement of net assets and the statement of activities display information about the District as a whole. These statements include financial activities of the primary government except for fiduciary funds. The statements distinguish between those types of activities of the District that are governmental and those that are considered to be business-type activities. The District has no business type activities.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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 reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the 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 a program and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function is self-financing or draws from the general revenues of the District.

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

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

**C. Fund Accounting**

The 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 in financial management by segregating transactions related to certain 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 District are grouped into the categories governmental and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

The following are the District's major governmental funds:

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 general laws of Ohio.

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 costs.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The District only has agency fiduciary funds. Agency funds are purely custodial (assets equals liabilities) and thus do not involve measurement of results of operations. The District's agency fund accounts for student activities.

**D. Basis of Accounting**

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

The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become 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 District is sixty days after fiscal year-end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, student fees and grants.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

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



**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

*Revenues – Exchange and Non-Exchange Transactions* - Revenues 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 District receives value without directly giving equal 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 are 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 of the fiscal year in which use is first permitted, matching requirements, in which the District must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

*Deferred Revenue* – Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2007 that are intended to finance fiscal year 2008 operations have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**E. Cash and Investments**

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During fiscal year 2007, the District's investments were limited to US Treasury notes and US Agency securities.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings.

An analysis of the Treasurer's investment account at the year-end is provided in Note 4.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**F. Restricted Assets**

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

**G. Inventories**

Inventories of governmental funds are stated at cost, determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when purchased.

**H. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements but are not reported in the governmental fund financial statements. The District defines capital assets as those with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are reported at cost or estimated historical cost. Donated capital assets are stated at their estimated fair value when received. The 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. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

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

Buildings	30 - 50 years
Land improvements	10 - 20 years
Furniture and equipment	5 - 20 years
Vehicles	10 years

**I. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

**J. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources with the exception of compensated absences as noted above.

**K. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**L. Fund Balance Reserves**

The District records reservations for portions of fund equity that are legally segregated for specific use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicate that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, supplies inventory and budget reserve set-asides. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**M. 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.

**NOTE 3-DEFICIT FUND BALANCES**

At June 30, 2007, the following funds had a deficit fund balance:

Other local grant	\$179
Title VI-B	\$34,535
Title I	\$1,323
Title VI	\$183
Class size reduction	\$5,391

These deficit 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.

**NOTE 4-EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

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 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 accounts including passbook accounts.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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;
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);
7. Certain banker's acceptances and commercial paper notes for a period not to exceed 180 days from the date of purchase in an amount not to exceed 25 percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

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

(A) 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 does not have a custodial credit risk policy. At year-end, \$4,439,585 of the School District's bank balance of \$4,539,585 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.

(B) INVESTMENTS

The School District's investments at June 30, 2007 are as summarized as follows:

	<u>Fair Value</u>	<u>Average Maturity (Years)</u>
Federal Home Loan Bank	\$ 1,722,346	0.08
Fed. National Mortgage Assoc.	349,968	0.10
U.S. Money Market Funds	19,737	n/a
	<u>\$ 2,092,051</u>	

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

*Credit Risk*

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

*Custodial Credit Risk*

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

*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.

*Concentration of Credit Risk*

The District's investment policy does not place any limit on investments in any single issuer. Five percent or more of the City's investments are in the following:

<u>Investments</u>	<u>Percent</u>
Federal Home Loan Bank	82.33%
Fed. National Mortgage Assoc.	16.73%

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**NOTE 5-PROPERTY TAXES**

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

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

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

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

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2007. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available as advances in the General Fund, Debt Service Fund and Other Governmental Funds at June 30, 2007 were \$145,660, \$32,359 and \$1,980, respectively.



**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

	<u>2006 Second- Half Collections</u>		<u>2007 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 301,919,730	94.77%	\$ 316,076,930	95.57%
Personal Property	<u>16,672,982</u>	5.23%	<u>14,640,735</u>	4.43%
Total Assessed Value	\$ <u>318,592,712</u>	100.00%	\$ <u>330,717,665</u>	100.00%
Tax rate per \$1,000 of assessed valuation	\$53.66		\$53.66	

**NOTE 6-INTERFUND TRANSACTIONS**

On the fund financial statements, the General Fund has a receivable of \$642 that consists of amounts due from a non-major governmental fund. This interfund loan was made to provide operating capital. These amounts are eliminated in the governmental activities column of the statement of net assets.

**NOTE 7-INCOME TAX**

The School District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2006, and will run until 2009. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**NOTE 8-CAPITAL ASSETS**

A summary of the changes in capital asset activity for governmental activities during the fiscal year is as follows:

	Balance <u>7/1/06</u>	Additions	Disposals	Balance <u>6/30/07</u>
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,262,525	\$ -	\$ -	\$ 1,262,525
Subtotal	<u>1,262,525</u>	<u>-</u>	<u>-</u>	<u>1,262,525</u>
<b>Depreciable:</b>				
Land improvements	1,974,038	132,465	-	2,106,503
Buildings and improvements	48,718,922	198,686	-	48,917,608
Furniture and equipment	1,277,229	26,153	-	1,303,382
Vehicles	2,243,348	273,000	-	2,516,348
Subtotal	<u>54,213,537</u>	<u>630,304</u>	<u>-</u>	<u>54,843,841</u>
Totals at cost	<u>55,476,062</u>	<u>630,304</u>	<u>-</u>	<u>56,106,366</u>
Less accumulated depreciation:				
Land improvements	778,941	95,781	-	874,722
Buildings and improvements	15,436,299	966,948	-	16,403,247
Furniture and equipment	407,466	100,674	-	508,140
Vehicles	1,776,115	145,301	-	1,921,416
Total accumulated depreciation	<u>18,398,821</u>	<u>1,308,704</u>	<u>-</u>	<u>19,707,525</u>
Capital assets, net	\$ <u>37,077,241</u>	\$ <u>(678,400)</u>	\$ <u>-</u>	\$ <u>36,398,841</u>

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

Depreciation expense was charged as follows:

Instruction:	
Regular	\$ 342,230
Special	15,727
Pupil	1,105
Instructional staff	3,066
School administration	26,479
Fiscal	5,874
Operation and maintenance of plant	417,636
Pupil transportation	291,680
Central	10,058
Community service	25,051
Extracurricular activities	<u>169,798</u>
Total depreciation expense	\$ <u><u>1,308,704</u></u>

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**NOTE 9-LONG-TERM OBLIGATIONS**

Long-Term Obligations – The changes in the District’s long-term obligations during fiscal year 2007 were as follows:

	Principal Outstanding 07/01/06	Additions	Reductions	Principal Outstanding 06/30/07	Amounts Due in One Year
<i>Governmental Activities:</i>					
2003 School Improvement Bonds 2.0-4.5%	\$ 22,865,000	\$ -	\$ (10,195,000)	\$ 12,670,000	\$ 840,000
Discount on Issue	(150,967)	-	64,504	(86,463)	-
2006 Refunding Bonds					
Current Interest Serial Bonds 3.55-4.375%	-	7,585,000	-	7,585,000	25,000
Capital Appreciation Bonds 4.0%	-	122,868	-	122,868	-
Current Interest Term Bonds 4.0%	-	130,000	-	130,000	-
Current Interest Term Bonds 4.25%	-	1,590,000	-	1,590,000	-
Deferred Amounts:					
Add: Bond premium	-	581,988	(15,432)	566,556	-
Less: Deferred amount on refunding	-	(550,120)	14,587	(535,533)	-
Bus and Copier Lease	12,000	-	(12,000)	-	-
Equipment Lease	1,167,000	-	(44,000)	1,123,000	45,000
STRS Early Retirement Incentive	82,068	41,034	(49,125)	73,977	41,034
Compensated Absences Liability	862,313	961,455	(862,313)	961,455	12,340
Total	\$ 24,837,414	\$ 10,462,225	\$ (11,098,779)	\$ 24,200,860	\$ 963,374

The District issued \$24,900,000 School Improvement Bonds in fiscal year 2003 that mature in fiscal year 2025, for the construction of a high school and improvements to the district’s elementary schools. The original issue included current interest serial bonds and capital appreciation bonds. In fiscal year 2007, the School District advanced refunded \$9,415,000 of this issue. The remaining current interest serial bonds will be fully matured in 2025.

The district issued \$9,415,000 in Refunding Bonds in fiscal year 2007 that mature in fiscal year 2028, for the partial advance refunding of \$9,415,000 of general obligation bonds issued in 2003. These bonds include current interest serial bonds that will mature in 2028; two issues of current interest term bonds that mature in 2020 and 2025; and capital appreciation bonds that will mature in 2015. The maturity amount of the capital appreciation bonds is \$725,000. For fiscal year 2007, \$12,868 was accreted for a total bond value of \$122,868.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

Principal and interest requirements to retire the District's long-term general obligation bonds outstanding at June 30, 2007 are shown in the table below. The capital appreciation bonds are included at the full maturity value reported in the principal column.

Fiscal Year Ending June 30,	Principal Due	Interest Due	Total FY Payments
2008	\$ 865,000	844,544	1,709,544
2009	625,000	827,720	1,452,720
2010	675,000	810,260	1,485,260
2011	730,000	789,075	1,519,075
2012	800,000	764,411	1,564,411
2013-2017	3,595,000	3,807,384	7,402,384
2018-2022	4,360,000	3,384,137	7,744,137
2023-2027	7,250,000	1,664,488	8,914,488
2028-2029	3,800,000	169,312	3,969,312
Total	\$ <u>22,700,000</u>	<u>13,061,331</u>	<u>35,761,331</u>

Advanced Refunding

During fiscal year 2007 the School District issued \$9,415,000 of general obligation bonds (in four separate series) to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of \$9,415,000 of the 2003 school improvement general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability associated with these bonds has been removed from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$550,120. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next twenty-two years by \$604,518 and resulted in an economic gain of \$625,610.

**NOTE 10 – CAPITAL LEASES – LESSEE DISCLOSURE**

During fiscal year 2004, the District entered into a lease agreement for acquisition of equipment and improvements related to the construction of the new high school. This 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 will be reflected as debt service expenditures in the basic financial statements for the governmental funds.

The following is a schedule of the future minimum lease payments for the capital leases, and the present value of the future minimum lease payments at June 30, 2007:

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

Year Ending June 30		
2008	\$	92,447
2009		92,545
2010		92,560
2011		1,023,490
Total Future Minimum Lease Payments		1,301,042
Less: Amount Representing Interest		178,042
Present Value of Future Minimum Lease Paymen \$		1,123,000

**NOTE 11-OTHER EMPLOYEE BENEFITS**

Accumulated Unpaid Vacation

District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave.

Accumulated Unpaid Sick Leave

District employees may accumulate sick leave. Upon retirement, payment is made for 26.5% of the total unused sick leave balance up to a maximum of fifty days for certified and classified employees. The total obligation for sick leave accrual for the District as a whole as of June 30, 2007 was \$805,848.

Early Retirement Incentive

During fiscal year 2007, the District participated in the State Teacher Retirement System Early Retirement Incentive program for certificated staff. During fiscal year 2007, eleven teachers were eligible to participate, but none were eligible to retire. The District purchased two years of service credit for eligible certificated employees in fiscal 2007. Principal obligations of the purchased credit are based upon individual age, length of service and salary at retirement. Future principal and interest requirements to pay the early retirement incentive debt obligation to the State Teachers Retirement System in fiscal 2007, 2008 and 2009 totaled \$41,034, \$25,606 and \$7,337 respectively.

**NOTE 12-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 the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

**NOTE 13-DEFINED BENEFIT PENSION PLANS**

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746, by calling (800) 878-5853 or by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org).

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.58 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established, and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The District's required contributions to SERS for the fiscal years ended June 30, 2007, 2006, and 2005 were \$390,091, \$364,383 and \$303,914 respectively; 60% has been contributed for 2007 and 100% for fiscal years 2006 and 2005.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost sharing multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtain by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090 or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance, based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.55% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DB and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund defined benefit payment at a reduced level from the regular DB Plan.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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

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

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's contributions to STRS Ohio for the years ended June 30, 2007, 2006, and 2005 were \$1,442,088, \$1,298,331, and \$1,370,965 respectively; 84% has been contributed for 2007 and 100% for fiscal years 2006 and 2005.

**SOCIAL SECURITY SYSTEM**

Effective July 1, 1991, all employees not otherwise covered by SERS or STRS Ohio have an option to choose Social Security or SERS. The District's liability is 6.2% of wages paid.

**NOTE 14--POSTEMPLOYMENT BENEFITS**

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

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For the year ended June 30, 2007, the STRS Ohio Board allocated employer contributions equal to 1.00% of



**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

covered payroll to the Health Care Stabilization Fund. For the School District, this amount was approximately \$103,000 during fiscal year 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. The balance in the fund was \$3.50 billion at June 30, 2006 (the latest date that information is available). For the year ended June 30, 2006, net health care costs paid by STRS were \$285.7 million and STRS had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. All retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility, and retirement status.

After the allocation of basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2007, employer contributions to fund health care benefits were 3.42 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 2007, the minimum pay has been established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the District, the amount contributed to fund health care benefits, including the surcharge, was approximately \$28,000 during the 2007 fiscal year.

The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care for the year ended June 30, 2006 (the latest date information is available) were \$158.8 million. At June 30, 2006, SERS' net assets available for payment of health care benefits was \$295.6 million. SERS has approximately 59,492 participants currently receiving health care benefits.

**NOTE 15-JOINTLY GOVERNED ORGANIZATION**

**SOUTHWEST OHIO COMPUTER ASSOCIATION**

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.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

BUTLER COUNTY TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

The Butler County Technology and Career Development Schools (BCTCDS), a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school districts' elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. BCTCDS was formed for the purpose of providing vocational education opportunities to the students of the member school districts which includes the students of the School District. The School District has no ongoing financial interest in nor responsibility for BCTCDS. To obtain financial information, write to BCTCDS, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

**NOTE 16-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 commercial insurance carriers for property and general liability insurance and boiler and machinery insurance.

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 17-CONTINGENCIES**

**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 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

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2007**

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 District at June 30, 2007.

**NOTE 18-STATUTORY RESERVES**

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

The following cash basis information describes the change in the year-end set aside amounts for textbooks and capital acquisition. Disclosure of this information is required by State statute.

		Textbooks	Capital Improvements	Budget Stabilization
Set-aside balance as of June 30, 2006	\$	(287,662)	-	392,800
Current year set-aside requirement		404,536	404,536	-
Less qualifying disbursements		(333,166)	(1,378,033)	-
Set-aside balance as of June 30, 2007	\$	(216,292)	(973,497)	392,800

Since the School District had offsets and qualifying disbursements during the year that reduced the set aside amount for textbooks and instructional materials to below zero, these extra amounts could be used to reduce the set aside requirements of future years.

The Ohio General Assembly eliminated the requirement for the budget stabilization reserve and effective April 10, 2001, the Board of Education could choose to eliminate the reserve with the exception of rebates received from the Bureau of Workers Compensation. The budget stabilization fund is no longer required. However, the District has opted to leave this fund intact.

**NOTE 19 – BUDGET NONCOMPLIANCE**

Throughout the fiscal year, the District amends its estimated resources and appropriations to ensure that their spending is within the guidelines of the Ohio Revised Code. In amending appropriations near the end of the fiscal year, a clerical error occurred which actually reduced appropriations instead of increasing them as intended. Therefore, per the budgetary analysis on page 43, the District spent more money than they had appropriated. However actual expenditures were less than actual resources.

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## Required Supplementary Information

## ROSS LOCAL SCHOOL DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual (Non-GAAP Budgetary Basis)

General Fund

Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Property taxes	6,505,000	6,380,000	6,381,510	1,510
Income taxes	1,500,000	1,590,000	1,593,439	3,439
Tuition and fees	27,000	65,000	65,501	501
Interest	200,000	220,000	224,888	4,888
Intergovernmental	11,398,000	11,865,000	11,942,514	77,514
Other local revenues	200,000	200,000	219,401	19,401
<b>Total revenues</b>	<u>19,830,000</u>	<u>20,320,000</u>	<u>20,427,253</u>	<u>107,253</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	9,944,111	9,898,196	10,433,468	(535,272)
Special education	1,555,763	1,548,580	1,562,449	(13,869)
Other instruction	232,725	231,650	275,176	(43,526)
Support services:				
Pupil	708,361	705,090	712,719	(7,629)
Instructional staff	732,982	729,598	840,333	(110,735)
Board of Education	39,231	39,050	18,681	20,369
Administration	1,766,473	1,758,317	1,738,788	19,529
Fiscal	538,738	536,250	517,301	18,949
Operation and maintenance of plant	1,854,106	1,845,545	2,032,320	(186,775)
Pupil transportation	1,853,960	1,845,400	1,890,701	(45,301)
Extracurricular activities	402,066	400,210	416,090	(15,880)
Capital outlay	549,638	547,100	672,507	(125,407)
Repayment of debt	106,291	105,800	105,787	13
<b>Total expenditures</b>	<u>20,284,446</u>	<u>20,190,786</u>	<u>21,216,320</u>	<u>(1,025,534)</u>
Excess of revenues over expenditures	(454,446)	129,214	(789,067)	1,132,787
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	-	9,000	9,665	665
Advances in	90,000	154,000	154,000	-
Refund of prior year expenditures	12,000	73,000	73,478	478
Advances out	-	(154,000)	(154,642)	(642)
<b>Total other financing sources (uses):</b>	<u>102,000</u>	<u>82,501</u>	<u>82,501</u>	<u>(164)</u>
Net change in fund balance	(352,446)	211,715	(706,566)	1,132,623
Fund balance, beginning of year	2,812,032	2,812,032	2,812,032	
Prior year encumbrances appropriated	581,323	581,323	581,323	
Fund balance, end of year	<u>3,040,909</u>	<u>3,605,070</u>	<u>2,686,789</u>	

See accompanying notes to required supplemental information.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Notes to Required Supplementary Information  
June 30, 2007

**NOTE A-BUDGETARY BASIS OF ACCOUNTING**

While the District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – 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 budgetary basis and GAAP basis are as follows:

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

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

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

The following summarizes the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule.

Change in Fund Balance (GAAP Basis)	\$ 321,449
Increase/(Decrease)	
Due to revenues	(1,153,631)
Due to expenditures	332,741
Due to other financing source and uses	82,501
Due to encumbrances	<u>(289,626)</u>
Change in fund balance (Budgetary Basis)	\$ <u><u>(706,566)</u></u>

Supplemental Section:  
Combining Statements and  
Individual Fund Schedules



## **Non-Major Governmental Funds**

### **Non-Major Special Revenue Funds**

Special Revenue Funds are established to account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's Special Revenue Funds follows:

#### **Public School Support Fund**

A fund provided to account for specific local revenue sources, other than taxes or expendable trust, (i.e. profits from vending machines, sales of pictures, etc.). Expenditures from this fund include field trips, assemblies, materials, supplies and equipment for use in the classroom.

#### **Other Grant Fund**

This fund accounts for various local grants

#### **Athletic Fund**

A fund provided to account for those student activity programs that have student participation in the activity but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, drill team, flag corps, drama club, and other similar types of activities.

#### **Auxiliary Service Fund**

A fund provided to account for state funds that provide services and materials to pupils attending non-public schools within the boundaries of the District as provided for in state law. Expenditures are primarily for educational supplies, materials and testing.

#### **Entry Year Teaching Program**

A fund provided to account for receipts and expenditures necessary for providing assistance to school districts for the development of local education of staff members.

#### **Management Information Systems**

A fund provided for purchase of computer hardware and software or other cost associated with the implementation of the requirements of the management information system.

#### **ONENet**

A fund provided to account for money appropriated for Ohio Education Computer Network Connections.

#### **School Net Professional Development**

A fund provided to account for a limited number of professional development grants.

#### **Ohio Reads Grant**

A fund used to account for specific state revenue required to be expended for the implementation of a volunteer tutoring program to improve students reading skills.

**Summer School Subsidy**

A fund used to account for student intervention services satisfying criteria defined in section 3313.608 of the Ohio Revised Code.

**Miscellaneous State Grants**

A fund used to account for various monies received from state agencies that are not classified elsewhere.

**Title VI-B**

A fund used to account for federal revenues used to assist with the training of teachers, supervisors, administrators, clinicians, or other specialists providing educational services to the handicapped.

**Title I**

A fund provided for financial assistance to state and local educational agencies to meet the special needs of educationally deprived children.

**Title VI**

A fund to consolidate various programs into a single authorization of grants for the same purposes set forth in the provisions of law as specified in the authorization section, to be used in accordance with the educational needs and priorities of the state and local agencies.

**Drug Free School Grant**

A fund provided to assist in drug abuse prevention, early intervention, rehabilitation referral, education in elementary school and secondary schools, and support components for reducing abuse of alcohol and other drugs.

**Title VI-B Preschool**

The Preschool Grant Program addresses the improvement and expansion of services for handicapped children ages three through five years.

**Class Size Reduction Grant**

A fund used to account federal funds designed to reduce class size.

**Miscellaneous Federal Grants**

A fund used to account for various federal monies that are not classified elsewhere.

**Special Revenue Fund**

This fund accounts for various local grants and contributions.

**Food Service**

A fund used to account for all revenues and expenses related to the provision of food services for the District.

**Uniform School Supplies**

A rotary fund provided to account for all revenues and expenses related to the provision of goods and services to the general public by vocational classes of the District.

## **Non-Major Capital Projects Fund**

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

### **Permanent improvement fund**

This fund accounts for the receipt of property tax revenue restricted for use on permanent improvements of the District.

### **Construction fund**

This fund accounts for all transactions related to the acquisition, construction or improvements to the District's facilities (as authorized by Chapter 5705 of the Ohio revised Code).

### **SchoolNet Fund**

This fund accounts for state grants for capital assets.

## **Major Governmental Funds**

### **Major Governmental Funds**

This section contains Budget and Actual statements on a non-GAAP basis of accounting for the Debt Service Fund. Combining statements are not required as all pertinent information is portrayed on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.

### **Debt Service Fund**

This fund is used for the accumulation of resources and payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment.

# ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 352,588	119,151	471,739
Net receivables:			
Taxes	-	108,366	108,366
Intergovernmental	83,245	-	83,245
Supplies and inventory	6,605	-	6,605
<b>Total assets</b>	<u>442,438</u>	<u>227,517</u>	<u>669,955</u>
<b>Liabilities:</b>			
Accounts payable	20,037	-	20,037
Accrued wages and benefits	112,463	-	112,463
Due to other governments	746	-	746
Interfund payable	642	-	642
Unearned revenue	16,935	106,386	123,321
Pension obligation payable	48,870	-	48,870
Compensated absences payable	4,380	-	4,380
<b>Total liabilities</b>	<u>204,073</u>	<u>106,386</u>	<u>310,459</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	32,220	-	32,220
Supplies inventory	6,605	-	6,605
Property taxes	-	1,980	1,980
Unreserved, reported in:			
Special Revenue Funds	199,540	-	199,540
Capital Projects Funds	-	119,151	119,151
<b>Total fund balances</b>	<u>238,365</u>	<u>121,131</u>	<u>359,496</u>
<b>Total liabilities and fund balances</b>	\$ <u>442,438</u>	<u>227,517</u>	<u>669,955</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

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

Nonmajor Governmental Funds

Year Ended June 30, 2007

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues:</b>			
Property taxes	\$ -	109,614	109,614
Extracurricular	390,342	-	390,342
Charges for services	878,028	-	878,028
Interest	32,849	-	32,849
Intergovernmental	1,300,444	37,419	1,337,863
Other Local Revenues	11,843	20,563	32,406
<b>Total revenues</b>	<u>2,613,506</u>	<u>167,596</u>	<u>2,781,102</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	346,140	24,048	370,188
Special	194,635	-	194,635
Support services:			
Pupil	92,909	-	92,909
Instructional staff	456,949	-	456,949
School administration	32,890	1,275	34,165
Fiscal	-	579	579
Operation and maintenance	-	-	-
Pupil transportation	24,123	-	24,123
Central	-	-	-
Non-instructional services:			
Community services	185,510	-	185,510
Extracurricular activities	356,923	-	356,923
Food services	926,394	-	926,394
Capital outlay	-	276,340	276,340
<b>Total expenditures</b>	<u>2,616,473</u>	<u>302,242</u>	<u>2,918,715</u>
Net change in fund balances	(2,967)	(134,646)	(137,613)
Fund balance, beginning of year	<u>241,332</u>	<u>255,777</u>	<u>497,109</u>
Fund balance, end of year	<u>\$ 238,365</u>	<u>121,131</u>	<u>359,496</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2007

	<u>Public School Support</u>	<u>Other Local Grant</u>	<u>Athletic</u>	<u>Auxiliary Service</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 40,268	1,020	58,462	22,046
Net receivables:				
Intergovernmental	-	-	-	-
Supplies and inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>40,268</u>	<u>1,020</u>	<u>58,462</u>	<u>22,046</u>
<b>Liabilities:</b>				
Accounts payable	-	1,199	4,045	3,445
Accrued wages and benefits	-	-	-	11,506
Due to other governments	-	-	-	78
Interfund Payable	-	-	-	-
Unearned revenue	-	-	-	-
Pension obligation payable	-	-	-	2,455
Compensated absences payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>-</u>	<u>1,199</u>	<u>4,045</u>	<u>17,484</u>
<b>Fund Balances:</b>				
Fund Balances				
Reserved for:				
Encumbrances	5,967	-	10,882	8,274
Supplies inventory	-	-	-	-
Unreserved-undesignated	<u>34,301</u>	<u>(179)</u>	<u>43,535</u>	<u>(3,712)</u>
<b>Total fund balances</b>	<u>40,268</u>	<u>(179)</u>	<u>54,417</u>	<u>4,562</u>
<b>Total liabilities and fund balances</b>	\$ <u>40,268</u>	<u>1,020</u>	<u>58,462</u>	<u>22,046</u>

<u>Entry Year</u>	<u>Management</u>		<u>SchoolNet</u>	<u>Ohio</u>	<u>Summer</u>	<u>Misc.</u>
<u>Teaching</u>	<u>Information</u>	<u>ONENet</u>	<u>Professional</u>	<u>Reads</u>	<u>School</u>	<u>State</u>
<u>Program</u>	<u>Systems</u>		<u>Development</u>	<u>Grant</u>	<u>Subsidy</u>	<u>Grants</u>
-	18,779	12,000	-	2,000	-	9,101
-	-	-	-	-	-	11,022
-	-	-	-	-	-	-
-	<u>18,779</u>	<u>12,000</u>	-	<u>2,000</u>	-	<u>20,123</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	9,022
-	-	-	-	-	-	-
-	-	-	-	-	-	<u>9,022</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	<u>18,779</u>	<u>12,000</u>	-	<u>2,000</u>	-	<u>11,101</u>
-	<u>18,779</u>	<u>12,000</u>	-	<u>2,000</u>	-	<u>11,101</u>
-	<u>18,779</u>	<u>12,000</u>	-	<u>2,000</u>	-	<u>20,123</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2007

	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ -	-	-	-
Net receivables:				
Intergovernmental	45,462	-	-	654
Supplies and inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u><u>45,462</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>654</u></u>
<b>Liabilities:</b>				
Accounts payable	5,153	-	-	-
Accrued wages and benefits	47,870	1,323	-	-
Due to other governments	233	-	-	-
Interfund Payable	642	-	-	-
Unearned revenue	6,490	-	-	-
Pension obligation payable	19,609	-	183	-
Compensated absences payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u><u>79,997</u></u>	<u><u>1,323</u></u>	<u><u>183</u></u>	<u><u>-</u></u>
<b>Fund Balances:</b>				
Fund Balances				
Reserved for:				
Encumbrances	1,559	-	-	-
Supplies inventory	-	-	-	-
Unreserved-undesignated	<u>(36,094)</u>	<u>(1,323)</u>	<u>(183)</u>	<u>654</u>
<b>Total fund balances</b>	<u><u>(34,535)</u></u>	<u><u>(1,323)</u></u>	<u><u>(183)</u></u>	<u><u>654</u></u>
<b>Total liabilities and fund balances</b> \$	<u><u>45,462</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>654</u></u>



<u>Title VI-B Preschool</u>	<u>Class Size Reduction Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u><i>TOTAL</i></u>
-	1,081	4,128	85,321	76,726	21,656	352,588
731	5,532	-	-	19,844	-	83,245
-	-	-	-	5,097	1,508	6,605
<u>731</u>	<u>6,613</u>	<u>4,128</u>	<u>85,321</u>	<u>101,667</u>	<u>23,164</u>	<u>442,438</u>
-	-	1,504	400	-	4,291	20,037
-	10,488	-	-	41,276	-	112,463
-	93	-	-	342	-	746
0	0	0	-	-	-	642
-	1,423	-	-	-	-	16,935
-	-	-	-	26,623	-	48,870
-	-	-	-	4,380	-	4,380
-	<u>12,004</u>	<u>1,504</u>	<u>400</u>	<u>72,621</u>	<u>4,291</u>	<u>204,073</u>
-	-	2,659	0	2,737	142	32,220
-	-	-	-	5,097	1,508	6,605
<u>731</u>	<u>(5,391)</u>	<u>(35)</u>	<u>84,921</u>	<u>21,212</u>	<u>17,223</u>	<u>199,540</u>
<u>731</u>	<u>(5,391)</u>	<u>2,624</u>	<u>84,921</u>	<u>29,046</u>	<u>18,873</u>	<u>238,365</u>
<u>731</u>	<u>6,613</u>	<u>4,128</u>	<u>85,321</u>	<u>101,667</u>	<u>23,164</u>	<u>442,438</u>

## ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2007

	Public School Support	Other Local Grant	Athletic	Auxiliary Service
<b>Revenues:</b>				
Extracurricular activities	\$ 72,146	-	318,196	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Intergovernmental	-	-	-	135,828
Other local revenues	-	11,789	-	-
<b>Total revenues</b>	<u>72,146</u>	<u>11,789</u>	<u>318,196</u>	<u>135,828</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	67,582	15,787	-	-
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	2,199	-	-
School administration	-	-	-	-
Pupil Transportation	-	-	-	-
Community services	-	-	-	143,396
Extracurricular activities	-	-	356,923	-
Food services	-	-	-	-
<b>Total expenditures</b>	<u>67,582</u>	<u>17,986</u>	<u>356,923</u>	<u>143,396</u>
Net change in fund balances	4,564	(6,197)	(38,727)	(7,568)
Fund balance, beginning of year	<u>35,704</u>	<u>6,018</u>	<u>93,144</u>	<u>12,130</u>
Fund balance, end of year	<u>\$ 40,268</u>	<u>(179)</u>	<u>54,417</u>	<u>4,562</u>

<u>Entry Year Teaching Program</u>	<u>Management Information Systems</u>	<u>ONENet</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer School Subsidy</u>	<u>Misc. State Grants</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,400	9,045	12,000	3,300	4,000	-	10,981
-	-	-	-	-	-	-
<u>2,400</u>	<u>9,045</u>	<u>12,000</u>	<u>3,300</u>	<u>4,000</u>	<u>-</u>	<u>10,981</u>
2,400	-	-	-	4,000	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,792	-	3,826	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,400</u>	<u>2,792</u>	<u>-</u>	<u>3,826</u>	<u>4,000</u>	<u>-</u>	<u>-</u>
-	6,253	12,000	(526)	-	-	10,981
-	12,526	-	526	2,000	-	120
<u>-</u>	<u>18,779</u>	<u>12,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>11,101</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Year Ended June 30, 2007

	Title VIB	Title I	Title VI	Drug Free Schools
<b>Revenues:</b>				
Extracurricular activities	\$ -	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Intergovernmental	652,947	94,652	4,165	6,542
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>652,947</u>	<u>94,652</u>	<u>4,165</u>	<u>6,542</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	(89)	-	-	-
Special	131,897	58,542	-	-
Support services:				
Pupil	87,021	-	-	5,888
Instructional staff	368,590	-	1,876	-
School administration	32,890	-	-	-
Pupil Transportation	24,123	-	-	-
Community services	36,060	4,075	475	-
Extracurricular activities	-	-	-	-
Food services	-	-	-	-
<b>Total expenditures</b>	<u>680,492</u>	<u>62,617</u>	<u>2,351</u>	<u>5,888</u>
Net change in fund balances	(27,545)	32,035	1,814	654
Fund balance, beginning of year	(6,990)	(33,358)	(1,997)	-
Fund balance, end of year	<u>\$ (34,535)</u>	<u>(1,323)</u>	<u>(183)</u>	<u>654</u>

<u>Title VI-B Preschool</u>	<u>Class Size Reduction Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u><i>TOTAL</i></u>
-	-	-	-	-	-	390,342
-	-	-	-	769,131	108,897	878,028
-	-	-	32,849	-	-	32,849
3,345	84,795	60,388	-	216,056	-	1,300,444
-	-	-	-	54	-	11,843
<u>3,345</u>	<u>84,795</u>	<u>60,388</u>	<u>32,849</u>	<u>985,241</u>	<u>108,897</u>	<u>2,613,506</u>
-	87,210	2,025	40,377	-	126,848	346,140
4,196	-	-	-	-	-	194,635
-	-	-	-	-	-	92,909
-	-	77,666	-	-	-	456,949
-	-	-	-	-	-	32,890
-	-	-	-	-	-	24,123
-	-	1,504	-	-	-	185,510
-	-	-	-	-	-	356,923
-	-	-	-	926,394	-	926,394
<u>4,196</u>	<u>87,210</u>	<u>81,195</u>	<u>40,377</u>	<u>926,394</u>	<u>126,848</u>	<u>2,616,473</u>
(851)	(2,415)	(20,807)	(7,528)	58,847	(17,951)	(2,967)
<u>1,582</u>	<u>(2,976)</u>	<u>23,431</u>	<u>92,449</u>	<u>(29,801)</u>	<u>36,824</u>	<u>241,332</u>
<u>731</u>	<u>(5,391)</u>	<u>2,624</u>	<u>84,921</u>	<u>29,046</u>	<u>18,873</u>	<u>238,365</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2007

	Permanent Improvement Fund	Construction Fund	SchoolNet Fund	<i><b>Total</b></i>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 118,111	-	1,040	119,151
Net receivables:				
Taxes	<u>108,366</u>	<u>-</u>	<u>-</u>	<u>108,366</u>
<b>Total assets</b>	<u><u>226,477</u></u>	<u><u>-</u></u>	<u><u>1,040</u></u>	<u><u>227,517</u></u>
<b>Liabilities:</b>				
Unearned revenue	<u>106,386</u>	<u>-</u>	<u>-</u>	<u>106,386</u>
<b>Total liabilities</b>	<u><u>106,386</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>106,386</u></u>
<b>Fund Balances:</b>				
Fund Balances				
Reserved for:				
Property taxes	1,980	-	-	1,980
Unreserved-undesignated	<u>118,111</u>	<u>-</u>	<u>1,040</u>	<u>119,151</u>
<b>Total fund balances</b>	<u><u>120,091</u></u>	<u><u>-</u></u>	<u><u>1,040</u></u>	<u><u>121,131</u></u>
<b>Total liabilities and fund balances</b>	\$ <u><u>226,477</u></u>	<u><u>-</u></u>	<u><u>1,040</u></u>	<u><u>227,517</u></u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
Year Ended June 30, 2007

	Permanent Improvement Fund	Construction Fund	SchoolNet Fund	<i><b>Total</b></i>
<b>Revenues:</b>				
Property Taxes	\$ 109,614	-	-	109,614
Intergovernmental	12,331	-	25,088	37,419
Other	-	20,563	-	20,563
<b>Total revenues</b>	<u>121,945</u>	<u>20,563</u>	<u>25,088</u>	<u>167,596</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	-	-	24,048	24,048
Support Services:				
Administration	1,275	-	-	1,275
Fiscal	579	-	-	579
Capital Outlay	-	276,340	-	276,340
<b>Total expenditures</b>	<u>1,854</u>	<u>276,340</u>	<u>24,048</u>	<u>302,242</u>
Net change in fund balance	120,091	(255,777)	1,040	(134,646)
Fund balance, beginning of year	-	255,777	-	255,777
Fund balance, end of year	<u>\$ 120,091</u>	<u>-</u>	<u>1,040</u>	<u>121,131</u>

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Public School Support Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 203,300	72,146	131,154
Expenditures:			
Current:			
Instruction:			
Regular	235,005	78,318	156,687
Total expenditures	<u>235,005</u>	<u>78,318</u>	<u>156,687</u>
Net change in fund balance	(31,705)	(6,172)	287,841
Fund balance, beginning of year	31,705	31,705	
Prior year encumbrances appropriated	8,622	8,622	
Fund balance, end of year	<u>\$ 8,622</u>	<u>34,155</u>	



**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Other Local Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 9,789	11,789	(2,000)
Expenditures:			
Current:			
Instruction:			
Regular	22,321	18,787	3,534
Support Services			
Instructional Staff	2,199	2,199	-
Total expenditures	<u>24,520</u>	<u>20,986</u>	<u>3,534</u>
Net change in fund balance	(14,731)	(9,197)	1,534
Fund balance, beginning of year	6,019	6,019	
Prior year encumbrances appropriated	2,999	2,999	
Fund balance, end of year	<u>\$ (5,713)</u>	<u>(179)</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Athletic Fund Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 566,300	318,196	(248,104)
Expenditures:			
Extracurricular activities	639,221	367,757	271,464
Total expenditures	639,221	367,757	271,464
Net change in fund balance	(72,921)	(49,561)	23,360
Fund balance, beginning of year	72,922	72,922	
Prior year encumbrances appropriated	20,222	20,222	
Fund balance, end of year	\$ 20,223	43,583	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Auxiliary Service Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 151,500	135,828	(15,672)
Expenditures:			
Community services	214,513	153,798	60,715
Total expenditures	214,513	153,798	60,715
Net change in fund balance	(63,013)	(17,970)	45,043
Fund balance, beginning of year	23,096	23,096	
Prior year encumbrances appropriated	5,200	5,200	
Fund balance, end of year	\$ (34,717)	10,326	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Entry Year Teaching Program Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 2,400	2,400	-
Expenditures:			
Current:			
Instruction:			
Regular	2,400	2,400	-
Total expenditures	2,400	2,400	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ -	-	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Management Information Systems Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 9,500	9,045	(455)
Expenditures:			
Current:			
Support services:			
Instructional staff	13,018	3,476	9,542
Total expenditures	<u>13,018</u>	<u>3,476</u>	<u>9,542</u>
Net change in fund balance	(3,518)	5,569	9,087
Fund balance, beginning of year	13,018	13,018	
Prior Year Encumbrances Appropriated	192	192	
Fund balance, end of year	<u>\$ 9,692</u>	<u>18,779</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**ONENet Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 12,000	12,000	-
Expenditures:			
Current:			
Support services:			
Central	12,000	-	12,000
Total expenditures	12,000	-	12,000
Net change in fund balance	-	12,000	12,000
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ -	12,000	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**School Net Professional Development Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 3,300	3,300	-
Expenditures:			
Current:			
Support services:			
Instructional staff	4,252	3,826	426
Total expenditures	<u>4,252</u>	<u>3,826</u>	<u>426</u>
Net change in fund balance	(952)	(526)	426
Fund balance, beginning of year	476	476	
Prior Year Encumbrances Appropriated	50	50	
Fund balance, end of year	<u>\$ (426)</u>	<u>-</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Ohio Reads Volunteer Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ -	4,000	4,000
Expenditures:			
Current:			
Instruction:			
Regular	2,000	4,000	(2,000)
Total expenditures	<u>2,000</u>	<u>4,000</u>	<u>(2,000)</u>
Net change in fund balance	(2,000)	-	2,000
Fund balance, beginning of year	2,000	2,000	
Prior Year Encumbrances Appropriated	-	-	
Fund balance, end of year	<u>\$ -</u>	<u>2,000</u>	



**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Miscellaneous State Grants Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 6,981	8,981	2,000
Expenditures:			
Current:			
Support services:			
School administration	120	-	120
Total expenditures	<u>120</u>	<u>-</u>	<u>120</u>
Net change in fund balance	6,861	8,981	2,120
Fund balance, beginning of year	119	119	
Fund balance, end of year	<u>\$ 6,980</u>	<u>9,100</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Title VI-B Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 671,225	625,762	(45,463)
Expenditures:			
Current:			
Instruction:			
Special	131,404	125,266	6,138
Support services:			
Pupil	95,489	91,009	4,480
Instructional staff	396,492	377,938	18,554
School administration	34,490	32,890	1,600
Pupil Transportation	21,307	20,304	1,003
Community services	33,421	31,833	1,588
Total expenditures	712,603	679,240	33,363
Excess of revenues over expenditures	(41,378)	(53,478)	(12,100)
Other Financing Sources (Uses):			
Advances In	-	642	642
Total other financing sources (uses)	-	642	
Net change in fund balance	(41,378)	(52,836)	
Fund balance, beginning of year	41,379	41,379	
Prior year encumbrances appropriated	4,745	4,745	
Fund balance, end of year	\$ 4,746	(6,712)	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Title I Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 96,322	94,654	(1,668)
Expenditures:			
Current:			
Instruction:			
Special	93,522	91,902	1,620
Community services	2,800	2,752	48
Total expenditures	<u>96,322</u>	<u>94,654</u>	<u>1,668</u>
Net change in fund balance	-	-	
Fund balance, beginning of year	-	-	
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Title VI Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 4,165	4,165	-
Expenditures:			
Current:			
Support services:			
Instructional staff	4,066	4,066	-
Community services	486	486	-
Total expenditures	<u>4,552</u>	<u>4,552</u>	<u>-</u>
Net change in fund balance	(387)	(387)	-
Fund balance, beginning of year	387	387	
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Drug Free School Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 6,542	5,888	(654)
Expenditures:			
Current:			
Support services:			
Pupil	6,542	5,888	654
Total expenditures	<u>6,542</u>	<u>5,888</u>	<u>654</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>-</u></u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Preschool Development Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 4,277	4,196	(81)
Expenditures:			
Current:			
Instruction:			
Special	4,277	4,196	81
Support services:			
Instructional staff	-	-	-
Total expenditures	<u>4,277</u>	<u>4,196</u>	<u>81</u>
Net change in fund balance	-	-	
Fund balance, beginning of year	-	-	
Prior Year Encumbrances Appropriated	-	-	
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Class Size Reduction Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 91,818	85,386	(6,432)
Expenditures:			
Current:			
Instruction:			
Regular	98,424	90,911	7,513
Support services:			
Instructional staff	-	-	-
Total expenditures	<u>98,424</u>	<u>90,911</u>	<u>7,513</u>
Net change in fund balance	(6,606)	(5,525)	
Fund balance, beginning of year	6,606	6,606	
Fund balance, end of year	<u>\$ -</u>	<u>1,081</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Miscellaneous Federal Grants Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 60,491	60,388	(103)
Expenditures:			
Current:			
Instruction:			
Regular	-	2,025	(2,025)
Support services:			
Instructional staff	61,590	81,830	(20,240)
Community services	-	-	-
Total expenditures	61,590	83,855	(22,265)
Net change in fund balance	(1,099)	(23,467)	
Fund balance, beginning of year	-	-	
Prior Year Encumbrances Appropriated	23,432	23,432	
Fund balance, end of year	\$ 22,333	(35)	



**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 72,100	32,883	(39,217)
Expenditures:			
Current:			
Instruction:			
Regular	39,824	24,001	15,823
Support			
Instructional staff	1,048	924	124
Pupil Transportation	-	-	
Community services	120,609	15,500	105,109
Total expenditures	<u>161,481</u>	<u>40,425</u>	<u>121,056</u>
Net change in fund balance	(89,381)	(7,542)	81,839
Fund balance, beginning of year	89,381	89,381	
Prior Year Encumbrances Appropriated	5,610	5,610	
Fund balance, end of year	<u>\$ 5,610</u>	<u>87,449</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Food Service Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 948,900	927,820	(21,080)
Expenditures:			
Current:			
Food services	829,783	868,587	(38,804)
Total expenditures	829,783	868,587	(38,804)
Deficiency of revenues under expenditures	119,117	59,233	(59,884)
Other Financing Sources (Uses):			
Advances in	100,000	100,000	-
Advances out	(100,000)	(100,000)	-
Total other financing sources (uses)	-	-	-
Fund balance, beginning of year	9,259	9,259	
Prior Year Encumbrances Appropriated	5,467	5,467	
Fund balance, end of year	\$ 133,843	73,959	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Uniform School Supplies Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2007**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 127,200	108,895	(18,305)
Expenditures:			
Current:			
Supplies and materials	160,251	127,171	33,080
Total expenditures	160,251	127,171	33,080
Excess of revenues over expenditures	(33,051)	(18,276)	14,775
Other Financing Sources (Uses):			
Advances in	54,000	54,000	-
Advances out	(54,000)	(54,000)	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(33,051)	(18,276)	
Fund balance, beginning of year	33,151	33,151	
Prior Year Encumbrances	2,379	2,379	
Fund balance, end of year	\$ 2,479	17,254	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund  
 Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Debt Service Fund  
 Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Budget</u>
<b>Revenues:</b>			
Taxes	\$ 1,668,750	1,744,785	76,035
Intergovernmental	206,250	215,561	9,311
Other local revenues	-	5,479	5,479
<b>Total revenues</b>	<u>1,875,000</u>	<u>1,965,825</u>	<u>90,825</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Administration	11,000	18,442	(7,442)
Fiscal	7,000	9,626	(2,626)
Repayment of debt	<u>1,715,000</u>	<u>1,685,052</u>	<u>29,948</u>
<b>Total expenditures</b>	<u>1,733,000</u>	<u>1,713,120</u>	<u>19,880</u>
Net change in fund balance	<u>142,000</u>	<u>252,705</u>	<u>70,945</u>
Fund balance, beginning of year	<u>722,723</u>	<u>722,723</u>	
Fund balance end of year	<u>\$ 864,723</u>	<u>975,428</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Permanent Improvement Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	Variance With <u>Budget</u>
<b>Revenues:</b>			
Taxes	\$ -	107,634	107,634
Intergovernmental	-	12,331	12,331
<b>Total revenues</b>	<u>-</u>	<u>119,965</u>	<u>119,965</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Administration	-	1,275	(1,275)
Fiscal	-	579	(579)
<b>Total expenditures</b>	<u>-</u>	<u>1,854</u>	<u>(1,854)</u>
Net change in fund balance	-	118,111	121,819
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	-	-	
Fund balance, end of year	<u>\$ -</u>	<u>118,111</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Construction Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Budget</u>
<b>Revenues:</b>			
Other local revenues	-	26,001	26,001
<b>Total revenues</b>	<u>-</u>	<u>26,001</u>	<u>26,001</u>
<b>Expenditures:</b>			
Current:			
Capital outlay	-	290,346	(290,346)
<b>Total expenditures</b>	<u>-</u>	<u>290,346</u>	<u>(290,346)</u>
Net change in fund balance	-	(264,345)	(264,345)
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>264,345</u>	<u>264,345</u>	
Fund balance, end of year	<u>\$ 264,345</u>	<u>-</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**SchoolNet Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	Variance With <u>Budget</u>
<b>Revenues:</b>			
<b>Total revenues</b>	\$ <u>-</u>	<u>25,088</u>	<u>25,088</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	<u>25,088</u>	<u>24,048</u>	<u>1,040</u>
<b>Total expenditures</b>	<u>25,088</u>	<u>24,048</u>	<u>24,048</u>
Net change in fund balance	(25,088)	1,040	1,040
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>(25,088)</u></u>	<u><u>1,040</u></u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Fund

Year Ended June 30, 2007

	Beginning Balance <u>7/1/2006</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>6/30/2007</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ <u>53,835</u>	<u>93,986</u>	<u>93,225</u>	<u>54,596</u>
Total assets	<u>53,835</u>			<u>54,596</u>
<b>Liabilities:</b>				
Due to student groups	<u>53,835</u>	<u>93,986</u>	<u>93,225</u>	<u>54,596</u>
Total liabilities	\$ <u>53,835</u>			<u>54,596</u>



## Statistical Section

# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	<b>85-91</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	<b>92-99</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>100-103</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>104-105</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>106-109</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

**Ross Local School District, Ohio**  
*Net Assets by Component*  
*Last Five Fiscal Years(1)*  
*(accrual basis of accounting)*

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Invested in Capital Assets, Net of Related Debt	\$20,132,618	\$7,528,672	\$11,674,008	\$13,033,241	\$13,233,413
Restricted for:					
Capital Projects	24,026,790	5,743,046	1,831,540	266,316	123,598
Debt Service	0	0	0	761,937	976,969
Other Purposes	1,303,152	2,465,935	630,479	0	69,386
Unrestricted (Deficit)	<u>(23,404,563)</u>	<u>2,778,623</u>	<u>321,865</u>	<u>1,877,874</u>	<u>2,399,521</u>
<b>Total Net Assets</b>	<u><u>\$22,057,997</u></u>	<u><u>\$18,516,276</u></u>	<u><u>\$14,457,892</u></u>	<u><u>\$15,939,368</u></u>	<u><u>\$16,802,887</u></u>

**Ross Local School District, Ohio**  
*Changes in Net Assets of Governmental Activities*  
*Last Five Fiscal Years*  
*(accrual basis of accounting)*

	2003	2004	2005	2006	2007
<b>Expenses</b>					
Regular Instruction	\$9,692,617	\$9,124,245	\$8,836,363	\$8,762,193	\$11,323,356
Special Instruction	1,207,179	1,388,504	1,386,822	1,555,089	1,782,823
Adult/Continuing	668	738	3,987	78,155	1,837
Other	241,184	369,167	251,650	207,342	256,839
Pupil Support	686,447	655,851	770,183	823,651	818,693
Instructional Staff Support	895,705	848,876	816,001	1,182,254	1,302,590
Board of Education	79,646	121,801	74,268	83,630	14,304
Administration	1,623,461	1,600,221	1,653,472	1,795,625	1,756,814
Fiscal	437,782	503,934	496,548	518,893	525,050
Operation and Maintenance of Plant	1,082,967	3,941,084	1,721,084	2,134,602	2,628,197
Pupil Transportation	1,580,526	1,600,836	1,506,050	2,021,368	2,192,810
Central	25,554	21,432	17,620	21,697	10,058
Operation of Food Services	380,579	674,840	819,760	906,186	927,764
Extracurricular Activities	681,046	823,930	722,467	900,778	1,075,040
Community Service	211,974	323,704	185,543	223,040	212,301
Interest and Fiscal Charges	155,152	1,185,372	997,146	1,006,783	965,394
<i>Total Expenses</i>	<u>18,982,487</u>	<u>23,184,535</u>	<u>20,258,964</u>	<u>22,221,286</u>	<u>25,793,870</u>
<b>Program Revenues</b>					
Charges for Services					
Regular Instruction	\$72,316	\$169,109	\$157,486	\$179,873	\$309,079
Adult/Continuing	6,787	14,432	24,689	44,662	0
Operation of Food Service	563,645	584,106	658,197	735,407	769,131
Extracurricular Activities	323,723	340,358	482,901	449,059	455,068
Operating Grants and Contributions					
Regular Instruction	210,935	118,459	141,275	130,975	86,065
Special Instruction	196,399	144,022	345,522	112,843	97,997
Adult/Continuing	27,455				
Pupil Support	292,693	9,651	8,242	8,212	6,542
Staff Support	27,237	331,528	557,028	699,852	706,481
Administration	0	2,585	2,612	0	20,003
Central	14,000	0	0	12,000	37,088
Community Service		151,813	148,246	136,352	135,828
Operation of Food Service	113,317	114,443	177,614	167,894	216,056
Capital Grants and Contributions					
Regular Instruction	1,200		23,940	0	0
Pupil Transportation					
<i>Total Program Revenues</i>	<u>1,849,707</u>	<u>1,980,506</u>	<u>2,727,752</u>	<u>2,677,129</u>	<u>2,839,338</u>
Net Expense	<u>(\$17,132,780)</u>	<u>(\$21,204,029)</u>	<u>(\$17,531,212)</u>	<u>(\$19,544,157)</u>	<u>(\$22,954,532)</u>

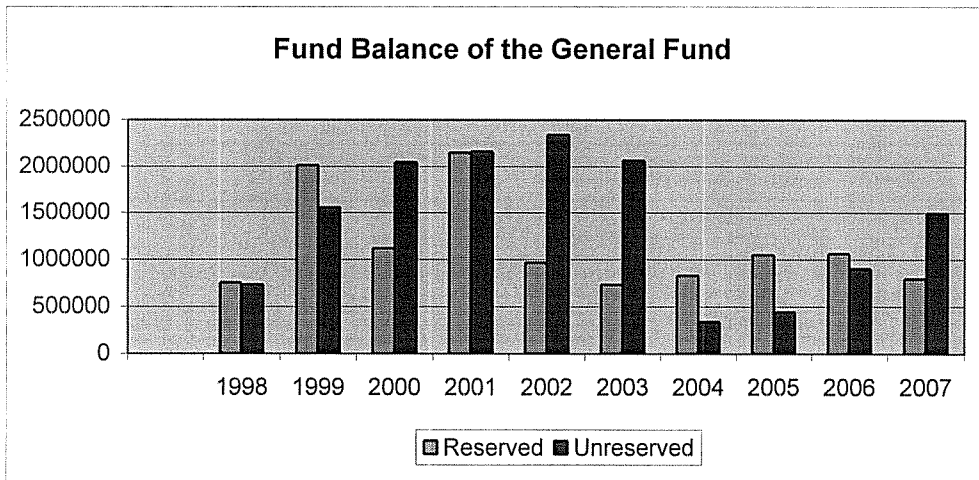
(continued)

**Ross Local School District, Ohio**  
*Changes in Net Assets of Governmental Activities (continued)*  
*Last Five Fiscal Years*  
*(accrual basis of accounting)*

	2003	2004	2005	2006	2007
<i>General Revenues</i>					
Property Taxes Levied for:					
General Purposes	\$5,533,862	\$6,087,781	\$6,031,701	\$6,129,278	\$6,393,115
Debt Service	752,270	1,513,662	1,674,219	1,592,086	1,738,698
Permanent Improvement	0	0	0	0	112,081
Income Taxes Levied for					
General Purposes	0	0	0	616,390	2,921,039
Grants and Entitlements not					
Restricted to Specific Programs	9,368,561	9,805,541	10,579,473	12,071,717	12,172,806
Investment Earnings	391,607	157,878	257,276	197,853	281,311
Miscellaneous	595,628	97,446	186,475	418,309	199,001
<i>Total General Revenues</i>	<u>16,641,928</u>	<u>17,662,308</u>	<u>18,729,144</u>	<u>21,025,633</u>	<u>23,818,051</u>
<i>Change in Net Assets</i>	<u>(\$490,852)</u>	<u>(\$3,541,721)</u>	<u>\$1,197,932</u>	<u>\$1,481,476</u>	<u>\$863,519</u>

**Ross Local School District, Ohio**  
*Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*

	1998	1999	2000	2001	2002
<b>General Fund</b>					
Reserved	\$756,606	\$2,009,384	\$1,118,636	\$2,149,715	\$964,189
Unreserved	736,553	1,554,390	2,042,124	2,159,325	2,342,749
<b>Total General Fund</b>	<b>1,493,159</b>	<b>3,563,774</b>	<b>3,160,760</b>	<b>4,309,040</b>	<b>3,306,938</b>
<b>All Other Governmental Funds</b>					
Reserved	42,570	31,125	61,894	99,754	40,255
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	139,376	154,801	424,711	125,655	125,775
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	2,241	29,105	54,585	0	0
<b>Total All Other Governmental Funds</b>	<b>184,187</b>	<b>215,031</b>	<b>541,190</b>	<b>225,409</b>	<b>166,030</b>
<b>Total Governmental Funds</b>	<b>\$1,677,346</b>	<b>\$3,778,805</b>	<b>\$3,701,950</b>	<b>\$4,534,449</b>	<b>\$3,472,968</b>



2003	2004	2005	2006	2007
\$735,413	\$831,368	\$1,045,944	\$1,060,106	\$795,274
2,066,171	343,880	444,271	907,321	1,493,602
-	-	-	-	-
2,801,584	1,175,248	1,490,215	1,967,427	2,288,876
2,411,660	16,790,817	1,902,173	359,031	73,164
184,153	117,796	149,684	171,853	199,540
514,201	495,935	568,262	722,723	975,428
21,725,167	(13,322)	70,796	5,439	119,151
24,835,181	17,391,226	2,690,915	1,259,046	1,367,283
\$27,636,765	\$18,566,474	\$4,181,130	\$3,226,473	\$3,656,159

**Ross Local School District, Ohio**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Fiscal Years*  
*(modified accrual basis of accounting)*

	1998	1999	2000	2001	2002
<b>Revenues</b>					
Income Taxes	\$0	\$0	\$0	\$0	\$0
Property and Other Local Taxes	5,179,978	6,342,423	4,497,388	6,037,633	4,944,394
Intergovernmental	7,955,941	8,589,378	8,766,434	9,011,143	9,660,729
Interest	180,665	193,477	262,620	303,562	121,901
Tuition and Fees	12,018	5,961	17,029	10,964	15,240
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	0
Miscellaneous	283,722	372,768	558,349	446,045	346,548
<i>Total Revenues</i>	<u>13,612,324</u>	<u>15,504,007</u>	<u>14,101,820</u>	<u>15,809,347</u>	<u>15,088,812</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	6,918,302	7,082,950	7,208,134	7,561,229	8,119,670
Special	894,386	853,178	955,993	1,012,529	1,100,745
Vocational/Other	92,026	176,403	194,296	217,725	215,863
Support Services:					
Pupil	477,690	480,032	542,971	530,581	615,220
Instructional Staff	509,662	557,377	623,128	649,209	808,468
Board of Education	27,750	15,232	16,161	20,504	17,966
Administration	1,224,524	1,196,186	1,301,671	1,329,262	1,702,474
Fiscal	332,031	346,482	344,509	360,862	398,545
Operation and Maintenance of Plant	896,700	883,962	922,694	932,418	1,023,005
Pupil Transportation	1,074,441	1,096,225	1,277,144	1,148,335	1,273,387
Central	0	0	0	0	0
Operation of Non-Instructional Services	127,975	139,651	140,888	140,302	199,323
Operation of Food Services	0	0	0	0	0
Extracurricular Activities	353,174	415,515	388,307	518,834	507,055
Capital Outlay	382,289	269,752	95,405	510,637	169,603
Debt Service:					
Principal Retirement	45,000	50,000	113,243	45,000	40,000
Interest and Fiscal Charges	12,541	10,143	14,954	5,471	3,315
<i>Total Expenditures</i>	<u>13,368,491</u>	<u>13,573,088</u>	<u>14,139,498</u>	<u>14,982,898</u>	<u>16,194,639</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>243,833</u>	<u>1,930,919</u>	<u>(37,678)</u>	<u>826,449</u>	<u>(1,105,827)</u>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	4,098	2,721	135	3,415	280
Refund of Prior Year Expenditures	93,040	2,762	61,946	44,711	47,000
Refund of Prior Year Receipts	(10,847)	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	0
Proceeds from Refunding Bonds Issued	0	0	0	0	0
Proceeds from Premium on Bonds Issued	0	0	0	0	0
Payment to Escrow Agent	0	0	0	0	0
Proceeds from Sale of Notes	0	0	0	0	0
Inception of Capital Lease	0	140,000	(140,000)	0	0
Other Uses	0	(10,627)	0	0	0
Transfers In	10,625	126,307	108,599	5,093	3,503
Transfers Out	(14,569)	(126,307)	(110,160)	(5,093)	(3,503)
<i>Total Other Financing Sources (Uses)</i>	<u>82,347</u>	<u>134,856</u>	<u>(79,480)</u>	<u>48,126</u>	<u>47,280</u>
<i>Net Change in Fund Balances</i>	<u>\$326,180</u>	<u>\$2,065,775</u>	<u>(\$117,158)</u>	<u>\$874,575</u>	<u>(\$1,058,547)</u>
Debt Service as a Percentage of					
Noncapital Expenditures	0.4%	0.5%	0.9%	0.3%	0.3%



2003	2004	2005	2006	2007
\$0	\$0	\$0	\$ 490,254	\$ 2,589,139
6,035,378	7,434,249	7,715,893	7,910,405	8,238,574
10,251,797	10,678,042	11,981,021	13,308,769	13,495,938
391,607	145,602	267,450	199,955	265,026
6,787	14,582	24,689	44,662	65,501
0	0	482,901	449,059	455,368
635,961	660,983	815,683	843,410	878,028
861,822	618,042	189,704	490,180	333,382
<u>18,183,352</u>	<u>19,551,500</u>	<u>21,477,341</u>	<u>23,736,694</u>	<u>26,320,956</u>
8,525,675	9,172,667	8,944,567	9,339,630	10,972,805
1,184,654	1,427,586	1,386,340	1,538,621	1,764,474
241,853	369,905	255,637	285,497	258,676
602,431	715,688	778,124	821,071	814,796
822,481	848,899	817,505	1,175,382	1,293,856
23,077	14,942	14,896	21,658	14,304
1,580,671	1,536,924	1,677,051	1,750,074	1,718,729
426,270	473,391	502,712	511,533	515,893
1,044,205	1,181,408	1,360,566	1,722,497	1,903,710
1,423,347	1,490,487	1,352,560	1,762,849	1,894,220
14,610	12,000	12,000	12,000	0
224,832	257,835	253,049	197,473	185,510
745,936	691,976	819,760	903,770	926,394
702,341	870,749	664,400	798,082	905,316
862,707	8,942,226	15,997,523	2,067,162	931,748
24,943,904	692,000	814,000	790,000	836,000
227,689	1,174,108	1,010,546	994,052	954,839
<u>43,596,683</u>	<u>29,872,791</u>	<u>36,661,236</u>	<u>24,691,351</u>	<u>25,891,270</u>
<u>(25,413,331)</u>	<u>(10,321,291)</u>	<u>(15,183,895)</u>	<u>(954,657)</u>	<u>429,686</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
24,537,173	0	0	0	0
0	0	0	0	9,415,000
0	0	0	0	581,988
0	0	0	0	(9,839,167)
24,918,904	0	0	0	0
0	1,251,000	0	0	0
0	0	0	0	(157,821)
6,578	0	0	0	0
(6,578)	0	0	0	0
<u>49,456,077</u>	<u>1,251,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$24,042,746</u>	<u>(\$9,070,291)</u>	<u>(\$15,183,895)</u>	<u>(\$954,657)</u>	<u>\$429,686</u>
143.3%	9.8%	9.7%	8.6%	7.7%

**Ross Local School District, Ohio**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value
1998	159,962,420	9,561,130	484,353,000	12,679,920	14,409,000
1999	164,061,450	9,806,130	496,764,514	12,694,070	14,425,080
2000	196,097,610	11,720,970	593,767,371	12,960,720	14,728,091
2001	199,738,380	11,938,580	604,791,314	12,015,310	13,653,761
2002	204,817,500	12,242,170	620,170,486	8,768,710	9,964,443
2003	230,742,590	13,791,740	698,669,514	8,658,870	9,839,625
2004	260,116,830	15,547,470	787,612,286	8,984,089	10,209,192
2005	248,082,010	14,828,130	751,171,829	9,365,200	10,642,273
2006	285,784,110	16,135,620	862,627,800	8,516,760	9,678,136
2007	299,750,260	16,326,670	903,076,943	8,596,020	9,768,205

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

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

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

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

Tangible Personal Property				
General Business		Total		
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
6,927,607	27,710,428	189,131,077	526,472,428	35.92%
7,569,992	30,279,968	194,131,642	541,469,562	35.85%
7,835,089	31,340,356	228,614,389	639,835,818	35.73%
8,738,086	34,952,344	232,430,356	653,397,420	35.57%
9,238,487	36,953,948	235,066,867	667,088,877	35.24%
9,136,105	36,544,420	262,329,305	745,053,559	35.21%
9,592,910	38,371,640	294,241,299	836,193,118	35.19%
8,926,189	35,704,756	281,201,529	797,518,857	35.26%
8,156,222	32,624,888	318,592,712	904,930,824	35.21%
6,044,715	32,238,480	330,717,665	945,083,627	34.99%

**Ross Local School District, Ohio**  
*Property Tax Rates*  
(per \$1,000 of assessed value)  
*Last Ten Years*

	1997	1998	1999	2000	2001
<b>Unvoted Millage</b>					
Operating	5.36	5.36	5.36	5.36	5.36
<b>Voted Millage - by levy</b>					
1976 Operating - continuing					
Residential/Agricultural Real	7.36	7.35	7.35	6.25	6.20
Commercial/Industrial and Public Utility Real	8.21	8.24	8.18	7.14	7.13
General Business and Public Utility Personal	19.52	19.52	19.52	19.52	19.52
1981 Operating - continuing					
Residential/Agricultural Real	3.83	3.82	3.82	3.25	3.22
Commercial/Industrial and Public Utility Real	4.26	4.28	4.24	3.71	3.70
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1987 Operating - continuing					
Residential/Agricultural Real	2.79	2.79	2.78	2.37	2.35
Commercial/Industrial and Public Utility Real	3.18	3.19	3.16	2.77	2.76
General Business and Public Utility Personal	3.90	3.90	3.90	3.90	3.90
1990 Operating - continuing					
Residential/Agricultural Real	2.39	2.38	2.38	2.03	2.01
Commercial/Industrial and Public Utility Real	2.85	2.86	2.84	2.48	2.47
General Business and Public Utility Personal	3.30	3.30	3.30	3.30	3.30
1995 Operating - continuing					
Residential/Agricultural Real	1.74	1.74	1.74	1.48	1.47
Commercial/Industrial and Public Utility Real	1.87	1.88	1.86	1.62	1.62
General Business and Public Utility Personal	2.00	2.00	2.00	2.00	2.00
1999 Operating - continuing					
Residential/Agricultural Real	0.00	0.00	0.00	4.04	4.01
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	4.15	4.14
General Business and Public Utility Personal	0.00	0.00	0.00	4.75	4.75
General Emergency	4.75	4.75	4.75	0.00	0.00
2002 Bond Levy (High School)	0.00	0.00	0.00	0.00	0.00
<b>Total voted millage by type of property</b>					
Residential/Agricultural Real	18.11	18.08	18.07	19.42	19.26
Commercial/Industrial and Public Utility Real	20.37	20.45	20.28	21.87	21.82
General Business and Public Utility Personal	40.37	40.37	40.37	40.37	40.37
<b>Overlapping Rates by Taxing District</b>					
Township					
Residential/Agricultural Real	5.33	5.33	5.32	4.92	4.89
Commercial/Industrial and Public Utility Real	5.45	5.46	5.43	5.06	5.06
General Business and Public Utility Personal	5.72	5.72	5.72	5.72	5.72
County					
Residential/Agricultural Real	6.28	6.28	6.26	5.84	6.63
Commercial/Industrial and Public Utility Real	6.67	6.75	6.74	6.36	7.12
General Business and Public Utility Personal	8.44	8.45	8.44	8.45	8.45
Vocational School	1.93	1.93	1.93	1.93	1.93

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

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

Source: Butler County Auditor

2002	2003	2004	2005	2006
5.36	5.36	5.36	5.36	5.36
				#
6.18	5.58	5.56	5.49	4.95 #
7.15	6.37	6.39	6.38	6.04 #
19.52	19.52	19.52	19.52	19.52 #
3.21	2.90	2.89	2.90	2.57
3.71	3.31	3.32	3.31	3.13
6.90	6.90	6.90	6.90	6.90
2.34	2.11	2.10	2.08	1.87
2.77	2.47	2.47	2.47	2.34
3.90	3.90	3.90	3.90	3.90
2.00	1.81	1.80	1.78	1.60
2.48	2.21	2.22	2.21	2.09
3.30	3.30	3.30	3.30	3.30
1.47	1.32	1.32	1.30	1.17
1.63	1.45	1.45	1.45	1.37
2.00	2.00	2.00	2.00	2.00
4.00	3.61	3.60	3.55	3.20
4.16	3.70	3.71	3.70	3.51
4.75	4.75	4.75	4.75	4.75
0.00	0.00	0.00	0.00	0.00
0.00	6.25	6.25	6.25	6.00
19.20	23.58	23.52	23.35	21.36
21.90	25.76	25.81	25.77	24.48
40.37	46.62	46.62	46.62	46.37
6.43	6.11	6.08	6.34	6.00
6.50	6.19	6.21	6.48	6.23
6.72	6.72	6.72	6.72	6.72
7.01	6.40	7.33	7.94	8.40
7.51	7.10	7.88	8.38	9.00
8.75	8.75	8.74	8.74	9.44
1.93	1.93	1.93	1.93	1.93

**Ross Local School District, Ohio**  
*Property Tax Levies and Collections (1)*  
*Last Ten Years*

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1997	5,384,738	5,242,795	97.36	139,579	5,382,374	99.96
1998	5,505,565	5,401,165	98.10	167,019	5,568,184	101.14
1999	5,978,841	5,593,400	93.55	112,471	5,705,871	95.43
2000	5,994,187	5,629,321	93.91	166,376	5,795,697	96.69
2001	5,768,382	5,722,821	99.21	155,314	5,878,135	101.90
2002	6,262,051	6,195,706	98.94	125,756	6,321,462	100.95
2003	7,928,997	7,511,048	94.73	307,057	7,818,105	98.60
2004	8,519,603	8,084,647	94.89	360,419	8,445,066	99.13
2005	8,263,259	7,870,754	95.25	285,468	8,156,222	98.70
2006	9,249,118	8,690,381	93.96	339,034	9,029,415	97.62

Source: Butler County Auditor

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

(2) The 2006 information cannot be presented because all collections have not been made by June 30, 2006.

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

**Ross Local School District, Ohio**

*Principal Taxpayers*

*Real Estate Tax*

*2006 and 1996 (1)*

Name of Taxpayer	2006	
	Assessed Value	Percent of Real Property Assessed Value
American Aggregates Corp.	\$654,640	0.22%
Mae Real Estate LLC	633,260	0.21%
Fink, Alice M.	550,260	0.18%
Skyview Storage LLC	471,620	0.16%
Watson, Ronald E.	425,570	0.14%
Huber, Sharon	315,350	0.10%
Key Storage LLC	310,300	0.10%
Watson Gravel	263,270	0.09%
Summe, Carl	261,180	0.09%
First National Bank	225,420	0.07%
<b>Totals</b>	<b>\$4,110,870</b>	<b>1.36%</b>
<b>Total Assessed Valuation</b>	<b>\$301,919,730</b>	

Name of Taxpayer	1996	
	Assessed Value	Percent of Real Property Assessed Value
Watson, Ronald	\$728,690	0.39%
Finke, Alice	464,320	0.25%
American Aggregates Corp	454,530	0.24%
Emmert, Andrew	449,960	0.24%
Welsh, Dean	309,890	0.17%
Wilkerson, Thomas	282,070	0.15%
Welsh, Dean	271,880	0.15%
Tragesser, Vernon	234,090	0.13%
Welch Sand & Gravel	233,480	0.13%
Bowling, Cheryl	220,120	0.12%
<b>Totals</b>	<b>\$3,649,030</b>	<b>1.96%</b>
<b>Total Assessed Valuation</b>	<b>\$186,538,111</b>	

(1) The amounts presented represent the assessed values upon which 2007 and 1997 collections were based.

Source: Office of the Butler County Auditor.

**Ross Local School District, Ohio**  
*Principal Taxpayers*  
*Tangible Personal Property Tax*  
*2006 and 1996 (1)*

Name of Taxpayer	2006	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Cincinnati Bell Telephone	\$793,090	9.72%
Watson Gravel	552,130	6.77%
Hughes Supply	402,480	4.93%
Lodders Marine Sales	382,980	4.70%
TE Products Pipeline	294,580	3.61%
Panel Barn Lumber	190,180	2.33%
Zaenkert Surveying	182,180	2.23%
Broshear Contractors	144,870	1.78%
Tragesser Ford	93,290	1.14%
Burkhart, Stephen	82,070	1.01%
<b>Total</b>	<b>\$3,117,850</b>	<b>38.23%</b>
<b>Total Assessed Valuation</b>	<b>\$8,156,222</b>	

Name of Taxpayer	1996	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Broshear Contractors Inc.	\$670,410	10.45%
MI-Bryn Inc	204,680	3.19%
Keycorp Leasing LTD	192,990	3.01%
Martin Marietta Corp	165,820	2.59%
Coaxial Communications	164,630	2.57%
Burkhart, Stephen	115,660	1.80%
Gaston Bowling Inc.	112,180	1.75%
General Electric Capital	111,100	1.73%
Finke Foods Inc.	87,440	1.36%
Moraine Materials Co.	72,160	1.12%
<b>Total</b>	<b>\$1,897,070</b>	<b>29.58%</b>
<b>Total Assessed Valuation</b>	<b>\$6,414,341</b>	

(1) The amounts presented represent the assessed values upon which 2007 and 1997 collections were based.

Source: Office of the Butler County Auditor.



**Ross Local School District, Ohio**

*Principal Taxpayers*

*Public Utilities Tax*

*2006 and 1996 (1)*

Name of Taxpayer	2006	
	Assessed Value	Percent of Public Utility Assessed Value
Duke Energy	\$4,033,530	47.36%
Butler Rural Electric	2,598,730	30.51%
Cincinnati Bell Telephone Company	1,609,940	18.90%
Texas Eastern Transmission	709,430	8.33%
Dayton Power and Light	437,720	5.14%
CSX Transportation	143,440	1.68%
<b>Total</b>	<b>\$9,532,790</b>	<b>111.93%</b>
 Total Assessed Valuation	 <b>\$8,516,760</b>	

Name of Taxpayer	1996	
	Assessed Value	Percent of Public Utility Assessed Value
Cincinnati Gas & Electric	\$4,175,340	31.46%
Cincinnati Bell Inc.	1,323,250	9.97%
Dayton Power and Light	915,230	6.90%
Butler Rural Electric	427,250	3.22%
<b>Total</b>	<b>\$6,841,070</b>	<b>51.55%</b>
 Total Assessed Valuation	 <b>\$13,271,050</b>	

(1) The amounts presented represent the assessed values upon which 2007 and 1997 collections were based.

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

**Ross Local School District, Ohio**  
*Ratio of Outstanding Debt By Type*  
*Last Ten Fiscal Years*

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Fiscal Year	General Obligation Bonds	Capital Leases	Percentage of Personal Income	Per Capita
1998	\$ 225,000	\$ -	11.59%	\$ 0.77
1999	175,000	140,000	8.72%	1.08
2000	130,000	71,757	14.18%	0.61
2001	85,000	-	33.99%	0.26
2002	45,000	-	65.08%	0.14
2003	24,920,000	169,000	0.12%	75.39
2004	24,300,000	1,348,000	0.12%	77.07
2005	23,600,000	1,234,000	0.13%	74.62
2006	22,865,000	1,179,000	0.13%	67.73
2007	22,700,000	1,123,000	0.14%	67.11

**Ross Local School District, Ohio**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities*  
June 30, 2007

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
Butler County General Obligation Bonds	\$64,630,026	5.01%	\$3,237,964
Payable from Other Sources:			
Butler County Special Assessment Bonds	10,003,310		501,166
Butler County Sales Tax Bonds	27,749,172		1,390,234
Butler County Capital Leases	<u>1,999,412</u>		<u>100,171</u>
Total Overlapping Debt	104,381,920	5.01%	5,229,534
Direct Debt	<u>22,085,000</u>	100.00%	<u>22,085,000</u>
Total Direct and Overlapping Debt	<u>\$126,466,920</u>		<u>\$27,314,534</u>

Source: Office of the Auditor, Sample County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2007 collection year.

**Ross Local School District, Ohio**  
*Computation of Legal Debt Margin*  
*Last Ten Fiscal Years*

	1998	1999	2000	2001	2002
Tax Valuation	<u>\$189,131,077</u>	<u>\$194,131,642</u>	<u>\$228,614,389</u>	<u>\$232,430,356</u>	<u>\$235,066,897</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$17,021,797</u>	<u>\$17,471,848</u>	<u>\$20,575,295</u>	<u>\$20,918,732</u>	<u>\$21,156,021</u>
Amount of Debt Applicable to Debt Limit General Obligation Bonds Less Amount Available in Debt Service	<u>225,000</u>	<u>175,000</u>	<u>130,000</u>	<u>85,000</u>	<u>45,000</u>
Amount of Debt Subject to Limit	<u>225,000</u>	<u>175,000</u>	<u>130,000</u>	<u>85,000</u>	<u>45,000</u>
Legal Debt Margin	<u>\$16,796,797</u>	<u>\$17,296,848</u>	<u>\$20,445,295</u>	<u>\$20,833,732</u>	<u>\$21,111,021</u>
Legal Debt Margin as a Percentage of the Debt Limit	98.68%	99.00%	99.37%	99.59%	99.79%
Unvoted Debt Limit - 10% of Taxable Valuation (1)	\$189,131	\$194,132	\$228,614	\$232,430	\$235,067
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$189,131</u>	<u>\$194,132</u>	<u>\$228,614</u>	<u>\$232,430</u>	<u>\$235,067</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%

**Source:** School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt

**Note:** The amount of debt presented as subject to the limit should be the balances used to compute the margin as specified by statute, i.e. the gross balances, not amounts that are net of premiums or discounts. On deep discount or capital appreciation bonds, this would be the original issue amount.

**Note:** The definition of tax valuation for the purpose of calculating the debt margin was modified by H.B. 530, effective 3/30/06, to exclude tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations.

2003	2004	2005	2006	2007
<u>\$262,329,305</u>	<u>\$294,241,299</u>	<u>\$281,201,529</u>	<u>\$318,592,712</u>	<u>\$ 330,717,665</u>
<u>\$23,609,637</u>	<u>\$26,481,717</u>	<u>\$25,308,138</u>	<u>\$28,673,344</u>	<u>\$29,764,590</u>
<u>24,920,000</u>	<u>24,300,000</u>	<u>23,600,000</u>	<u>22,865,000</u>	<u>22,085,000</u>
<u>24,920,000</u>	<u>24,300,000</u>	<u>23,600,000</u>	<u>22,865,000</u>	<u>22,085,000</u>
<u>(\$1,310,363)</u>	<u>\$2,181,717</u>	<u>\$1,708,138</u>	<u>\$5,808,344</u>	<u>\$7,679,590</u>
-5.55%	8.24%	6.75%	20.26%	25.80%
<u>\$262,329</u>	<u>\$294,241</u>	<u>\$281,202</u>	<u>\$318,593</u>	<u>\$330,718</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$262,329</u>	<u>\$294,241</u>	<u>\$281,202</u>	<u>\$318,593</u>	<u>\$330,718</u>
100.00%	100.00%	100.00%	100.00%	100.00%

**Ross Local School District, Ohio**  
*Demographic and Economic Statistics*  
*Last Ten Years*

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Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
1998	291,479	7,601,480,841	26,079	3.30%
1999	291,479	8,008,385,525	27,475	3.20%
2000	332,807	9,523,272,305	28,615	3.00%
2001	332,807	9,614,128,616	28,888	3.30%
2002	332,807	9,746,585,802	29,286	4.40%
2003	332,807	9,988,869,298	30,014	4.40%
2004	332,807	10,221,501,391	30,713	3.80%
2005	332,807	10,537,335,234	31,662	4.90%
2006	354,992	11,464,466,640	32,295	4.40%
2007	354,992	11,693,791,472	32,941	5.00%

**Sources:** 1) United States Census Bureau. Provided by County only  
2) US Dept. of Commerce, Bureau of Economic Analysis.  
Provided by County only. Information was available through  
2005. Estimated increase of 2% for 2006 and 2007.  
3) Ohio Bureau of Employment Services. Butler County Unemployment rate.

**Ross Local School District, Ohio**  
*Principal Employers(1)*  
*Current Year and Nine Years Ago*

Employer	Nature of Business	2007		1998	
		Number of Employees	Rank	Number of Employees	Rank
Miami University	Government	4,250	1	3,500	2
AK Steel	Manufacturing	3,100	2	4,250	1
Cincinnati Insurance	Insurance	2,600	3	1,992	4
Butler County Government	Government	2,000	4	2,000	3
Ft. Hamilton Hospital	Health Care	2,000	5	1,400	7
Middletown Regional Health	Health Care	1,800	6	1,400	8
Mercy Regional Hospital	Health Care	1,600	7	1,400	7
Lakota Board of Education	Government	1,600	8	1,480	6
Ohio Casualty Insurance Co.	Insurance	1,340	9	1,500	5
Hamilton City Board of Education	Government	1,150	10	1,100	9
Total		<u>21,440</u>		<u>20,022</u>	

Information is provided by Butler County

(1) Total employments within the School District is not available

**Ross Local School District, Ohio**  
*School District Employees by Function/Program*  
*Last Three Fiscal Years*

Function/Program	2004	2005	2006
<b>Regular Instruction</b>			
Elementary Classroom Teachers	50.00	51.00	51.00
Middle School Classroom Teachers	37.00	37.00	37.00
High School Classroom Teachers	48.00	48.00	50.00
<b>Special Instruction</b>			
Elementary Classroom Teachers	7.00	8.00	9.00
Gifted Education Teachers	1.50	1.50	1.50
Middle School Classroom Teachers	6.00	6.00	6.00
High School Classroom Teachers	4.00	5.00	5.00
<b>Vocational Instruction</b>			
High School Classroom Teachers	1.00	1.00	1.00
<b>Pupil Support Services</b>			
Guidance Counselors	6.00	6.00	6.00
Librarians	2.00	2.00	2.00
Psychologists	0.00	0.00	0.00
Speech and Language Pathologists	2.00	2.00	2.00
Nurse	1.00	1.00	1.00
<b>Administrators</b>			
Elementary	2.00	2.00	2.00
Middle School	2.00	2.00	2.00
High School	2.00	2.00	2.00
<b>Operation of Plant</b>			
Custodians	12.00	13.00	14.00
Maintenance	0.00	0.00	0.00
<b>Pupil Transportation</b>			
Bus Drivers	31.00	32.00	33.00
Bus Aides	0.00	0.00	0.00
Van Drivers	0.00	1.00	1.00
<b>Food Service Program</b>			
Elementary Cooks	5.00	6.00	6.00
Middle School Cooks	5.00	6.00	6.00
High School Cooks	7.00	7.00	7.00

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

Information prior to 2004 is not available.

Source: School district records



**Ross Local School District, Ohio**  
*Teachers' Salaries*  
*Last Ten Fiscal Years*

<u>Fiscal Year</u>	<u>Minimum Salary (1)</u>	<u>Maximum Salary (2)</u>	<u>Average Salary Comparable Districts (3)</u>	<u>Statewide Average Salary (4)</u>
1998	23,102	49,992	N/A	N/A
1999	23,795	51,492	N/A	N/A
2000	24,509	53,037	N/A	N/A
2001	25,244	54,628	40,743	42,995
2002	26,380	57,086	41,992	43,755
2003	27,435	59,369	43,137	45,645
2004	28,532	61,743	45,045	47,659
2005	28,532	61,743	46,963	49,438
2006	29,531	63,905	47,449	50,772
2007	30,860	66,781	48,835	53,536

(1) Starting teacher with no experience.

(2) Teacher with a Masters degree and more than 30 year's experience.

(3) Provided by the State Department of Education. Includes Sample 1, Sample 2 and Sample 3 City School Districts.

(4) Provided by the State Department of Education.

**Ross Local School District, Ohio**  
*Operating Statistics*  
*Last Five Fiscal Years*

Fiscal Year	General Fund Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2003	15,809,412	2,627	6,018		160	16.4
2004	17,030,320	2,738	6,220	3.36%	161	17.0
2005	16,383,648	2,882	5,685	-8.60%	165	17.5
2006	18,687,008	2,919	6,402	12.61%	166	17.6
2007	21,259,435	2,922	7,276	13.65%	166	17.6

Source: School District Records. Expense information is not available prior to 2003.

**Ross Local School District, Ohio**

*Building Statistics*

*Last Six Fiscal Years*

	2002	2003	2004	2005	2006	2007
<b>MORGAN ELEMENTARY</b>						
Constructed in 1982						
Total Building Square Footage	47,050	47,050	47,050	47,050	47,050	47,050
Enrollment Grades PK-5	442	435	451	439	487	488
Student Capacity	500	500	500	500	500	500
Regular Instruction Classrooms	25	25	24	23	22	21
Regular Instruction Teachers	25	25	24	23	22	22
Special Instruction Classrooms	1	1	2	3	4	4
Special Instruction Teachers	2	2	3	4	5	5
<b>ELDA ELEMENTARY</b>						
Constructed in 1962						
Total Building Square Footage	42,858	42,858	42,858	57,358	57,358	57,358
Enrollment Grades K-4	516	527	550	616	673	663
Student Capacity	500	500	500	575	575	575
Regular Instruction Classrooms	26	26	26	28	29	28
Regular Instruction Teachers	26	26	26	28	29	28
Special Instruction Classrooms	3	3	3	3	3	5
Special Instruction Teachers	4	4	4	4	4	7
<b>ROSS MIDDLE SCHOOL</b>						
Constructed in 1969						
Total Building Square Footage*	79,363	79,363	79,363	79,363	101,279	101,279
Enrollment Grades 5-8	737	730	783	783	815	825
Student Capacity	800	800	800	800	750	750
Regular Instruction Classrooms	37	37	37	37	37	37
Regular Instruction Teachers	37	37	37	37	37	39.5
Special Instruction Classrooms	4	4	4	4	5	5
Special Instruction Teachers	5	6	6	6	6	6
<b>ROSS HIGH SCHOOL</b>						
Constructed in 2005						
Total Building Square Footage**	101,279	101,279	101,279	101,279	180,080	180,080
Enrollment Grades 9-12	817	852	887	932	971	946
Student Capacity	750	750	750	750	920	920
Regular Instruction Classrooms	40	40	40	40	49	49
Regular Instruction Teachers	48	48	48	48	50	51
Special Instruction Classrooms	2	2	2	2	4	5
Special Instruction Teachers	3	4	4	5	5	6.25

\* RMS moved into its' current building in FY2006

\*\*RHS moved into its' current building in FY2006





**Mary Taylor, CPA**  
Auditor of State

**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 1, 2008**