



Dave Yost • Auditor of State



**ROSS LOCAL SCHOOL DISTRICT  
BUTLER COUNTY**

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**ROSS LOCAL SCHOOL DISTRICT  
BUTLER COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grantor/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Non-Cash Assistance (Food Distribution): National School Lunch Program	2011	10.555		\$50,522		\$50,522
Cash Assistance: National School Breakfast Program	2011	10.553	\$17,490		\$17,490	
National School Lunch Program	2011	10.555	254,133		254,133	
Total Child Nutrition Cluster			<u>271,623</u>	<u>50,522</u>	<u>271,623</u>	<u>50,522</u>
Total U.S. Department of Agriculture			<u>271,623</u>	<u>50,522</u>	<u>271,623</u>	<u>50,522</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education - Grants to States	2011	84.027	476,980		482,237	
	2010	84.027	26,933		80,858	
Special Education - Grants to States (Parent Mentoring)	2011	84.027	17,545		17,860	
	2010	84.027	7,128		4,261	
ARRA - Special Education - Grants to States	2011	84.391	186,659		193,484	
	2010	84.391	-		6,398	
Total Special Education Grants to States			<u>715,245</u>		<u>785,098</u>	
Special Education - Preschool Grants	2011	84.173	1,791		1,791	
ARRA - Special Education - Preschool Grants	2011	84.392	8,588		8,588	
Total Special Education - Preschool Grants			<u>10,379</u>		<u>10,379</u>	
Total Special Education Cluster			<u>725,624</u>		<u>795,477</u>	
Title I Grants to Local Educational Agencies	2011	84.010	249,957		250,216	
ARRA - Title I Grants to Local Educational Agencies	2011	84.389	47,374		63,603	
	2010	84.389	4,526		4,282	
Total Title I Grants to Local Educational Agencies			<u>301,857</u>		<u>318,101</u>	
Education Technology State Grants	2011	84.318	1,512		1,512	
Improving Teacher Quality State Grants	2011	84.367	85,814		87,214	
ARRA - State Fiscal Stabilization Fund (SFSF) - Education	2011	84.394	840,622		825,164	
	2010	84.394	-		9,623	
			<u>840,622</u>		<u>834,787</u>	
ARRA - Race to the Top	2011	84.395	13,060		13,060	
Total U.S. Department of Education			<u>1,968,489</u>		<u>2,050,151</u>	
<b>TOTAL FEDERAL ASSISTANCE</b>			<u><u>\$2,240,112</u></u>	<u><u>\$50,522</u></u>	<u><u>\$2,321,774</u></u>	<u><u>\$50,522</u></u>

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

**ROSS LOCAL SCHOOL DISTRICT  
BUTLER COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Ross Local School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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

**NOTE D - MATCHING REQUIREMENTS**

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



# Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ross Local School District, Butler County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 30, 2011, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated November 30, 2011.

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

November 30, 2011





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Education:

### Compliance

We have audited the compliance of Ross Local School District, Butler County, Ohio (the District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Ross Local School District's major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the 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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Ross Local School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

#### **Federal Awards Receipts and Expenditures Schedule**

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Ross Local School District (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 30, 2011. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Dave Yost**  
Auditor of State

November 30, 2011

**ROSS LOCAL SCHOOL DISTRICT  
BUTLER COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA #84.394: ARRA – State Fiscal Stabilization Fund-Education  Special Education Cluster: CFDA #84.027: Special Education-Grants to States CFDA #84.391: ARRA – Special Education-Grants to States CFDA #84.173: Special Education-Preschool Grants CFDA #84.392: ARRA – Special Education-Preschool Grants  CFDA #84.010: Title I CFDA #84.389: ARRA – Title I
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

ROSS LOCAL SCHOOL DISTRICT  
BUTLER COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 § .315 (b)  
JUNE 30, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2010-001	Failure to properly report revenues and expenditures on the schedule of federal receipts and expenditures.	Yes	

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Ross Local School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. In our report dated December 10, 2010, we noted the Board adopted an anti-harassment policy on May 21, 2007. However, this policy did not include all matters required by Ohio Rev. Code 3313.666.
2. The Board amended the policy on June 24, 2010. We read the amended policy, noting it now includes all the requirements listed in Ohio Rev. Code 3313.666. The policy includes violence within a dating relationship within its definition of harassment, intimidation or bullying.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost".

**Dave Yost**  
Auditor of State

November 30, 2011

Corporate Centre of Blue Ash, 11117 Kenwood Road, Blue Ash, Ohio 45242  
Phone: 513-361-8550 or 800-368-7419 Fax: 513-361-8577  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

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

Comprehensive  
Annual  
Financial  
Report

For the Fiscal Year Ended  
June 30, 2011



**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

of the

**ROSS LOCAL SCHOOL DISTRICT,**

**BUTLER COUNTY, OHIO**

For the Fiscal Year Ended June 30, 2011

**BOARD OF EDUCATION**

Edward Bosse

David Brown

Glenda Holt

John McCandless

Steve Stitsinger

**SUPERINTENDENT OF SCHOOLS**

M. Greg Young

**ISSUED BY  
TREASURER'S OFFICE**

Christine Cook Poetter,  
Treasurer



## Introductory Section



# ROSS LOCAL SCHOOL DISTRICT, OHIO

## Comprehensive Annual Financial Report

For the Year Ended June 30, 2011

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**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2011**

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**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2011**

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**ROSS HIGH SCHOOL** (513) 863-1252  
3601 Hamilton-Cleves Road, Hamilton, OH 45013

**ROSS MIDDLE SCHOOL** (513) 863-1251  
3425 Hamilton-Cleves Road, Hamilton, OH 45013

**ELDA ELEMENTARY** (513) 738-1972  
3980 Hamilton-Cleves Road, Hamilton, OH 45013

**MORGAN ELEMENTARY** (513) 738-1986  
3427 Chapel Road, Hamilton, OH 45013

**DISTRICT OFFICES** 3371 Hamilton-Cleves Rd., Hamilton, OH 45013  
**Superintendent:** (513) 863-1253 • **Treasurer:** (513) 863-1250

November 30, 2011

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 (School District) for the fiscal year ended June 30, 2011. 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 School District for the 2010-2011 fiscal year. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the School 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 School 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 and account groups of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

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

The School 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 complement the students' curricular program.

In addition to these general activities, the School District acts as the fiscal agent for state funds distributed to a non-public parochial school located within the School District boundaries. Therefore, this fiduciary responsibility is included in the reporting entity as a special revenue fund. 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 School District is located in the Miami Valley of Southwest Ohio. The School District is midway between Dayton and Cincinnati in rapidly growing Butler County. The area served by the School District is primarily an agricultural area. Many of our residents commute to the Cincinnati area each day.

The School District's economy continues to experience challenges with recovery with unemployment above 9% and minimal growth in new home construction.

## **THE SCHOOL DISTRICT AND ITS FACILITIES**

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

The School District had 2,914 students enrolled in the two elementary schools, middle school, and high school. In addition to the schools listed, the School District maintained and operated a transportation facility, central office facility and several sport fields.

## **ORGANIZATION OF THE SCHOOL 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 School 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, 2011 are:

<u>Board Member</u>	<u>Term</u>
Mr. David Brown	10/19/2006 – 12/31/2011
Mr. Steve Stitsinger	07/18/2006 – 12/31/2011
Mr. Edward Bosse	01/01/1982 – 12/31/2013
Ms. Glenda Holt	01/01/2006 – 12/31/2013
Mr. John McCandless	06/10/2009 – 12/31/2011

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations of the School District. Mr. Greg Young was appointed Superintendent on August 1, 2009. Mr. Young has a BA in Education from Centre College and a MA in Education from Eastern Kentucky University.

The Treasurer is the chief financial officer of the School District and is responsible for maintaining all financial records, issuing all payments, maintaining custody of all School 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 School District has 289 full and part-time employees. This number has decreased slightly as the School District works to trim costs through attrition. There is one organization representing the certificated employees. The School 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 School District. On April 28, 2011 (effective June 1, 2011), the REA and the School District entered into a new two-year collective bargaining agreement on language, salary and fringe benefit issues, which expires on August 31, 2013.

## **SERVICES PROVIDED**

The School 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**

### **Academic Performance**

2010-2011 was another banner school year for our School District. Student achievement increased as we obtained the state's highest rating of Excellent with Distinction on the state report card. In addition, we earned our highest score yet on the performance index scale as more students performed in the accelerated and advanced ranges on the state's standardized tests. Here are a few academic highlights from 2010-2011:

#### School District Highlights

- Our student attendance rate was 95.9%.
- Our performance index score for the School District was 105.9.
- We met Adequate Yearly Progress (AYP).
- Our value added score for the School District shows that our students made more than one year's worth of progress from the previous year.

### Ross High School Highlights

- On the Ohio Graduation Test the high school had historic high passing percentages in math (97.8%), science (91.7%), and social studies (93.4%). All three scores were the highest among all Butler County high schools.
- The high school performance index score was the highest in school history at 107.5.
- We had the highest graduation rate in our history at 96.2%.

### Ross Middle School Highlights

- Ross Middle School (RMS) was rated Excellent with Distinction by the state of Ohio for the 2010-2011 school year.
- RMS met AYP again for the 2010-2011 school year.
- RMS attained an overall Value Added rating of “Above” as a building for the 2010-2011 school year.
- Our sixth grade scores in reading (98.6%) and math (97.2%) were the best among our state similar school districts and all Butler County school districts.
- We had our best scores ever in seventh grade reading (90.5%) and math (95.5%). The math score was the highest among our state similar districts and all Butler County school districts.
- We achieved historic high scores in eighth grade reading (97.8%) and math (93.1%). Both passage rates were first among our state similar school districts and first among all Butler County school districts.
- The fifth grade scored a historic high in science (95.5%). It was the best among all Butler County school districts.

### Elda Elementary Highlights

- Elda was rated Excellent with Distinction by the State of Ohio for the 2010-2011 school year.
- Elda’s performance index score was 103.5 and met AYP.
- Elda had above expected growth on the Value-Added Measure in both reading and math.
- Elda’s attendance percentage for the 2010-2011 school year was 96.2%.

### Morgan Elementary Highlights

- Morgan students had a 96.5% attendance rate for the 2010-2011 school year.
- Morgan Elementary was rated Excellent by the State of Ohio for the 2010-2011 school year.
- Morgan’s performance index score was 105.5.
- Morgan met AYP for 2010-2011 school year.

*Cincy* magazine named the Ross Local School District one of the top 15 school districts in an eight-county area. This is the fourth year in a row that we have earned this distinction.

### **Facilities**

Our School District completed the majority of the construction process for additions and renovations to Elda Elementary and Ross Middle School during the 2010-2011 fiscal year. This was accomplished through the Ohio School Facility Commission's Classroom Facilities Assistance Program. Both buildings qualified for the U.S. Green Building Council's LEED Silver Certification.

### **FINANCIAL INFORMATION**

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

### **Internal Controls**

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

### **Single Audit Act**

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

As part of the School 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 School District has complied with applicable laws and regulations. The results of the School District's single audit for the fiscal year ended June 30, 2011 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

### **Budgetary Controls**

The School District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Auditor of State. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of 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 School District also maintains an encumbrance accounting system to assist in budgetary control. Unencumbered appropriations lapse at year-end. Encumbered amounts at year-end are carried forward to succeeding years and not re-appropriated. As demonstrated by the statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management.

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.

The School District follows Board policy as detailed in the Fiscal Management section of policy manual. No additional policies were implemented.

### **Long-term Financial Planning**

The School District has always maintained that fiscal responsibility is a primary goal. The residents of the School District voted on November 4, 2008 to replace the existing four-year traditional income tax expiring on December 31, 2009 with a continuous earned only income tax. Conversion to the earned only income tax reduces the total income tax receipts by an estimated \$400,000 but the continuous aspect of the new version provides a more stable source of revenue. The School District finalized \$1.2 million in budget cuts at the end of the 2010-2011 school year preparing for state cuts in the biennial budget and pushing deficit spending back an additional year. The School District realizes a return to the ballot is eminent. The status of state funding for education in Ohio has been protected to a great extent but no new money can be expected in the next biennium.



## **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, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Independent Audit**

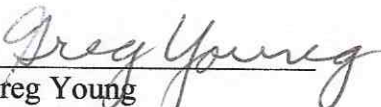
State statutes require an annual audit by independent accountants for the State Auditor's Office. The Auditor of State conducted the School District's 2011 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. The accountant'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,

  
Greg Young  
Superintendent

  
Christine Cook Poetter  
Treasurer



Ross Local School District  
Appointed Officials  
June 30, 2011

**Official**

**Title**

Mr. Greg Young

Superintendent

Mrs. Christine Cook Poetter

Treasurer

Mr. Ronald Mandery

Director of Transportation

Mrs. Deborah Christophel

Director of Food Services

Ross Local School District  
Consultant and Advisors  
As of June 30, 2011

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**Architect**

SHP Leading Design  
82 Williams Avenue  
Hamilton, Ohio 45015

**Bond Counsel**

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

**Independent Auditor**

Auditor of State of Ohio  
11117 Kenwood Road  
Blue Ash, Ohio 45242

**Investment Counselor**

Robert W. Baird & Co.  
4030 Smith Road, Suite 100  
Cincinnati, Ohio 45209

**Legal Counsel**

Ennis, Roberts, & Fischer  
Attorneys at Law  
1714 West Galbraith Road  
Cincinnati, Ohio 45239

**Underwriter**

RBC  
414 Walnut Street, Suite 300  
Cincinnati, Ohio 45202

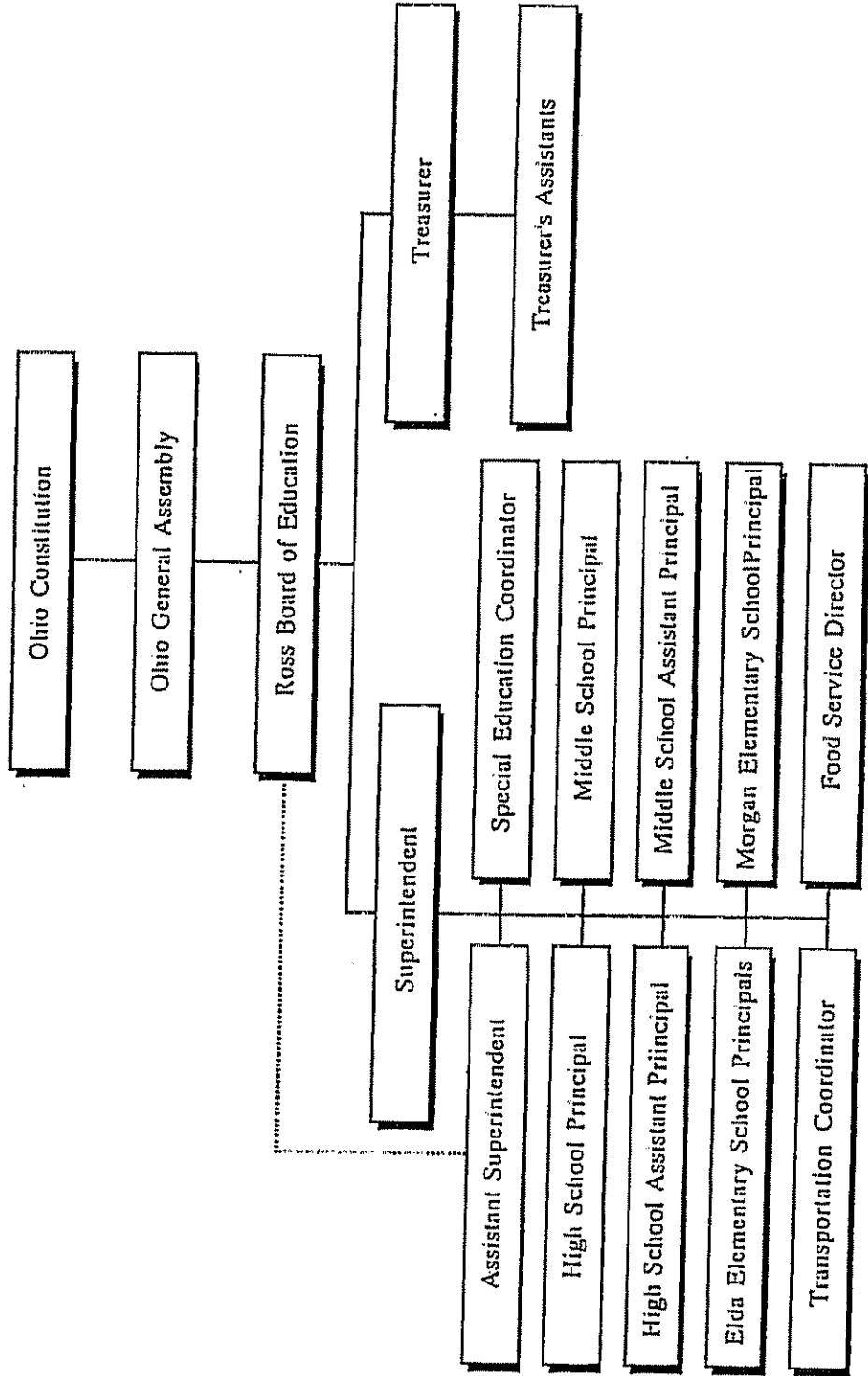
**Official Depositories**

Fifth Third Bank  
4005 Hamilton Cleves Road  
Hamilton, Ohio 45013

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

Allied Benefit Systems  
PO Box 909786-60690  
Chicago, IL 60690

# 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, 2010

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.



President

Executive Director

## Financial Section





# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ross Local School District, Butler County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ross Local School District, Butler County, Ohio, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis and the required budgetary comparison schedule as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style with a long, sweeping tail on the letter "t".

**Dave Yost**  
Auditor of State

November 30, 2011



**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2011**  
**Unaudited**

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**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, 2011. 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 2011 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$43.8 million. Of this amount, \$2.9 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$1,000,361.
- ✓ The School District had \$27.3 million in expenses related to governmental activities; only \$4.5 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$23.7 million, made up primarily of property and income taxes and State Foundation payments were adequate to provide for these programs.
- ✓ The General Fund balance increased by \$462,165 from \$2.6 million at June 30, 2010 to \$3.0 million at June 30, 2011.

**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 LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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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.

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

**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, 2011 and 2010:

	<b>Governmental Activities 2011</b>	<b>Governmental Activities 2010</b>
	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 29,955,409	42,473,263
Capital assets	49,914,123	36,569,898
Total assets	<u>79,869,532</u>	<u>79,043,161</u>
Long-term liabilities	21,416,588	22,271,749
Other liabilities	14,669,000	13,987,829
Total liabilities	<u>36,085,588</u>	<u>36,259,578</u>
Net assets:		
Invested in capital assets, net of debt	29,821,233	15,648,895
Restricted	11,081,744	25,205,756
Unrestricted	2,880,967	1,928,932
Total net assets	<u>\$ 43,783,944</u>	<u>42,783,583</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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The largest portion of the School District's restricted net assets is for the investment in capital assets, less any related debt that is still outstanding that was used to acquire those assets. 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 \$2.9 million may be used to meet the government's ongoing obligations to citizens and creditors.

The other large portion of the School District's net assets is capital improvements. The School District was awarded State funds for capital improvements to existing school buildings during fiscal year 2009. These funds are restricted and for use on the specific project. As the School District requests draw-downs from the State and spends the monies, capital assets will be recorded. Construction in progress of \$14,460,626 was added during the fiscal year to reflect the progress made so far in the project as noted in the large increase in investment in capital assets, net of debt.

Current assets decreased approximately \$12.5 million due primarily to current resources used for the increase in construction in progress. The decrease in the intergovernmental receivable was due to the School District continuing to receive State funds for the capital improvement projects during the year, thus decreasing the receivable.

Long-term liabilities have decreased as the School District pays its scheduled debt obligations.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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**B. Governmental Activities during fiscal year 2011**

The following table presents a condensed summary of the School District's activities during fiscal year 2011 and fiscal year 2010 and the resulting change in net assets:

	<b>Governmental Activities 2011</b>	<b>Governmental Activities 2010</b>
	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>		
Program revenues:		
Charges for sales and services	\$ 1,570,536	\$ 1,629,111
Operating grants and contributions	2,951,027	2,767,408
Total program revenues	<u>4,521,563</u>	<u>4,396,519</u>
General revenues:		
Property and income taxes	11,652,836	10,722,811
Grants and entitlements	11,606,019	11,900,756
Classroom facilities assistance program	51,266	896
Investment earnings	26,859	34,280
Miscellaneous	403,797	341,362
Total general revenues	<u>23,740,777</u>	<u>23,000,105</u>
<b>Total Revenues</b>	<u>28,262,340</u>	<u>27,396,624</u>
<b>Expenses:</b>		
Instruction	15,226,838	15,020,675
Support Services:		
Pupil	1,049,738	1,053,650
Instructional staff	1,517,143	1,563,829
Board of education	20,266	22,390
Administration	1,859,702	1,979,015
Fiscal	746,212	735,029
Operation of maintenance and plant	2,119,800	1,920,431
Pupil transportation	1,831,602	1,892,347
Central	9,100	9,145
Non-instructional services	966,847	1,012,363
Interest on long-term debt	890,291	909,985
Food services	1,024,440	1,069,713
<b>Total expenses</b>	<u>27,261,979</u>	<u>27,188,572</u>
<b>Change in net assets</b>	1,000,361	208,052
Beginning net assets	42,783,583	42,575,531
Ending net assets	<u>\$ 43,783,944</u>	<u>\$ 42,783,583</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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Of the total governmental activities revenues of \$28,262,340, \$4,521,563 (16%) 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, (49%) comes from property tax levies and income taxes and (49%) is from state funding. The School District's operations are reliant upon its property tax levy, income tax and the State's foundation program.

The 3.2% increase in revenues is due primarily to an increase in property taxes and program revenues. During fiscal year 2011, property taxes increased due to collections from a new company. The final amounts from the American Recovery and Reinvestment Act (ARRA) program were received during the year as well as allocations for two new programs; Education Jobs and Race-to-the-Top. Expenses increased by less than 1% compared to the prior year as a result of the School District's response to the economic conditions.

***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 17% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$15,226,838 but program revenue contributed to fund 8% of those costs. Thus, general revenues of \$14,030,493 were used to support the remainder of the instruction costs.

		<b><u>Total Cost of Services</u></b>	<b><u>Program Revenue</u></b>	<b><u>Revenues as a % of Total Costs</u></b>	<b><u>Net Cost of Services</u></b>
Instruction	\$	(15,226,838)	1,196,345	8%	(14,030,493)
Support Services		(9,153,563)	1,548,015	17%	(7,605,548)
Non-instructional services		(966,847)	739,319	76%	(227,528)
Food service		(1,024,440)	1,037,884	101%	13,444
Interest on long-term debt		<u>(890,291)</u>	<u>-</u>	0%	<u>(890,291)</u>
Total	\$	<u>(27,261,979)</u>	<u>4,521,563</u>	<u>17%</u>	<u>(22,740,416)</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS**

**Governmental funds**

The School District has three major governmental funds: the General Fund, Debt Service Fund and the Classroom Facilities Project Fund. Assets of these funds comprise \$26,819,736 (90%) of the total \$29,783,487 governmental funds assets.

**General Fund:** Fund balance at June 30, 2011 was \$3,023,425, including \$2,136,263 of unassigned balance, which represents 9% of expenditures for fiscal year 2011. The primary reason for the increase in fund balance is due to an increase in property and income taxes as a result of increased collections.

**Debt Service Fund:** Restricted fund balance at June 30, 2011 was \$1,999,945. Property taxes are collected in order to pay the School District's outstanding bond principal and interest.

**Classroom Facilities Project Fund:** The restricted fund balance at June 30, 2011 was \$6,317,067. The decrease in restricted fund balance is due to monies being spent on capital improvements to existing buildings.

**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:

- Property tax revenues were originally estimated at \$6,632,630, but were amended to \$7,237,746 due to receiving more than expected from increased collections.
- Final budgeted expenditures of \$22,678,623 were slightly higher than original primarily due to the School District increasing their appropriations after an increase in property tax collections.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2011, the School District had \$49,914,123 invested in a broad range of capital assets, including land, buildings, equipment and vehicles and construction in progress. The total increase in the School District's investment in capital assets for the current fiscal year was \$13,344,225 due primarily to additions to construction in progress from the State Classroom Facilities project. See Note 9 to the financial statements for more detail:

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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**Unaudited**

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

	<b>Governmental</b>
	<b>Activities</b>
Land	\$ 1,262,525
Construction in progress	17,236,237
Land improvements	912,143
Building and improvements	29,138,420
Furniture and equipment	751,322
Vehicles	613,476
	<u>\$ 49,914,123</u>

**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. Principal of \$690,000 was retired during fiscal year 2011.

The School 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. Principal of \$40,000 was retired during fiscal year 2011.

The School 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 balance of \$982,000 was paid with a combination of principal payment of \$200,000 and a new lease-purchase of \$782,000 over the next three years at 2.05%.

In August, 2007 the School District entered into a lease agreement of \$115,500 to purchase eight copiers. The agreement is for 60 months, to be paid monthly, with a final maturity in 2012. The principal payment of \$23,956 was made as well as related interest of \$2,841 out of the General Fund.

In July, 2010 the School District entered into a lease agreement of \$183,277 to purchase 148 Apple computers and related equipment. The agreement is for 24 months, to be paid annually, with a final maturity in 2012. Principal of \$62,847 was paid out of the General fund during the fiscal year.

See Notes 10 and 11 to the financial statements for more detail.



**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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**Unaudited**

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**ECONOMIC FACTORS**

School funding continues to be a complex and unstable issue for Ohio School Districts. Due to the current condition of the state's budget, we are projecting significant state funding cuts for the next Biennial Budget. The School District receives almost all of its funding from two sources: state funding and local property tax revenues. With both of these sources of funding being significantly reduced, the District will continue to reduce operational costs.

The School District was able to pass a voted income tax levy in November, 2008. The income tax rate of .75% remains the same but it is now a continuing levy. This income source will be consistent and the School District will be able to budget accordingly.

**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.

# ROSS LOCAL SCHOOL DISTRICT, OHIO

## Statement of Net Assets

June 30, 2011

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 14,805,581
Cash with fiscal agent	364,948
Receivables:	
Property taxes	11,703,940
Income taxes	1,244,960
Accounts	3,200
Intergovernmental	1,203,518
Interest	4,773
Supplies inventory	40,296
Restricted cash	392,800
Deferred charges	191,393
Nondepreciable capital assets	18,498,762
Depreciable capital assets, net	<u>31,415,361</u>
<b>Total assets</b>	<u>79,869,532</u>
<b>Liabilities:</b>	
Accounts payable	795,512
Contracts payable	364,948
Accrued wages and benefits	2,132,548
Due to other governments	26,748
Pension obligation payable	495,041
Retirement incentive obligation	78,054
Interest payable	64,798
Unearned revenue	10,711,351
Noncurrent liabilities:	
Due within one year	1,210,226
Due within more than one year	<u>20,206,362</u>
<b>Total liabilities</b>	<u>36,085,588</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	29,821,233
Restricted for:	
Capital projects	7,705,575
Debt service	1,857,097
Classroom facilities maintenance	663,519
Scholarships	126,165
Athletics	116,601
Other Purposes	612,787
Unrestricted	<u>2,880,967</u>
<b>Total net assets</b>	<u>\$ 43,783,944</u>

See accompanying notes to the basic financial statements.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Activities  
Fiscal Year Ended June 30, 2011

	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	\$ 12,554,421	268,093	583,700	\$ (11,702,628)
Special education	1,876,301	-	324,514	(1,551,787)
Other	796,116	-	20,038	(776,078)
Support services:				
Pupil	1,049,738	-	-	(1,049,738)
Instructional staff	1,517,143	-	696,173	(820,970)
Board of Education	20,266	-	-	(20,266)
Administration	1,859,702	-	823,610	(1,036,092)
Fiscal	746,212	-	-	(746,212)
Operation and Maintenance of Plant	2,119,800	-	-	(2,119,800)
Pupil transportation	1,831,602	-	19,132	(1,812,470)
Central	9,100	-	9,100	-
Non-instructional services:				
Extracurricular activities	802,357	592,849	-	(209,508)
Community service	164,490	-	146,470	(18,020)
Food service	1,024,440	709,594	328,290	13,444
Interest on long-term debt	890,291	-	-	(890,291)
<b>Total Governmental Activities</b>	<b>\$ 27,261,979</b>	<b>1,570,536</b>	<b>2,951,027</b>	<b>(22,740,416)</b>

**General Revenues:**

Property taxes, levied for general purposes	7,486,206
Property taxes, levied for debt services	1,348,279
Property taxes, levied for permanent improvement	224,108
Income taxes	2,594,243
Grants and entitlements not restricted to specific program	11,606,019
Classroom Facilities Assistance Program	51,266
Investment earnings	26,859
Miscellaneous	403,797
<b>Total general revenues</b>	<b>23,740,777</b>
Change in net assets	1,000,361
Net assets beginning of year	42,783,583
Net assets end of year	\$ 43,783,944

See accompanying notes to the basic financial statements.

## ROSS LOCAL SCHOOL DISTRICT, OHIO

Balance Sheet

Governmental Funds

June 30, 2011

	General	Debt Service	Classroom Facilities Project	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 4,074,698	1,972,615	6,894,204	1,864,064	14,805,581
Restricted cash	392,800	-	-	-	392,800
Cash with fiscal agent	-	-	364,948	-	364,948
Receivables:					
Property Taxes	9,876,962	1,573,535	-	253,443	11,703,940
Income Taxes	1,076,751	-	-	168,209	1,244,960
Accounts	-	-	-	3,200	3,200
Intergovernmental	-	-	565,914	637,604	1,203,518
Interest	4,171	-	602	-	4,773
Interfund receivable	19,471	-	-	-	19,471
Supplies inventory	3,065	-	-	37,231	40,296
<b>Total assets</b>	<u>15,447,918</u>	<u>3,546,150</u>	<u>7,825,668</u>	<u>2,963,751</u>	<u>29,783,487</u>
<b>Liabilities:</b>					
Accounts payable	48,074	-	611,986	135,452	795,512
Contracts payable retainage	-	-	364,948	-	364,948
Accrued wages and benefits	1,952,761	-	-	179,787	2,132,548
Pension obligation payable	444,863	-	-	50,178	495,041
Matured compensated absences payable	-	-	-	-	-
Retirement incentive obligation	78,054	-	-	-	78,054
Due to other governments	23,526	-	-	3,222	26,748
Interfund payable	-	-	-	19,471	19,471
Deferred revenue	9,877,215	1,546,205	531,667	842,576	12,797,663
<b>Total liabilities</b>	<u>12,424,493</u>	<u>1,546,205</u>	<u>1,508,601</u>	<u>1,230,686</u>	<u>16,709,985</u>
<b>Fund Balances:</b>					
Nonspendable	3,065	-	-	37,231	40,296
Restricted	285,493	1,999,945	6,317,067	1,728,103	10,330,608
Assigned	598,604	-	-	-	598,604
Unassigned	2,136,263	-	-	(32,269)	2,103,994
<b>Total fund balances</b>	<u>3,023,425</u>	<u>1,999,945</u>	<u>6,317,067</u>	<u>1,733,065</u>	<u>13,073,502</u>
<b>Total liabilities and fund balances</b>	\$ <u>15,447,918</u>	<u>3,546,150</u>	<u>7,825,668</u>	<u>2,963,751</u>	<u>29,783,487</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2011

<b>Total Governmental Fund Balances</b>		\$ 13,073,502
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.		191,393
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		2,086,312
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		49,914,123
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	(1,018,470)	
Early retirement incentive	(131,962)	
Interest payable	(64,798)	
Bonds payable	(19,363,266)	
Discount on bond issue	59,015	
Premium on bond issue	(460,740)	
Deferred amount on refunding	435,513	
Lease obligations	<u>(936,678)</u>	
Total		<u>(21,481,386)</u>
Net Assets of Governmental Activities		\$ <u>43,783,944</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Revenues, Expenditures, and Changes in Fund Balances:  
 Governmental Funds  
 Fiscal Year Ended June 30, 2011

	General	Debt Service	Classroom Facilities Project	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 7,210,668	1,333,803	-	224,617	8,769,088
Income taxes	2,572,019	-	-	168,209	2,740,228
Tuition and fees	168,729	-	-	-	168,729
Interest	20,599	-	8,399	210	29,208
Extracurricular	293,728	-	-	306,484	600,212
Charges for services	99,364	-	-	709,594	808,958
Intergovernmental	11,305,331	219,180	12,706,905	2,731,152	26,962,568
Other local revenues	<u>343,749</u>	<u>-</u>	<u>700</u>	<u>101,814</u>	<u>446,263</u>
<b>Total revenues</b>	<u>22,014,187</u>	<u>1,552,983</u>	<u>12,716,004</u>	<u>4,242,080</u>	<u>40,525,254</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	11,199,227	-	-	275,138	11,474,365
Special education	1,504,125	-	-	354,611	1,858,736
Other instruction	774,571	-	-	19,681	794,252
Support services:					
Pupil	1,054,805	-	-	-	1,054,805
Instructional staff	907,218	-	-	613,380	1,520,598
Board of Education	20,266	-	-	-	20,266
Administration	1,035,760	29,972	-	819,618	1,885,350
Fiscal	715,529	5,259	-	4,186	724,974
Operation and maintenance of plant	1,792,839	-	-	53,259	1,846,098
Pupil transportation	1,692,186	-	-	16,314	1,708,500
Central	-	-	-	9,100	9,100
Non-instructional services:					
Community service	444,927	-	-	152,631	597,558
Extracurricular activities	-	-	-	310,984	310,984
Food service	-	-	-	1,030,442	1,030,442
Capital outlay	262,712	-	14,460,626	271,911	14,995,249
Debt Service:					
Principal	1,068,803	730,000	-	-	1,798,803
Interest and fiscal charges	<u>44,331</u>	<u>789,075</u>	<u>-</u>	<u>-</u>	<u>833,406</u>
<b>Total expenditures</b>	<u>22,517,299</u>	<u>1,554,306</u>	<u>14,460,626</u>	<u>3,931,255</u>	<u>42,463,486</u>
Excess of revenues over (under) expenditures	<u>(503,112)</u>	<u>(1,323)</u>	<u>(1,744,622)</u>	<u>310,825</u>	<u>(1,938,232)</u>
<b>Other financing sources (uses):</b>					
Inception of lease purchase agreement	782,000	-	-	-	782,000
Inception of capital lease	<u>183,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,277</u>
<b>Total other financing sources (uses):</b>	<u>965,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>965,277</u>
Net change in fund balance	462,165	(1,323)	(1,744,622)	310,825	(972,955)
Fund balance, beginning of year, restated	<u>2,561,260</u>	<u>2,001,268</u>	<u>8,061,689</u>	<u>1,422,240</u>	<u>14,046,457</u>
Fund balance, end of year	\$ <u>3,023,425</u>	<u>1,999,945</u>	<u>6,317,067</u>	<u>1,733,065</u>	<u>13,073,502</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  
Fiscal Year Ended June 30, 2011

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	(972,955)
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		14,713,405
Depreciation expense		(1,354,758)
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		(6,862)
Premium on sale of bonds		26,454
Deferred amount on refunding		(25,005)
Bond issuance costs		(14,901)
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.		1,798,803
Accretion on capital appreciation bonds is recorded each year as interest in the statement of net assets.		(53,388)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		1,916
Some expenses reported in the statement of activities, such as compensated absences and other pension-related liabilities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		80,436
Losses on the sale of capital assets are reported on the statement of activities and not as expenditures in governmental funds.		(14,422)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(12,213,085)
Lease proceeds are reported on the fund financial statement as an other financing source and as a liability on the statement of net assets.		<u>(965,277)</u>
Change in Net Assets of Governmental Activities	\$	<u>1,000,361</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Net Assets

Fiduciary Funds

June 30, 2011

	Private- Purpose Trust	Agency Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 1,558	48,711
Total assets	<u>1,558</u>	<u>48,711</u>
<b>LIABILITIES</b>		
Due to student groups	<u>-</u>	48,711
Total liabilities	<u>-</u>	<u>48,711</u>
<b>NET ASSETS</b>		
Held in trust	\$ <u>1,558</u>	<u>-</u>

See accompanying notes to the basic financial statements.



## ROSS LOCAL SCHOOL DISTRICT, OHIO

Statement of Changes in Net Assets

Fiduciary Funds

Fiscal Year Ended June 30, 2011

	<u>Private- Purpose Trust</u>
<b>Deductions:</b>	
Community service	<u>250</u>
	<u>250</u>
 Change in net assets	 (250)
 Net assets, beginning of year	 <u>1,808</u>
Net assets, end of year	\$ <u><u>1,558</u></u>

See accompanying notes to the basic financial statements.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**NOTE 1-DESCRIPTION OF THE SCHOOL DISTRICT**

The Ross Local School District (the "School 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 School 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 School District. Potential component units were reviewed for possible inclusion in the financial statements. Component units are legally separate organizations for which the School District would be financially accountable. The School District would be financially accountable for an organization if the School District appointed a voting majority of the organization's governing board and (1) the School District was able to significantly influence the programs or services performed or provided by the organization; or (2) the School District was legally entitled to or can otherwise access the organization's resources; the School District was legally obligated or had otherwise assumed the responsibility to finance the deficits of or provided financial support to, the organization; or the School District was obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. There were no component units included in the reporting entity.

Jointly Governed Organization: The School District participates in two jointly governed organizations. These jointly governed organizations are described in Note 18.

**B. Basis of Presentation**

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

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

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by 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 School 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 School District.

*Fund Financial Statements* – Fund financial statements report detailed information about the School 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 School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid in financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are grouped into the categories governmental and 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.

The following are the School 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 School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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 payment.

Classroom Facilities Project Fund – This fund was created to account for State monies to be received through fiscal year 2012 and used for improvements on existing facilities of the School District.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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

**D. Basis of Accounting**

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

The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, 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 School District is sixty days after fiscal year-end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, income taxes, 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.

*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 School District receives value without directly giving equal value in return, include property and income taxes, grants, entitlements, and donations. On an accrual basis, revenue from property and income 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 School District must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

*Deferred Revenue* – Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2011 that are intended to finance fiscal year 2012 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.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**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 School 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 2011, the School District's investments were limited to US Money Markets and U.S. Agency securities and U.S. Treasuries.

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 School District recorded investments held at June 30, 2011 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 5.

**F. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalents set aside for the budget stabilization.

**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 School 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 School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. 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 and improvements	30 - 50 years
Land improvements	10 - 20 years
Furniture and equipment	5 - 20 years
Vehicles	10 years

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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

The entire compensated 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 School District or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**L. Interfund Transactions**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

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

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**M. Fund Balance**

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

***Nonspendable*** – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

***Committed*** – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The School District does not currently have any committed fund balances.

***Assigned*** – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education.

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

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

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**N. 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 – CHANGE IN ACCOUNTING PRINCIPLES**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of certain funds and restatement of the School District’s beginning fund balance:

	<u>General</u>	<u>Classroom Facilities Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance at June 30, 2010	\$ 2,510,160	8,061,689	3,474,608	14,046,457
Change in fund structure	<u>51,100</u>	<u>-</u>	<u>(51,100)</u>	<u>-</u>
Restated Fund Balance at June 30, 2010	\$ <u>2,561,260</u>	<u>8,061,689</u>	<u>3,423,508</u>	<u>14,046,457</u>

**NOTE 4-DEFICIT FUND BALANCES**

At June 30, 2011, the following funds had a deficit fund balance:

Race-to-the-Top	\$ 152
State Fiscal Stabilization	18,281
Title I	967
Improving Teacher Quality	12,864
Miscellaneous Federal Grants	<u>5</u>
	\$ <u>32,269</u>

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.



**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
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**NOTE 5-EQUITY IN POOLED CASH AND INVESTMENTS**

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

Active Deposits - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the School District. Such monies must by law be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Deposits - 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.

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 bankers' 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 Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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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, \$11,119,009 of the School District's bank balance of \$11,619,009 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, 2011 are as summarized as follows:

	Fair Value	Average Maturity (Years)
	<u>          </u>	<u>          </u>
Federal Home Loan Bank	\$ 1,273,990	1.57
Federal Home Loan Mortgage Corp.	2,403,874	1.55
U.S. Treasuries	599,208	0.84
Fed. National Mortgage Assoc.	210,064	1.34
U.S. Money Market Funds	<u>26,169</u>	n/a
	<u>\$ 4,513,305</u>	

*Credit Risk*

It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations. The School District's investments in Federal Agency Securities and U.S. Treasuries 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.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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*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 School District's investment policy does not place any limit on investments in any single issuer. The School District's investments are in the following:

<u>Investments</u>	<u>Percent</u>
Federal Home Loan Bank	28.23%
Federal Home Loan Mortgage Corp.	53.26%
U.S. Treasuries	13.28%
Fed. National Mortgage Assoc.	4.65%

**NOTE 6-PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of the prior January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in calendar year 2011 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
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Tangible personal property tax revenue received during calendar year 2011 (other than public utility property tax) represents the collection of 2011 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, and furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after April 1, 2010, on the value listed as of December 31, 2010. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

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, 2011. 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 and Other Governmental Funds at June 30, 2011 were \$142,778 and \$32,113, respectively.

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

	<u>2010 Second- Half Collections</u>		<u>2011 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 347,056,140	97.60%	\$ 347,342,920	86.27%
Personal Property	<u>8,526,190</u>	2.40%	<u>55,286,320</u>	13.73%
Total Assessed Value	\$ <u><u>355,582,330</u></u>	100.00%	\$ <u><u>402,629,240</u></u>	100.00%
Tax rate per \$1,000 of assessed valuation	\$50.03		\$49.73	

**NOTE 7—INTERFUND TRANSACTIONS**

On the fund financial statements, the General Fund has receivables of \$19,471 due from Other Governmental Funds to provide operating capital.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**NOTE 8-INCOME TAX**

The School District levies a voted tax of .75 percent for general operations on the income of residents and estates. The voted levy is for a continuous term. 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 and the Classroom Facilities Maintenance Fund. The State requires the School District to set aside a certain amount of money for maintaining classrooms. This is being funded with income tax as allowed by law.

**NOTE 9-CAPITAL ASSETS**

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

	Balance 7/1/10	Additions	Disposals	Balance 6/30/11
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,262,525	\$ -	\$ -	\$ 1,262,525
Construction in progress	<u>2,775,611</u>	<u>14,460,626</u>	<u>-</u>	<u>17,236,237</u>
Subtotal	<u>4,038,136</u>	<u>14,460,626</u>	<u>-</u>	<u>18,498,762</u>
<b>Depreciable:</b>				
Land improvements	2,168,910	8,159	-	2,177,069
Buildings and improvements	49,504,421	8,114	(7,827)	49,504,708
Furniture and equipment	1,593,051	236,506	(51,976)	1,777,581
Vehicles	<u>2,643,508</u>	<u>-</u>	<u>(113,605)</u>	<u>2,529,903</u>
Subtotal	<u>55,909,890</u>	<u>252,779</u>	<u>(173,408)</u>	<u>55,989,261</u>
Totals at cost	<u>59,948,026</u>	<u>14,713,405</u>	<u>(173,408)</u>	<u>74,488,023</u>
Less accumulated depreciation:				
Land improvements	1,166,774	98,152	-	1,264,926
Buildings and improvements	19,370,082	998,671	(2,465)	20,366,288
Furniture and equipment	924,991	144,184	(42,916)	1,026,259
Vehicles	<u>1,916,281</u>	<u>113,751</u>	<u>(113,605)</u>	<u>1,916,427</u>
Total accumulated depreciation	<u>23,378,128</u>	<u>1,354,758</u>	<u>(158,986)</u>	<u>24,573,900</u>
Capital assets, net	<u>\$ 36,569,898</u>	<u>\$ 13,358,647</u>	<u>\$ (14,422)</u>	<u>\$ 49,914,123</u>

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
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Depreciation expense was charged as follows:

Instruction:	
Regular	\$ 1,167,015
Special	4,053
Other	1,864
Support services:	
Pupil	133
Instructional staff	1,017
Administration	1,337
Operation and maintenance of plant	1,787
Pupil transportation	111,884
Non-instructional services:	
Community service	11,859
Extracurricular activities	53,809
Total depreciation expense	<u>\$ 1,354,758</u>

**NOTE 10-LONG-TERM OBLIGATIONS**

Long-Term Obligations – The changes in the School District’s long-term obligations during fiscal year 2011 were as follows:

	Principal Outstanding 07/01/10	Additions	Reductions	Principal Outstanding 06/30/11	Amounts Due in One Year
<i>Governmental Activities:</i>					
2003 School Improvement Bonds 3.1%-5.0% \$	10,610,000	-	(690,000)	9,920,000	755,000
Discount on Issue	(65,877)	-	6,862	(59,015)	-
2006 Refunding Bonds					
Current Interest Serial Bonds 4.0%-4.375%	7,480,000	-	(40,000)	7,440,000	45,000
Current Interest Term Bonds 4.0% - 4.25%	1,720,000	-	-	1,720,000	-
Capital Appreciations Bonds	110,000	-	-	110,000	-
Accretion on Capital Appreciation Bonds	119,878	53,388	-	173,266	-
Deferred Amounts:					
Add: Bond premium	487,194	-	(26,454)	460,740	-
Less: Deferred amount on refunding	(460,518)	-	25,005	(435,513)	-
Capital Lease Obligations	1,040,204	965,277	(1,068,803)	936,678	274,576
STRS Early Retirement Incentive	140,341	69,675	(78,054)	131,962	-
Compensated Absences Liability	1,090,527	52,690	(124,747)	1,018,470	135,650
Total	<u>\$ 22,271,749</u>	<u>\$ 1,141,030</u>	<u>\$ (1,996,191)</u>	<u>\$ 21,416,588</u>	<u>\$ 1,210,226</u>

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
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The School 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 School 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 School District issued \$9,415,000 in Refunding Bonds in fiscal year 2007 that mature in fiscal year 2029, 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 fiscal year 2029; 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 2011, \$53,388 was accreted for a total bond value of \$283,266.

All general obligation debt is supported by the full faith and credit of the School District. The School Improvement and Refunding Bonds are paid from the Debt Service Fund. The Capital Leases are paid from the General Fund. Compensated absences and the STRS early retirement incentive are generally paid by the General Fund and Special Revenue funds.

Principal and interest requirements to retire the School District's long-term general obligation bonds outstanding at June 30, 2011 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
2012	\$ 800,000	777,580	1,577,580
2013	865,000	751,243	1,616,243
2014	940,000	721,563	1,661,563
2015	660,000	686,200	1,346,200
2016	110,000	1,274,803	1,384,803
2017-2021	3,640,000	3,974,263	7,614,263
2022-2026	6,680,000	2,117,152	8,797,152
2027-2029	5,495,000	490,726	5,985,726
Total	\$ <u>19,190,000</u>	<u>10,793,530</u>	<u>29,983,530</u>

**NOTE 11 – CAPITAL LEASES – LESSEE DISCLOSURE**

During previous fiscal years, the School District entered into lease agreements for the acquisition of equipment and improvements related to the construction of the new high school and for the purchase of computers and copiers. Assets acquired under these leases were \$1,251,000 for equipment, \$231,892 for computers and \$115,500 for copiers.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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In July, 2010 the School District entered into a capital lease for additional computers in the amount of \$183,277. In June, 2011 the School District “refinanced” \$782,000 on their 2004 lease-purchase that was scheduled to mature during the fiscal year with a new lease-purchase agreement.

The terms of each agreement provide options to purchase the equipment. These leases meet the criteria of a capital lease as defined by FASB guidance, 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 have been reclassified and are 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, 2011:

Year Ending June 30		
2012	\$	295,196
2013		277,331
2014		205,552
2015		<u>205,552</u>
Total Future Minimum Lease Payments		983,631
Less: Amount Representing Interest		<u>46,953</u>
Present Value of Future Minimum Lease Payments	\$	<u><u>936,678</u></u>

**NOTE 12-OPERATING LEASE – LESSEE DISCLOSURE**

On August 1, 2009 the School District entered into a two year operating lease agreement with M.B.A. Holdings Company to lease the bus garage. The future minimum annual rental payments are \$40,440 and is payable monthly at \$3,370. For fiscal year 2011, the School District’s rental costs were \$40,440.

**NOTE 13-OTHER EMPLOYEE BENEFITS**

Accumulated Unpaid Vacation

School 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. The School District’s total obligation for vacation accrual as of June 30, 2011 was \$168,336.

Accumulated Unpaid Sick Leave

School 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 School District as a whole, as of June 30, 2011 was \$850,133.



**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
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Early Retirement Incentive

During fiscal year 2011, the School District participated in the State Teacher Retirement System Early Retirement Incentive program for certificated staff. During fiscal year 2011, five additional teachers were eligible to participate. The School District purchased two years of service credit for eligible certificated employees in fiscal 2011. 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 year 2012, 2013 and 2014 totaled \$78,053, \$97,125 and \$34,837 respectively.

**NOTE 14-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.

**NOTE 15-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) under *Employers/Audit Resources*.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ending June 30, 2011, the allocation to pension and death benefits is 11.81%. The remaining 2.19% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's required contributions to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were approximately \$418,000, \$412,000, and \$416,000 respectively; 69% has been contributed for 2011 and 100% for fiscal years 2010 and 2009.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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STATE TEACHERS RETIREMENT SYSTEM OF OHIO

The School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

**Plan Options** - New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DC plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

**DB Plan Benefits** – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

**DC Plan Benefits** – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**Combined Plan Benefits** – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A DB and Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and contributions actually made for the fiscal year ended June 30, 2011, were 10% of covered payroll for members and 14% for employers. The School District's contributions to STRS Ohio for the years ended June 30, 2011, 2010, and 2009 were approximately \$1,587,000, \$1,567,000 and \$1,543,000 respectively; 87% has been contributed for 2011 and 100% for fiscal years 2010 and 2009.

**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 School District's liability is 6.2% of wages paid.

**NOTE 16-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 reimbursement of Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by state statute and are funded on a pay-as-you-go basis.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Chapter 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs in the form of a monthly premium.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for years ended June 30, 2011, 2010, and 2009. The 14% employer contribution rate is the maximum rate established under Ohio law. The School District's contributions to STRS Ohio allocated to post-employment health care for the years ended June 30, 2011, 2010 and 2009 were approximately \$113,000, \$112,000 and \$110,000, respectively. 87% has been contributed for 2011 and 100% for fiscal years 2010 and 2009.

SERS administers two postemployment benefit plans:

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2011, the actuarially required allocation was 0.76%. The School District's contributions for the years ended June 30, 2011, 2010 and 2009 were approximately \$23,000, \$22,000 and \$22,000, respectively, which equaled the required contributions each year. 69% has been contributed for 2011 and 100% for fiscal years 2010 and 2009.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2011, the health care allocation was 1.43%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District contributions assigned to health care for the years ended June 30, 2011, 2010, and 2009 were approximately \$43,000, \$14,000 and \$184,000, respectively. 69% has been contributed for 2011 and 100% for fiscal years 2010 and 2009.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

**NOTE 17-FUND BALANCES**

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

Fund Balances	General	Debt Service	Classroom Facilities Project	Other Governmental Funds	Total Governmental Funds
<b><i>Nonspendable</i></b>					
Inventory	\$ 3,065	-	-	37,231	40,296
<b><i>Restricted for</i></b>					
Textbooks	285,493	-	-	-	285,493
Food service	-	-	-	69,439	69,439
Scholarships	-	-	-	126,165	126,165
Classroom Facilities Maintenance	-	-	-	495,310	495,310
Athletics	-	-	-	116,601	116,601
Auxilliary Services	-	-	-	25,100	25,100
Management Information System	-	-	-	50	50
Special Education	-	-	-	40,800	40,800
Special Education Preschool	-	-	-	11,601	11,601
Other Purposes	-	-	-	2,859	2,859
Debt Service Payments	-	1,999,945	-	-	1,999,945
Capital Improvements	-	-	6,317,067	840,178	7,157,245
<b><i>Total Restricted</i></b>	<b>285,493</b>	<b>1,999,945</b>	<b>6,317,067</b>	<b>1,728,103</b>	<b>10,330,608</b>
<b><i>Assigned to</i></b>					
Other Purposes	598,604	-	-	-	598,604
<b><i>Unassigned (Deficit)</i></b>	<b>2,136,263</b>	<b>-</b>	<b>-</b>	<b>(32,269)</b>	<b>2,103,994</b>
<b><i>Total Fund Balance</i></b>	<b>\$ 3,023,425</b>	<b>1,999,945</b>	<b>6,317,067</b>	<b>1,733,065</b>	<b>13,073,502</b>

**NOTE 18-JOINTLY GOVERNED ORGANIZATIONS**

**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 school districts. Each member school 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 school district is limited to its representation on the Board.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS**

The Butler Technology and Career Development Schools (BTCDS), 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. BTCDS 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 or responsibility for BTCDS. To obtain financial information, write to BTCDS, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

**NOTE 19-RISK MANAGEMENT**

The School 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 School District contracted with commercial insurance carriers for property and general liability insurance and boiler and machinery insurance.

The School District has elected to provide employee medical and dental benefits through Butler Health Plan (BHP), a public entity risk pool currently operating as a common risk management and insurance program. BHP is comprised of sixteen other school districts in Butler and Hamilton Counties. CoreSource provides claims review and processing services for BHP. The School 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 BHP.

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 20-CONTINGENCIES**

**A. LITIGATION**

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

**B. FEDERAL AND STATE GRANTS**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2011.

**ROSS LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**NOTE 21-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, capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2010	\$ 76,342	-	\$ 392,800
Current year set-aside requirement	421,962	421,962	-
Current year qualifying expenditures	<u>(212,811)</u>	<u>(569,334)</u>	<u>-</u>
Balance carried forward to FY2012	<u>285,493</u>	<u>(147,372)</u>	<u>392,800</u>
		-	
Set-aside reserve balance as of June 30, 2011	\$ <u>285,493</u>	<u>-</u>	<u>392,800</u>

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

**NOTE 22 – SIGNIFICANT CONTRACTUAL COMMITMENTS**

As of June 30, 2011, the School District had entered into various construction contracts for renovations and improvements under which it had a remaining unperformed and unpaid total commitment of approximately \$2,600,000.

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## Required Supplementary Information



**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Property taxes	\$ 6,632,630	7,237,746	7,237,746	-
Income taxes	2,229,825	2,337,137	2,337,137	-
Tuition and fees	99,600	168,729	168,729	-
Interest	53,000	14,904	14,904	-
Intergovernmental	11,460,638	11,305,331	11,305,331	-
Other local revenues	294,550	417,748	417,748	-
<b>Total revenues</b>	<u>20,770,243</u>	<u>21,481,595</u>	<u>21,481,595</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	11,094,737	11,211,908	11,211,908	-
Special education	1,499,256	1,506,881	1,506,881	-
Other instruction	587,189	778,986	778,986	-
Support services:				
Pupil	987,009	1,063,237	1,063,237	-
Instructional staff	955,170	897,927	897,927	-
Board of Education	29,186	31,741	31,741	-
Administration	1,216,064	1,108,908	1,108,908	-
Fiscal	809,126	737,445	737,445	-
Operation and maintenance of plant	1,937,411	1,984,246	1,984,246	-
Pupil transportation	1,856,051	1,776,341	1,776,341	-
Non-instructional services:				
Extracurricular activities	463,484	445,759	445,759	-
Community service	3,012	-	-	-
Capital outlay	26,325	111,754	111,754	-
Debt service	70,800	1,023,490	1,023,490	-
<b>Total expenditures</b>	<u>21,534,820</u>	<u>22,678,623</u>	<u>22,678,623</u>	<u>-</u>
Excess of revenues over (under) expenditures	(764,577)	(1,197,028)	(1,197,028)	-
<b>Other financing sources (uses):</b>				
Inception of lease-purchase agreement	-	782,000	782,000	-
Advances in	80,000	79,000	79,000	-
Other financing sources	7,700	-	-	-
Sale of assets	10,000	7,476	7,476	-
Advances out	-	(79,000)	(79,000)	-
<b>Total other financing sources (uses):</b>	<u>97,700</u>	<u>789,476</u>	<u>789,476</u>	<u>-</u>
Net change in fund balance	(666,877)	(407,552)	(407,552)	-
Fund balance, beginning of year	3,588,714	3,588,714	3,588,714	
Prior year encumbrances appropriated	633,658	633,658	633,658	
Fund balance, end of year	\$ <u>3,555,495</u>	<u>3,814,820</u>	<u>3,814,820</u>	

See accompanying notes to required supplementary information.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Notes to Required Supplementary Information  
Year Ended June 30, 2011

**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 an expenditure when paid (GAAP basis).

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

Change in Fund Balance (GAAP Basis)	\$ 462,165
Increase/(Decrease)	
Due to revenues	(532,592)
Due to expenditures	421,265
Due to other financing source and uses	(175,801)
Due to encumbrances	<u>(582,589)</u>
Change in fund balance (Budgetary Basis)	<u>\$ (407,552)</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:

#### ***Other Local Grant Fund***

This fund accounts for various local grants.

#### ***Classroom Facilities Maintenance Fund***

This fund accounts for a portion of income tax monies to be used on maintenance of existing classroom facilities as mandated by the State.

#### ***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 School District as provided for in state law. Expenditures are primarily for educational supplies, materials and testing.

#### ***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.

#### ***Miscellaneous State Grants***

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

#### ***Education Jobs***

To account for federal funds distributed by the State and used to create or save education jobs. Intergovernmental receivable and deferred revenue was recorded in this fund on a GAAP basis only. No budget was adopted for this fund since no monies were received during the fiscal year and accordingly, no individual budgetary schedule is presented.

#### ***Race-to-the-Top***

To account for federal funds distributed by the State used to create standards and assessments for students and teachers.

***Title VI-B***

A fund used to account for federal revenues used to assist school in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children.

***State Fiscal Stabilization***

A fund used to account for monies distributed by the State from the federal government that is being used to stabilize local budgets due to the reduction of school foundation.

***Title II-D***

A fund used to account for monies distributed by the State from the federal government that is being used for improving student academic achievement through the use of technology in schools.

***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-B Preschool***

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

***Improving Teacher Quality***

A fund used to account for federal funds designed provide professional development for teachers and increasing the quality of teachers in the classroom.

***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.

**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.



## **Other General Funds**

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

### ***Uniform School Supplies***

To account for the purchase and sale of school supplies, as adopted by the Board of Education, for resale to students of the School District.

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

To account for local revenue sources generated by individual school buildings. Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

## **Major Governmental Funds**

This section contains Budget and Actual statements on a non-GAAP basis of accounting for the Debt Service fund and the Classroom Facilities Project 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 long-term obligations from governmental resources when the government is obligated in some manner for payment

### ***Classroom Facilities Project Fund***

This fund account for the receipt of state monies restricted for use on the improvement of classroom facilities.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 994,422	869,642	1,864,064
Receivables:			
Property taxes	-	253,443	253,443
Income taxes	168,209	-	168,209
Accounts	3,200	-	3,200
Intergovernmental	637,604	-	637,604
Supplies and inventory	37,231	-	37,231
<b>Total assets</b>	<u>1,840,666</u>	<u>1,123,085</u>	<u>2,963,751</u>
<b>Liabilities:</b>			
Accounts payable	101,205	34,247	135,452
Accrued wages and benefits	179,787	-	179,787
Pension obligation payable	50,178	-	50,178
Due to other governments	3,222	-	3,222
Interfund payable	19,471	-	19,471
Deferred revenue	593,916	248,660	842,576
<b>Total liabilities</b>	<u>947,779</u>	<u>282,907</u>	<u>1,230,686</u>
<b>Fund Balances:</b>			
Nonspendable	37,231	-	37,231
Restricted	887,925	840,178	1,728,103
Unassigned	(32,269)	-	(32,269)
<b>Total fund balances</b>	<u>892,887</u>	<u>840,178</u>	<u>1,733,065</u>
<b>Total liabilities and fund balances</b>	\$ <u>1,840,666</u>	<u>1,123,085</u>	<u>2,963,751</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

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

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Property taxes	\$ -	224,617	224,617
Income taxes	168,209		168,209
Interest	210	-	210
Extracurricular	306,484	-	306,484
Charges for services	709,594	-	709,594
Intergovernmental	2,680,020	51,132	2,731,152
Other Local Revenues	101,814	-	101,814
<b>Total revenues</b>	<u>3,966,331</u>	<u>275,749</u>	<u>4,242,080</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	275,138	-	275,138
Special education	354,611	-	354,611
Other	19,681	-	19,681
Support services:			
Instructional staff	613,380	-	613,380
Administration	800,381	19,237	819,618
Fiscal	-	4,186	4,186
Operation and maintenance of plant	53,259	-	53,259
Pupil transportation	16,314	-	16,314
Central	9,100	-	9,100
Non-instructional services:			
Community services	152,631	-	152,631
Extracurricular activities	310,984	-	310,984
Food services	1,030,442	-	1,030,442
Capital outlay	12,000	259,911	271,911
<b>Total expenditures</b>	<u>3,647,921</u>	<u>283,334</u>	<u>3,931,255</u>
<b>Net change in fund balances</b>	318,410	(7,585)	310,825
Fund balance, beginning of year, restated	574,477	847,763	1,422,240
Fund balance, end of year	<u>\$ 892,887</u>	<u>840,178</u>	<u>1,733,065</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2011

	Other Local Grant	Classroom Facilities Maintenance	Athletic	Auxiliary Service
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 2,859	495,310	132,466	72,601
Receivables:				
Income tax	-	168,209	-	-
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Supplies and inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>2,859</u>	<u>663,519</u>	<u>132,466</u>	<u>72,601</u>
<b>Liabilities:</b>				
Accounts payable	-	-	15,865	40,983
Accrued wages and benefits	-	-	-	5,633
Pension obligation payable	-	-	-	778
Due to other governments	-	-	-	107
Interfund payable	-	-	-	-
Deferred revenue	<u>-</u>	<u>168,209</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>-</u>	<u>168,209</u>	<u>15,865</u>	<u>47,501</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	2,859	495,310	116,601	25,100
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>2,859</u>	<u>495,310</u>	<u>116,601</u>	<u>25,100</u>
<b>Total liabilities and fund balances</b>	\$ <u>2,859</u>	<u>663,519</u>	<u>132,466</u>	<u>72,601</u>

<u>Management Information Systems</u>	<u>ONEnet</u>	<u>Misc. State Grants</u>	<u>Education Jobs</u>	<u>Race to the Top</u>	<u>Title VI-B</u>	<u>State Fiscal Stabilization</u>
50	-	-	-	-	-	15,458
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	128	286,218	3,273	301,050	-
-	-	-	-	-	-	-
<u>50</u>	<u>-</u>	<u>128</u>	<u>286,218</u>	<u>3,273</u>	<u>301,050</u>	<u>15,458</u>
-	-	-	-	425	30,876	-
-	-	-	-	-	74,324	32,525
-	-	-	-	-	16,529	-
-	-	-	-	-	603	1,214
-	-	128	-	-	4,342	-
-	-	-	286,218	3,000	133,576	-
-	-	<u>128</u>	<u>286,218</u>	<u>3,425</u>	<u>260,250</u>	<u>33,739</u>
-	-	-	-	-	-	-
50	-	-	-	-	40,800	-
-	-	-	-	(152)	-	(18,281)
<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152)</u>	<u>40,800</u>	<u>(18,281)</u>
<u>50</u>	<u>-</u>	<u>128</u>	<u>286,218</u>	<u>3,273</u>	<u>301,050</u>	<u>15,458</u>

(continued)

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2011

(Continued)

	<u>Title II-D</u>	<u>Title I</u>	<u>Title VI-B Preschool</u>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ -	-	-
Receivables:			
Income tax	-	-	-
Accounts	-	-	-
Intergovernmental	-	21,269	13,031
Supplies and inventory	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>-</u>	<u>21,269</u>	<u>13,031</u>
<b>Liabilities:</b>			
Accounts payable	-	-	1,150
Accrued wages and benefits	-	4,621	-
Pension obligation payable	-	912	280
Due to other governments	-	505	-
Interfund payable	-	13,285	-
Deferred revenue	<u>-</u>	<u>2,913</u>	<u>-</u>
<b>Total liabilities</b>	<u>-</u>	<u>22,236</u>	<u>1,430</u>
<b>Fund Balances:</b>			
Nonspendable	-	-	-
Restricted	-	-	11,601
Unassigned	<u>-</u>	<u>(967)</u>	<u>-</u>
<b>Total fund balances</b>	<u>-</u>	<u>(967)</u>	<u>11,601</u>
<b>Total liabilities and fund balances</b>	\$ <u>-</u>	<u>21,269</u>	<u>13,031</u>

<u>Improving Teacher Quality</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>TOTAL</u>
-	-	126,839	148,839	994,422
-	-	-	-	168,209
-	-	3,200	-	3,200
5,184	7,451	-	-	637,604
-	-	-	37,231	37,231
<u>5,184</u>	<u>7,451</u>	<u>130,039</u>	<u>186,070</u>	<u>1,840,666</u>
-	7,140	3,874	892	101,205
14,514	-	-	48,170	179,787
2,002	-	-	29,677	50,178
132	-	-	661	3,222
1,400	316	-	-	19,471
-	-	-	-	593,916
<u>18,048</u>	<u>7,456</u>	<u>3,874</u>	<u>79,400</u>	<u>947,779</u>
-	-	-	37,231	37,231
-	-	126,165	69,439	887,925
<u>(12,864)</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>(32,269)</u>
<u>(12,864)</u>	<u>(5)</u>	<u>126,165</u>	<u>106,670</u>	<u>892,887</u>
<u>5,184</u>	<u>7,451</u>	<u>130,039</u>	<u>186,070</u>	<u>1,840,666</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Fiscal Year Ended June 30, 2011

	Other Local Grant	Classroom Facilities Maintenance	Athletic	Auxiliary Service
<b>Revenues:</b>				
Income taxes	\$ -	168,209	-	-
Interest	-	-	-	70
Extracurricular	-	-	306,484	-
Charges for services	-	-	-	-
Intergovernmental	-	30,376	-	133,055
Other local revenues	11,153	-	-	-
<b>Total revenues</b>	<u>11,153</u>	<u>198,585</u>	<u>306,484</u>	<u>133,125</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	8,739	-	-	-
Special education	-	-	-	-
Other	-	-	-	-
Support services:				
Instructional staff	-	-	-	-
Administration	-	-	-	-
Operation and maintenance of plant	-	53,259	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Non-instructional services:				
Community services	-	-	-	124,980
Extracurricular activities	-	-	304,419	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>8,739</u>	<u>53,259</u>	<u>304,419</u>	<u>124,980</u>
Net change in fund balances	2,414	145,326	2,065	8,145
Fund balance, beginning of year, restated	445	349,984	114,536	16,955
Fund balance, end of year	<u>\$ 2,859</u>	<u>495,310</u>	<u>116,601</u>	<u>25,100</u>



Management Information Systems	ONENet	Misc. State Grants	Education Jobs	Race to the Top	Title VI-B	State Fiscal Stabilization
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,000	9,100	1,979	-	13,333	858,046	840,622
-	-	-	-	-	-	-
<u>5,000</u>	<u>9,100</u>	<u>1,979</u>	<u>-</u>	<u>13,333</u>	<u>858,046</u>	<u>840,622</u>
-	-	1,989	-	13,485	-	94,743
-	-	-	-	-	80,107	78
-	-	-	-	-	-	19,681
5,076	-	-	-	-	579,023	-
-	-	-	-	-	86,972	711,135
-	-	-	-	-	-	-
-	-	-	-	-	16,314	-
-	9,100	-	-	-	-	-
-	-	-	-	-	11,718	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	<u>12,000</u>	<u>-</u>
<u>5,076</u>	<u>9,100</u>	<u>1,989</u>	<u>-</u>	<u>13,485</u>	<u>786,134</u>	<u>825,637</u>
(76)	-	(10)	-	(152)	71,912	14,985
<u>126</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>(31,112)</u>	<u>(33,266)</u>
<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152)</u>	<u>40,800</u>	<u>(18,281)</u>

(continued)

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Fiscal Year Ended June 30, 2011  
(Continued)

	Title IID	Title I	Title VI-B Preschool
<b>Revenues:</b>			
Income taxes	\$ -	-	-
Interest	-	-	-
Extracurricular	-	-	-
Charges for services	-	-	-
Intergovernmental	1,512	319,303	23,410
Other local revenues	-	-	-
<b>Total revenues</b>	<u>1,512</u>	<u>319,303</u>	<u>23,410</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	-	-	-
Special education	-	264,306	10,120
Other	-	-	-
Support services:			
Instructional staff	1,425	-	1,689
Administration	-	-	-
Operation and maintenance of plant	-	-	-
Pupil Transportation	-	-	-
Central	-	-	-
Non-instructional services:			
Community services	87	5,446	-
Extracurricular activities	-	-	-
Food services	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>1,512</u>	<u>269,752</u>	<u>11,809</u>
Net change in fund balances	-	49,551	11,601
Fund balance, beginning of year, restated	-	(50,518)	-
Fund balance, end of year	<u>\$ -</u>	<u>(967)</u>	<u>11,601</u>

Improving Teacher Quality	Misc. Federal Grants	Special Revenue	Food Service	TOTAL
-	-	-	-	168,209
-	-	-	140	210
-	-	-	-	306,484
-	-	-	709,594	709,594
90,998	24,996	-	328,290	2,680,020
-	-	90,661	-	101,814
<u>90,998</u>	<u>24,996</u>	<u>90,661</u>	<u>1,038,024</u>	<u>3,966,331</u>
103,653	-	52,529	-	275,138
-	-	-	-	354,611
-	-	-	-	19,681
-	25,342	825	-	613,380
-	-	2,274	-	800,381
-	-	-	-	53,259
-	-	-	-	16,314
-	-	-	-	9,100
-	-	10,400	-	152,631
-	-	6,565	-	310,984
-	-	-	1,030,442	1,030,442
-	-	-	-	12,000
<u>103,653</u>	<u>25,342</u>	<u>72,593</u>	<u>1,030,442</u>	<u>3,647,921</u>
(12,655)	(346)	18,068	7,582	318,410
(209)	341	108,097	99,088	574,477
<u>(12,864)</u>	<u>(5)</u>	<u>126,165</u>	<u>106,670</u>	<u>892,887</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Other local revenues	\$ 20,000	11,153	(8,847)
Expenditures:			
Current:			
Instruction:			
Regular	19,336	8,738	10,598
Total expenditures	<u>19,336</u>	<u>8,738</u>	<u>10,598</u>
Net change in fund balance	664	2,415	1,751
Fund balance, beginning of year	109	109	
Prior year encumbrances appropriated	<u>335</u>	<u>335</u>	
Fund balance, end of year	\$ <u>1,108</u>	<u>2,859</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Classroom Facilities Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Income tax	\$ 168,209	168,209	-
Intergovernmental	<u>30,500</u>	<u>30,376</u>	<u>(124)</u>
Total revenues	<u>198,709</u>	<u>198,585</u>	<u>(124)</u>
Expenditures:			
Current:			
Support services:			
Operation and maintenance of plant	<u>300,000</u>	<u>73,259</u>	<u>226,741</u>
Total expenditures	<u>300,000</u>	<u>73,259</u>	<u>226,741</u>
Net change in fund balance	(101,291)	125,326	226,617
Fund balance, beginning of year	<u>349,984</u>	<u>349,984</u>	
Fund balance, end of year	<u>\$ 248,693</u>	<u>475,310</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Athletic Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Extracurricular	\$ <u>360,700</u>	<u>305,556</u>	<u>(55,144)</u>
Expenditures:			
Current:			
Non-instructional services:			
Extracurricular activities	<u>420,171</u>	<u>306,958</u>	<u>113,213</u>
Total expenditures	<u>420,171</u>	<u>306,958</u>	<u>113,213</u>
Excess revenues over (under) expenditures	(59,471)	(1,402)	58,069
Other Financing Sources:			
Refund of prior year expenditures	<u>500</u>	<u>928</u>	428
Net change in fund balance	(58,971)	(474)	
Fund balance, beginning of year	95,699	95,699	
Prior year encumbrances appropriated	<u>16,171</u>	<u>16,171</u>	
Fund balance, end of year	\$ <u><u>52,899</u></u>	<u><u>111,396</u></u>	

**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, 2011**

	Budget	Actual	Variance From Final Budget
Revenues:			
Interest	\$ 220	70	(150)
Intergovernmental	<u>162,933</u>	<u>133,055</u>	<u>(29,878)</u>
Total revenues	<u>163,153</u>	<u>133,125</u>	<u>(30,028)</u>
Expenditures:			
Current:			
Non-instructional services:			
Community services	<u>163,885</u>	<u>157,758</u>	<u>6,127</u>
Total expenditures	<u>163,885</u>	<u>157,758</u>	<u>6,127</u>
Net change in fund balance	(732)	(24,633)	(23,901)
Fund balance, beginning of year	23,895	23,895	
Prior year encumbrances appropriated	<u>6,864</u>	<u>6,864</u>	
Fund balance, end of year	\$ <u>30,027</u>	<u>6,126</u>	

**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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>5,000</u>	<u>5,000</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>5,126</u>	<u>5,126</u>	<u>-</u>
Total expenditures	<u>5,126</u>	<u>5,126</u>	<u>-</u>
Net change in fund balance	(126)	(126)	-
Fund balance, beginning of year	<u>126</u>	<u>126</u>	
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)**  
**ONENet Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>9,150</u>	<u>9,100</u>	<u>(50)</u>
Expenditures:			
Current:			
Support services:			
Central	<u>9,150</u>	<u>9,100</u>	<u>50</u>
Total expenditures	<u>9,150</u>	<u>9,100</u>	<u>50</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
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)**  
**Miscellaneous State Grants Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>1,998</u>	<u>1,851</u>	<u>(147)</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>2,008</u>	<u>1,989</u>	<u>19</u>
Total expenditures	<u>2,008</u>	<u>1,989</u>	<u>19</u>
Net change in fund balance	(10)	(138)	(128)
Fund balance, beginning of year	<u>10</u>	<u>10</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>(128)</u></u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Race To The Top Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ 33,283	13,060	(20,223)
Expenditures:			
Current:			
Instruction:			
Regular	33,283	13,060	20,223
Total expenditures	<u>33,283</u>	<u>13,060</u>	<u>20,223</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)**  
**Title VI-B Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	Budget	Actual	Variance From Final Budget
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Revenues:			
Intergovernmental	\$ 1,005,821	690,572	(315,249)
Expenditures:			
Current:			
Instruction:			
Special	218,542	214,379	4,163
Support services:			
Pupil	501	501	-
Instructional staff	678,400	594,494	83,906
School administration	98,466	98,460	6
Pupil Transportation	37,380	37,945	(565)
Non-instructional services:			
Community services	20,016	14,357	5,659
Capital outlay	12,000	12,000	-
Total expenditures	<u>1,065,305</u>	<u>972,136</u>	<u>93,169</u>
Excess of revenues over (under) expenditures	(59,484)	(281,564)	(222,080)
Other Financing Sources (Uses):			
Transfer In	-	7,740	7,740
Transfer Out	(7,740)	(7,740)	-
Total other financing sources (uses)	<u>(7,740)</u>	<u>-</u>	<u>7,740</u>
Net change in fund balance	(67,224)	(281,564)	(214,340)
Fund balance, beginning of year	54,508	54,508	
Prior year encumbrances appropriated	13,555	13,555	
Fund balance, end of year	\$ <u>839</u>	<u>(213,501)</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**State Fiscal Stabilization Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ 840,622	840,622	-
Expenditures:			
Current:			
Instruction:			
Regular	93,512	89,522	3,990
Special education	9,999	9,966	33
Other	19,681	19,681	-
Support services:			
School administration	<u>722,298</u>	<u>716,052</u>	<u>6,246</u>
Total expenditures	<u>845,490</u>	<u>835,221</u>	<u>10,269</u>
Net change in fund balance	(4,868)	5,401	10,269
Fund balance, beginning of year	<u>9,623</u>	<u>9,623</u>	
Fund balance, end of year	\$ <u><u>4,755</u></u>	<u><u>15,024</u></u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Title II-D Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>1,512</u>	<u>1,512</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	<u>1,512</u>	<u>1,512</u>	<u>-</u>
Total expenditures	<u>1,512</u>	<u>1,512</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
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)**  
**Title I Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ 323,417	301,857	(21,560)
Expenditures:			
Current:			
Instruction:			
Special	315,925	312,668	3,257
Non-instructional services:			
Community services	7,248	7,248	-
Total expenditures	<u>323,173</u>	<u>319,916</u>	<u>3,257</u>
Excess of revenues over (under) expenditures	244	(18,059)	
Other Financing Sources			
Transfer in	-	3,203	3,203
Transfer out	<u>(3,203)</u>	<u>(3,203)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,203)</u>	<u>-</u>	<u>3,203</u>
Net change in fund balance	(2,959)	(18,059)	(15,100)
Fund balance, beginning of year	<u>2,959</u>	<u>2,959</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>(15,100)</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-B Preschool Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ 23,410	10,379	(13,031)
Expenditures:			
Current:			
Instruction:			
Special	22,001	22,001	-
Support services:			
Instructional staff	1,409	1,409	-
Total expenditures	<u>23,410</u>	<u>23,410</u>	<u>-</u>
Net change in fund balance	-	(13,031)	(13,031)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>(13,031)</u></u>	



**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Improving Teacher Quality Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>90,998</u>	<u>85,814</u>	<u>(5,184)</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>90,998</u>	<u>87,214</u>	<u>3,784</u>
Total expenditures	<u>90,998</u>	<u>87,214</u>	<u>3,784</u>
Net change in fund balance	-	(1,400)	(1,400)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>(1,400)</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Intergovernmental	\$ 32,128	24,673	(7,455)
Expenditures:			
Current:			
Support services:			
Instructional staff	29,261	28,921	340
Total expenditures	<u>29,261</u>	<u>28,921</u>	<u>340</u>
Net change in fund balance	2,867	(4,248)	(7,115)
Fund balance, beginning of year	(7,128)	(7,128)	
Prior Year Encumbrances Appropriated	<u>4,261</u>	<u>4,261</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>(7,115)</u></u>	

**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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Other local revenue	\$ 97,700	90,330	(7,370)
Expenditures:			
Current:			
Instruction:			
Regular	124,098	63,290	60,808
Support			
Instructional staff	824	824	-
Administration	2,815	2,274	541
Non-instructional services:			
Community services	27,709	10,650	17,059
Extracurricular activities	25,923	6,565	19,358
Total expenditures	<u>181,369</u>	<u>83,603</u>	<u>97,766</u>
Net change in fund balance	(83,669)	6,727	90,396
Fund balance, beginning of year	80,859	80,859	
Prior Year Encumbrances Appropriated	<u>26,178</u>	<u>26,178</u>	
Fund balance, end of year	\$ <u><u>23,368</u></u>	<u><u>113,764</u></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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Interest	\$ 1,000	140	(860)
Charges for services	768,000	709,594	(58,406)
Intergovernmental	265,500	277,768	12,268
Other local revenues	<u>10,000</u>	<u>6,042</u>	<u>(3,958)</u>
Total revenues	<u>1,044,500</u>	<u>993,544</u>	<u>(50,956)</u>
Expenditures:			
Current:			
Food services	<u>1,144,058</u>	<u>1,138,460</u>	<u>5,598</u>
Total expenditures	<u>1,144,058</u>	<u>1,138,460</u>	<u>5,598</u>
Net change in fund balance	(99,558)	(144,916)	(45,358)
Fund balance, beginning of year	125,514	125,514	
Prior Year Encumbrances Appropriated	<u>67,653</u>	<u>67,653</u>	
Fund balance, end of year	<u>\$ 93,609</u>	<u>48,251</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, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Budget</u>
Revenues:			
Taxes	\$ 227,000	226,336	(664)
Intergovernmental	<u>179,000</u>	<u>51,132</u>	<u>(127,868)</u>
Total revenues	<u>406,000</u>	<u>277,468</u>	<u>(128,532)</u>
Expenditures:			
Current:			
Instruction:			
Administration	5,000	2,194	2,806
Fiscal	4,186	4,186	-
Capital outlay	<u>748,269</u>	<u>731,395</u>	<u>16,874</u>
Total expenditures	<u>757,455</u>	<u>737,775</u>	<u>19,680</u>
Excess of revenues over (under) expenditures	(351,455)	(460,307)	(108,852)
Other financing sources (uses):			
Refund of prior year receipts	<u>(17,043)</u>	<u>(17,043)</u>	<u>-</u>
Total other financing sources (uses):	<u>(17,043)</u>	<u>(17,043)</u>	<u>-</u>
Net change in fund balance	(368,498)	(477,350)	(108,852)
Fund balance, beginning of year	<u>841,261</u>	<u>841,261</u>	
Fund balance, end of year	\$ <u><u>472,763</u></u>	<u><u>363,911</u></u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Uniform School Supplies Fund (1)**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ <u>106,300</u>	<u>99,364</u>	<u>(6,936)</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>112,156</u>	<u>91,046</u>	<u>21,110</u>
Total expenditures	<u>112,156</u>	<u>91,046</u>	<u>21,110</u>
Excess of revenues over (under) expenditures	(5,856)	8,318	14,174
Other Financing Sources (Uses):			
Advances in	78,000	79,000	(1,000)
Advances out	<u>(79,000)</u>	<u>(79,000)</u>	<u>-</u>
Total other financing sources (uses)	(1,000)	-	(1,000)
Net change in fund balance	(6,856)	8,318	15,174
Fund balance, beginning of year	9,400	9,400	
Prior Year Encumbrances	<u>1,156</u>	<u>1,156</u>	
Fund balance, end of year	\$ <u><u>3,700</u></u>	<u><u>18,874</u></u>	

(1) For GAAP reporting this fund is combined with the General Fund.

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Public School Support Fund (1)**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	Variance From Final Budget
Revenues:			
Extracurricular	\$ <u>243,400</u>	<u>215,623</u>	<u>(27,777)</u>
Expenditures:			
Current:			
Instruction:			
Regular	225,290	149,206	76,084
Support Services:			
Instructional staff	43,830	36,690	7,140
Extracurricular activities	<u>13,157</u>	<u>12,787</u>	<u>370</u>
Total expenditures	<u>282,277</u>	<u>198,683</u>	<u>83,594</u>
Net change in fund balance	(38,877)	16,940	55,817
Fund balance, beginning of year	34,905	34,905	
Prior year encumbrances appropriated	<u>4,276</u>	<u>4,276</u>	
Fund balance, end of year	\$ <u><u>304</u></u>	<u><u>56,121</u></u>	

(1) For GAAP reporting this fund is combined with the General Fund.

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	Variance With <u>Budget</u>
Revenues:			
Taxes	\$ 1,457,000	1,337,045	(119,955)
Intergovernmental	<u>226,776</u>	<u>219,180</u>	<u>(7,596)</u>
Total revenues	<u>1,683,776</u>	<u>1,556,225</u>	<u>(127,551)</u>
Expenditures:			
Current:			
Support services:			
Administration	20,000	12,929	7,071
Fiscal	9,000	5,259	3,741
Debt service	<u>1,519,075</u>	<u>1,519,075</u>	<u>-</u>
Total expenditures	<u>1,548,075</u>	<u>1,537,263</u>	<u>10,812</u>
Excess revenues over (under) expenditures	135,701	18,962	(116,739)
Other financing uses:			
Refund of prior year receipts	<u>(20,000)</u>	<u>(17,043)</u>	<u>2,957</u>
Net change in fund balance	115,701	1,919	(113,782)
Fund balance, beginning of year	<u>1,970,696</u>	<u>1,970,696</u>	
Fund balance end of year	\$ <u><u>2,086,397</u></u>	<u><u>1,972,615</u></u>	



**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Classroom Facilities Project Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance With Budget</u>
Revenues:			
Interest	\$ 18,000	11,613	(6,387)
Intergovernmental	13,214,367	12,765,728	(448,639)
Other local revenues	-	700	700
Total revenues	<u>13,232,367</u>	<u>12,778,041</u>	<u>(454,326)</u>
Expenditures:			
Capital outlay			
Architecture and engineering	762,324	730,026	32,298
Building acquisition and construction	<u>16,456,767</u>	<u>16,435,486</u>	<u>21,281</u>
Total expenditures	<u>17,219,091</u>	<u>17,165,512</u>	<u>53,579</u>
Net change in fund balance	(3,986,724)	(4,387,471)	(400,747)
Fund balance, beginning of year	1,309,203	1,309,203	
Prior year encumbrances appropriated	<u>7,219,091</u>	<u>7,219,091</u>	
Fund balance, end of year	<u>\$ 4,541,570</u>	<u>4,140,823</u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Changes in Fiduciary Assets and Liabilities

Agency Fund

Year Ended June 30, 2011

	<u>Beginning</u> <u>Balance</u> <u>7/1/2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u> <u>6/30/2011</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 41,477	\$ 64,822	\$ 57,588	\$ 48,711
Total assets	<u>41,477</u>			<u>48,711</u>
<b>Liabilities:</b>				
Due to student groups	<u>41,477</u>	<u>64,822</u>	<u>57,588</u>	<u>48,711</u>
Total liabilities	<u>\$ 41,477</u>			<u>\$ 48,711</u>

## Statistical Section



# Statistical Section

This part of Ross 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 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 District's financial position has changed over time.	<b>82-89</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	<b>90-96</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>97-101</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>102-103</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>104-107</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The 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 Nine Fiscal Years (1)*  
*(accrual basis of accounting)*

	2003	2004	2005	2006
Invested in Capital Assets, Net of Related Debt	\$20,132,618	\$7,528,672	\$11,674,008	\$13,033,241
Restricted	25,329,942	8,208,981	2,462,019	1,028,253
Unrestricted (Deficit)	(23,404,563)	2,778,623	321,865	1,877,874
<b>Total Net Assets</b>	<b>\$22,057,997</b>	<b>\$18,516,276</b>	<b>\$14,457,892</b>	<b>\$15,939,368</b>

(1) Information on an accrual basis is available for the last nine years only.  
The District implemented GASB Statement 34 in 2003.

2007	2008	2009	2010	2011
\$13,233,413	\$ 13,365,318	\$ 13,714,999	\$ 15,648,895	\$ 29,821,233
1,169,953	2,163,316	26,400,093	25,205,756	11,081,744
2,399,521	1,918,679	2,460,439	1,928,932	2,880,967
<u>\$16,802,887</u>	<u>\$17,447,313</u>	<u>\$42,575,531</u>	<u>\$42,783,583</u>	<u>\$43,783,944</u>

**Ross Local School District, Ohio**  
*Changes in Net Assets of Governmental Activities*  
*Last Nine Fiscal Years (1)*  
*(accrual basis of accounting)*

	2003	2004	2005	2006
<b>Expenses</b>				
Regular Instruction	\$9,692,617	\$9,124,245	\$8,836,363	\$8,762,193
Special Instruction	1,207,179	1,388,504	1,386,822	1,555,089
Adult/Continuing	668	738	3,987	78,155
Other	241,184	369,167	251,650	207,342
Pupil Support	686,447	655,851	770,183	823,651
Instructional Staff Support	895,705	848,876	816,001	1,182,254
Board of Education	79,646	121,801	74,268	83,630
Administration	1,623,461	1,600,221	1,653,472	1,795,625
Fiscal	437,782	503,934	496,548	518,893
Operation and Maintenance of Plant	1,082,967	3,941,084	1,721,084	2,134,602
Pupil Transportation	1,580,526	1,600,836	1,506,050	2,021,368
Central	25,554	21,432	17,620	21,697
Operation of Food Services	380,579	674,840	819,760	906,186
Extracurricular Activities	681,046	823,930	722,467	900,778
Community Service	211,974	323,704	185,543	223,040
Interest and Fiscal Charges	155,152	1,185,372	997,146	1,006,783
<i>Total Expenses</i>	<u>18,982,487</u>	<u>23,184,535</u>	<u>20,258,964</u>	<u>22,221,286</u>
<b>Program Revenues</b>				
Charges for Services				
Regular Instruction	\$72,316	\$169,109	\$157,486	\$179,873
Adult/Continuing	6,787	14,432	24,689	44,662
Operation of Food Service	563,645	584,106	658,197	735,407
Extracurricular Activities	323,723	340,358	482,901	449,059
Operating Grants and Contributions				
Regular Instruction	210,935	118,459	141,275	130,975
Special Instruction	196,399	144,022	345,522	112,843
Adult/Continuing	27,455	-	-	-
Pupil Support	292,693	9,651	8,242	8,212
Staff Support	27,237	331,528	557,028	699,852
Administration	-	2,585	2,612	-
Operation and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	14,000	-	-	12,000
Community Service	-	151,813	148,246	136,352
Operation of Food Service	113,317	114,443	177,614	167,894
Capital Grants and Contributions				
Regular Instruction	1,200	-	23,940	-
<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>
Net Expense	<u>(\$17,132,780)</u>	<u>(\$21,204,029)</u>	<u>(\$17,531,212)</u>	<u>(\$19,544,157)</u>
<b>General Revenues</b>				
Property Taxes Levied for:				
General Purposes	\$5,533,862	\$6,087,781	\$6,031,701	\$6,129,278
Debt Service	752,270	1,513,662	1,674,219	1,592,086
Permanent Improvement	-	-	-	-
Income Taxes Levied for				
General Purposes	-	-	-	616,390
Grants and Entitlements not				
Restricted to Specific Programs	9,368,561	9,805,541	10,579,473	12,071,717
Classroom Facilities Assistance Program	-	-	-	-
Investment Earnings	391,607	157,878	257,276	197,853
Miscellaneous	595,628	97,446	186,475	418,309
<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>
<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>

(1) Information on an accrual basis is available for the last nine years only. The District implemented GASB Statement 34 in 2003.



2007	2008	2009	2010	2011
\$11,323,356	\$11,085,096	\$ 11,592,916	\$ 12,455,204	\$ 12,554,421
1,782,823	1,881,815	2,078,745	1,949,860	1,876,301
1,837	1,173	-	-	-
256,839	222,898	401,083	615,611	796,116
818,693	1,028,579	930,722	1,053,650	1,049,738
1,302,590	1,432,129	1,431,265	1,563,829	1,517,143
14,304	51,828	22,942	22,390	20,266
1,756,814	1,922,777	1,906,408	1,979,015	1,859,702
525,050	668,717	717,195	735,029	746,212
2,628,197	2,828,484	2,428,993	1,920,431	2,119,800
2,192,810	2,097,136	1,988,556	1,892,347	1,831,602
10,058	33,898	22,946	9,145	9,100
927,764	1,013,382	1,033,437	1,069,713	1,024,440
1,075,040	904,121	945,408	827,471	802,357
212,301	192,002	206,985	184,892	164,490
965,394	928,810	927,424	909,985	890,291
25,793,870	26,292,845	26,635,025	27,188,572	27,261,979
\$309,079	\$183,828	\$ 193,468	\$ 192,433	\$ 268,093
-	-	-	-	-
769,131	779,561	775,235	762,161	709,594
455,068	574,182	582,507	674,517	592,849
86,065	84,107	95,500	135,902	583,700
97,997	110,298	260,893	498,922	324,514
-	-	-	20,387	20,038
6,542	6,405	55,984	78,234	-
706,481	695,655	481,030	610,235	696,173
20,003	7,169	41,709	631,875	823,610
-	-	2,285	300,727	-
-	-	-	-	19,132
37,088	12,000	12,000	9,145	9,100
135,828	152,680	171,439	139,801	146,470
216,056	236,914	274,375	342,180	328,290
-	-	-	-	-
2,839,338	2,842,799	2,946,425	4,396,519	4,521,563
(\$22,954,532)	(\$23,450,046)	\$ (23,688,600)	\$ (22,792,053)	\$ (22,740,416)
\$6,393,115	\$6,457,283	\$ 6,776,876	\$ 6,545,535	\$ 7,486,206
1,738,698	1,757,071	1,740,275	1,527,360	1,348,279
112,081	214,656	232,892	211,255	224,108
2,921,039	2,814,600	2,900,690	2,438,661	2,594,243
12,172,806	12,324,708	12,645,945	11,900,756	11,606,019
-	-	24,030,706	896	51,266
281,311	277,259	121,136	34,280	26,859
199,001	248,895	368,298	341,362	403,797
23,818,051	24,094,472	48,816,818	23,000,105	23,740,777
\$863,519	\$644,426	\$ 25,128,218	\$ 208,052	\$ 1,000,361

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

	2002	2003	2004	2005	2006
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	964,189	735,413	831,368	1,045,944	1,060,106
Unreserved	2,342,749	2,066,171	343,880	444,271	907,321
<i>Total General Fund</i>	<u>3,306,938</u>	<u>2,801,584</u>	<u>1,175,248</u>	<u>1,490,215</u>	<u>1,967,427</u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	40,255	2,411,660	16,790,817	1,902,173	359,031
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	125,775	184,153	117,796	149,684	171,853
Debt Service Funds	-	514,201	495,935	568,262	722,723
Capital Projects Funds	-	21,725,167	(13,322)	70,796	5,439
Total All Other Governmental Funds	<u>166,030</u>	<u>24,835,181</u>	<u>17,391,226</u>	<u>2,690,915</u>	<u>1,259,046</u>
<i>Total Governmental Funds</i>	<u>\$3,472,968</u>	<u>\$27,636,765</u>	<u>\$18,566,474</u>	<u>\$4,181,130</u>	<u>\$3,226,473</u>

2007	2008	2009	2010	2011
\$ -	\$ -	\$ -	\$ -	\$ 3,065
-	-	-	-	285,493
-	-	-	-	598,604
-	-	-	-	2,136,263
795,274	1,041,917	875,229	1,154,703	-
1,493,602	1,413,686	2,211,236	1,355,457	-
<u>2,288,876</u>	<u>2,455,603</u>	<u>3,086,465</u>	<u>2,510,160</u>	<u>3,023,425</u>
\$ -	\$ -	\$ -	\$ -	\$ 37,231
-	-	-	-	10,045,115
-	-	-	-	-
-	-	-	-	(32,269)
73,164	98,581	319,724	6,901,997	-
199,540	245,360	347,028	509,324	-
975,428	1,199,350	1,714,809	1,970,696	-
119,151	347,879	1,552,270	2,154,280	-
<u>1,367,283</u>	<u>1,891,170</u>	<u>3,933,831</u>	<u>11,536,297</u>	<u>10,050,077</u>
<u>\$3,656,159</u>	<u>\$4,346,773</u>	<u>\$7,020,296</u>	<u>\$ 14,046,457</u>	<u>\$ 13,073,502</u>

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

	2002	2003	2004	2005	2006
<b>Revenues</b>					
Income Taxes	\$0	\$0	\$0	\$0	\$490,254
Property and Other Local Taxes	4,944,394	6,035,378	7,434,249	7,715,893	7,910,405
Intergovernmental	9,660,729	10,251,797	10,678,042	11,981,021	13,308,769
Interest	121,901	391,607	145,602	267,450	199,955
Tuition and Fees	15,240	6,787	14,582	24,689	44,662
Extracurricular Activities	0	0	0	482,901	449,059
Charges for Services	0	635,961	660,983	815,683	843,410
Miscellaneous	346,548	861,822	618,042	189,704	490,180
<b>Total Revenues</b>	<b>15,088,812</b>	<b>18,183,352</b>	<b>19,551,500</b>	<b>21,477,341</b>	<b>23,736,694</b>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	8,119,670	8,525,675	9,172,667	8,944,567	9,339,630
Special education	1,100,745	1,184,654	1,427,586	1,386,340	1,538,621
Vocational/Other	215,863	241,853	369,905	255,637	285,497
Support Services:					
Pupil	615,220	602,431	715,688	778,124	821,071
Instructional Staff	808,468	822,481	848,899	817,505	1,175,382
Board of Education	17,966	23,077	14,942	14,896	21,658
Administration	1,702,474	1,580,671	1,536,924	1,677,051	1,750,074
Fiscal	398,545	426,270	473,391	502,712	511,533
Operation and Maintenance of Plant	1,023,005	1,044,205	1,181,408	1,360,566	1,722,497
Pupil Transportation	1,273,387	1,423,347	1,490,487	1,352,560	1,762,849
Central	0	14,610	12,000	12,000	12,000
Operation of Non-Instructional Services	199,323	224,832	257,835	253,049	197,473
Operation of Food Services	0	745,936	691,976	819,760	903,770
Extracurricular Activities	507,055	702,341	870,749	664,400	798,082
Capital Outlay (1)	169,603	862,707	8,942,226	15,997,523	2,067,162
Debt Service:					
Principal Retirement	40,000	24,943,904	692,000	814,000	790,000
Interest and Fiscal Charges	3,315	227,689	1,174,108	1,010,546	994,052
<b>Total Expenditures</b>	<b>16,194,639</b>	<b>43,596,683</b>	<b>29,872,791</b>	<b>36,661,236</b>	<b>24,691,351</b>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(1,105,827)</i>	<i>(25,413,331)</i>	<i>(10,321,291)</i>	<i>(15,183,895)</i>	<i>(954,657)</i>
<b>Other Financing Sources (Uses)</b>					
Sale of Capital Assets	280	-	-	-	-
Refund of Prior Year Expenditures	47,000	-	-	-	-
Refund of Prior Year Receipts	-	-	-	-	-
General Obligation Bonds Issued	-	24,537,173	-	-	-
Proceeds from Refunding Bonds Issued	-	-	-	-	-
Proceeds from Premium on Bonds Issued	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-
Proceeds from Sale of Notes	-	24,918,904	-	-	-
Inception of Leases	-	-	1,251,000	-	-
Other Uses	-	-	-	-	-
Transfers In	3,503	6,578	-	-	-
Transfers Out	(3,503)	(6,578)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>47,280</b>	<b>49,456,077</b>	<b>1,251,000</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(\$1,058,547)</b>	<b>\$24,042,746</b>	<b>(\$9,070,291)</b>	<b>(\$15,183,895)</b>	<b>(\$954,657)</b>
Debt Service as a Percentage of Noncapital Expenditures	0.3%	143.3%	9.8%	9.7%	8.6%

(1) Capital outlay reflects what the District codes as capital outlay and not what is only capitalized.

	2007	2008	2009	2010	2011
\$	2,589,139	\$ 2,861,441	\$ 2,917,782	\$ 2,375,539	\$ 2,740,228
	8,238,574	8,200,063	8,669,179	8,290,021	8,769,088
	13,495,938	13,620,674	15,911,324	23,544,169	26,962,568
	265,026	278,655	128,325	39,631	29,208
	65,501	47,343	91,898	98,350	168,729
	455,368	574,482	582,507	674,517	600,212
	878,028	889,701	876,546	856,244	808,958
	333,382	305,207	354,711	344,599	446,263
	<u>26,320,956</u>	<u>26,777,566</u>	<u>29,532,272</u>	<u>36,223,070</u>	<u>40,525,254</u>
	10,972,805	10,938,234	11,093,744	11,371,731	11,474,365
	1,764,474	1,828,241	2,044,809	2,000,992	1,858,736
	258,676	224,071	401,083	613,747	794,252
	814,796	993,799	923,006	1,070,762	1,054,805
	1,293,856	1,420,677	1,426,226	1,561,106	1,520,598
	14,304	27,103	19,757	22,390	20,266
	1,718,729	1,879,562	1,903,872	1,954,414	1,885,350
	515,893	642,145	701,065	715,941	724,974
	1,903,710	1,931,543	1,926,178	1,873,019	1,846,098
	1,894,220	1,808,953	1,691,627	2,123,796	1,708,500
	-	32,014	16,462	12,157	9,100
	185,510	147,978	200,297	634,922	597,558
	926,394	1,007,494	1,029,973	1,069,149	1,030,442
	905,316	760,067	788,596	335,198	310,984
	931,748	890,594	1,037,976	2,150,955	14,995,249
	836,000	1,005,492	765,929	823,767	1,798,803
	954,839	896,377	888,149	862,863	833,406
	<u>25,891,270</u>	<u>26,434,344</u>	<u>26,858,749</u>	<u>29,196,909</u>	<u>42,463,486</u>
	429,686	343,222	2,673,523	7,026,161	(1,938,232)
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	9,415,000	-	-	-	-
	581,988	-	-	-	-
	(9,839,167)	-	-	-	-
	-	-	-	-	-
	-	347,392	-	-	965,277
	(157,821)	-	-	-	-
	-	-	11,365	-	-
	-	-	(11,365)	-	-
	<u>-</u>	<u>347,392</u>	<u>-</u>	<u>-</u>	<u>965,277</u>
	<u>\$429,686</u>	<u>\$690,614</u>	<u>\$2,673,523</u>	<u>\$7,026,161</u>	<u>(\$972,955)</u>
	7.7%	8.0%	6.8%	6.2%	9.5%

**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
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
2008	306,635,710	16,878,350	924,325,886	7,823,600	8,890,455
2009	338,662,470	20,256,840	1,025,483,743	8,071,100	9,171,705
2010	327,048,680	20,007,460	991,588,971	8,526,190	9,688,852
2011	326,692,800	20,650,120	992,408,343	55,286,320	62,825,364

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 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	Weighted Average Tax Rate
\$ 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%
4,920,678	26,243,616	336,258,338	959,459,956	35.05%
4,919,087	26,253,131	371,909,497	1,060,908,578	35.06%
-	-	355,582,330	1,001,277,823	35.51%
-	-	402,629,240	1,055,233,705	38.16%

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

	2001	2002	2003	2004	2005
<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	6.20	6.18	5.58	5.56	5.49
Commercial/Industrial and Public Utility Real	7.13	7.15	6.37	6.39	6.38
General Business and Public Utility Personal	19.52	19.52	19.52	19.52	19.52
1981 Operating - continuing					
Residential/Agricultural Real	3.22	3.21	2.90	2.89	2.90
Commercial/Industrial and Public Utility Real	3.70	3.71	3.31	3.32	3.31
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1987 Operating - continuing					
Residential/Agricultural Real	2.35	2.34	2.11	2.10	2.08
Commercial/Industrial and Public Utility Real	2.76	2.77	2.47	2.47	2.47
General Business and Public Utility Personal	3.90	3.90	3.90	3.90	3.90
1990 Operating - continuing					
Residential/Agricultural Real	2.01	2.00	1.81	1.80	1.78
Commercial/Industrial and Public Utility Real	2.47	2.48	2.21	2.22	2.21
General Business and Public Utility Personal	3.30	3.30	3.30	3.30	3.30
1995 Operating - continuing					
Residential/Agricultural Real	1.47	1.47	1.32	1.32	1.30
Commercial/Industrial and Public Utility Real	1.62	1.63	1.45	1.45	1.45
General Business and Public Utility Personal	2.00	2.00	2.00	2.00	2.00
1999 Operating - continuing					
Residential/Agricultural Real	4.01	4.00	3.61	3.60	3.55
Commercial/Industrial and Public Utility Real	4.14	4.16	3.70	3.71	3.70
General Business and Public Utility Personal	4.75	4.75	4.75	4.75	4.75
General Emergency	0.00	0.00	0.00	0.00	0.00
2002 Bond Levy (High School)	0.00	0.00	6.25	6.25	6.25
<b>Total voted millage by type of property</b>					
Residential/Agricultural Real	19.26	19.20	23.58	23.52	23.35
Commercial/Industrial and Public Utility Real	21.82	21.90	25.76	25.81	25.77
General Business and Public Utility Personal	40.37	40.37	46.62	46.62	46.62
<b>Overlapping Rates by Taxing District</b>					
Township					
Residential/Agricultural Real	4.89	6.43	6.11	6.08	6.34
Commercial/Industrial and Public Utility Real	5.06	6.50	6.19	6.21	6.48
General Business and Public Utility Personal	5.72	6.72	6.72	6.72	6.72
County					
Residential/Agricultural Real	6.63	7.01	6.40	7.33	7.94
Commercial/Industrial and Public Utility Real	7.12	7.51	7.10	7.88	8.38
General Business and Public Utility Personal	8.45	8.75	8.75	8.74	8.74
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



2006	2007	2008	2009	2010
5.36	5.36	5.36	4.66	4.66
4.95	7.35	5.28	5.50	5.51
6.04	8.24	5.24	5.40	5.44
19.52	19.52	19.52	19.52	19.52
2.57	3.82	2.57	2.68	2.69
3.13	4.28	2.72	2.80	2.82
6.90	6.90	6.90	6.90	6.90
1.87	2.79	1.82	1.89	1.90
2.34	3.19	2.03	2.09	2.10
3.90	3.90	3.90	3.90	3.90
1.60	2.38	1.55	1.61	1.62
2.09	2.86	1.82	1.89	1.88
3.30	3.30	3.30	3.30	3.30
1.17	1.74	1.11	1.16	1.16
1.37	1.88	1.19	1.22	1.24
2.00	2.00	2.00	2.00	2.00
3.20	0.00	3.00	3.13	3.14
3.51	0.00	3.04	3.14	3.16
4.75	0.00	4.75	4.75	4.75
0.00	4.75	0.00	0.00	0.00
6.00	0.00	5.48	4.30	4.00
21.36	18.08	26.18	25.65	25.38
24.48	20.45	26.88	26.18	26.00
46.37	40.37	51.21	50.03	49.73
6.00	5.33	6.20	6.31	6.32
6.23	5.46	6.02	6.12	6.12
6.72	5.72	6.72	6.72	6.72
8.40	6.28	8.55	8.88	8.95
9.00	6.75	8.65	8.97	9.21
9.44	8.45	9.75	9.74	9.72
1.93	1.93	1.93	1.93	1.93

**Ross Local School District, Ohio**  
*Property Tax Levies and Collections (1)*  
*Last Ten Calendar 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 (3)
2001	5,994,187	5,629,321	93.91%	166,376	5,795,697	96.69%
2002	5,768,382	5,722,821	99.21%	155,314	5,878,135	101.90%
2003	6,262,051	6,195,706	98.94%	125,756	6,321,462	100.95%
2004	7,928,997	7,511,048	94.73%	307,057	7,818,105	98.60%
2005	8,519,603	8,084,647	94.89%	360,419	8,445,066	99.13%
2006	8,263,259	7,870,754	95.25%	285,468	8,156,222	98.70%
2007	9,249,118	8,690,381	93.96%	339,034	9,029,415	97.62%
2008	9,282,983	8,720,409	93.94%	436,319	9,156,728	98.64%
2009	9,825,245	9,488,255	96.57%	303,778	9,792,033	99.66%
2010	9,339,263	9,011,281	96.49%	248,064	9,259,345	99.14%

**Source:** Butler County Auditor

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2011 information cannot be presented because all collections have not been made by June 30, 2011.
- (3) Total collections for certain years may exceed 100% of the current tax levy due to the collection of delinquent taxes from prior years. The County does not identify delinquent tax collections by tax year.

**Ross Local School District, Ohio**

*Principal Taxpayers*

*Real Estate Tax*

*2010 and 2003 (1)*

Name of Taxpayer	2010	
	Assessed Value	Percent of Real Property Assessed Value
Tonya Engel	\$1,236,570	0.36%
Tributaries Land Company	1,071,400	0.31%
Ross Trails	796,800	0.23%
American Aggregates Corp.	720,820	0.21%
Alice M. Finke	656,750	0.19%
RPL Investments LLC	645,200	0.19%
Welch Real Estate Holdings, LLC	611,620	0.18%
Skyview Acres LLC	573,790	0.17%
Skyview Storage	527,960	0.15%
Welch Holdings, Inc.	516,560	0.15%
Totals	<u>\$7,357,470</u>	<u>2.12%</u>
Total Real Estate Assessed Valuation	<u>\$347,342,920</u>	

Name of Taxpayer	2003	
	Assessed Value	Percent of Real Property Assessed Value
Watson, Ronald	\$1,379,530	0.56%
Broshear Contractors	1,111,080	0.45%
Watson Gravel	1,006,450	0.41%
Texas Eastern	737,920	0.30%
Welch Sand & Gravel	730,840	0.30%
Cornelius, Daniel	637,930	0.26%
Burwinkel, Joseph	539,540	0.22%
Totals	<u>\$6,143,290</u>	<u>2.51%</u>
Total Assessed Valuation	<u>\$244,534,330</u>	

(1) The amounts presented represent the assessed values upon which 2011 and 2004 collections were based. The earliest data available was 2003.

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

**Ross Local School District, Ohio**

*Principal Taxpayers*

*Public Utilities Tax*

*2010 and 2003 (1)*

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<u>Name of Taxpayer</u>	2010	
	<u>Assessed Value</u>	<u>Percent of Public Utility Assessed Value</u>
Duke Energy	\$3,637,230	6.58%
Butler Rural Electric	3,143,460	5.69%
Texas Eastern Transmission	796,930	1.44%
Dayton Power and Light	490,810	0.89%
Total	<u>\$8,068,430</u>	<u>14.60%</u>
Total Assessed Valuation	<u>\$55,286,320</u>	

<u>Name of Taxpayer</u>	2003	
	<u>Assessed Value</u>	<u>Percent of Public Utility Assessed Value</u>
Cincinnati Gas & Electric	\$2,755,640	31.82%
Cincinnati Bell Inc.	2,137,380	24.68%
Butler Rural Electric	<u>1,723,320</u>	<u>19.90%</u>
Total	<u>\$6,616,340</u>	<u>76.40%</u>
Total Public Utility Assessed Valuation	<u>\$8,658,870</u>	

(1) The amounts presented represent the assessed values upon which 2011 and 2004 collections were based. The earliest information available was 2003.

**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	Debt to Estimated Actual Value of Taxable Property
2002	\$ 45,000	\$ -	65.08%	0.14	0.01%
2003	24,920,000	169,000	0.12%	75.39	3.34%
2004	24,300,000	1,348,000	0.12%	77.07	2.91%
2005	23,600,000	1,234,000	0.13%	74.62	2.96%
2006	22,865,000	1,179,000	0.13%	67.73	2.53%
2007	22,700,000	1,123,000	0.14%	67.11	2.40%
2008	21,835,000	1,329,900	0.15%	64.84	2.28%
2009	21,210,000	1,188,971	0.16%	62.09	2.00%
2010	20,535,000	1,040,204	0.16%	59.41	2.05%
2011	19,805,000	936,678	0.12%	56.34	1.88%

**Ross Local School District, Ohio**  
*Computation of Direct and Overlapping  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2011*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Butler County	\$62,095,237	5.11%	\$3,173,067
Hamilton County	6,012,739	0.17%	10,222
Fairfield Township	6,275,000	0.14%	8,785
Hanover Township	33,100	17.94%	5,938
Butler Technology & Career Center	<u>4,500,000</u>	4.66%	<u>209,700</u>
Subtotal Overlapping Debt	78,916,076		3,407,712
District Direct Debt	<u>19,805,000</u>	100.00%	<u>19,805,000</u>
Total Direct and Overlapping Debt	<u><u>\$98,721,076</u></u>		<u><u>\$23,212,712</u></u>

Source: Ohio Municipal Advisory Council

- (1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2010 tax year.

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

	2002	2003	2004	2005
Tax Valuation	<u>\$235,066,897</u>	<u>\$262,329,305</u>	<u>\$294,241,299</u>	<u>\$281,201,529</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$21,156,021</u>	<u>\$23,609,637</u>	<u>\$26,481,717</u>	<u>\$25,308,138</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	45,000	24,920,000	24,300,000	23,600,000
Less Amount Available in Debt Service				
Amount of Debt Subject to Limit	<u>45,000</u>	<u>24,920,000</u>	<u>24,300,000</u>	<u>23,600,000</u>
Legal Debt Margin	<u>\$21,111,021</u>	<u>(\$1,310,363)</u>	<u>\$2,181,717</u>	<u>\$1,708,138</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.79%	-5.55%	8.24%	6.75%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$235,067	\$262,329	\$294,241	\$281,202
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$235,067</u>	<u>\$262,329</u>	<u>\$294,241</u>	<u>\$281,202</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	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.



2006	2007	2008	2009	2010	2011
\$318,592,712	\$ 330,717,665	\$ 336,258,338	\$ 371,909,497	\$ 355,582,330	\$ 402,629,240
\$28,673,344	\$29,764,590	\$30,263,250	\$33,471,855	\$32,002,410	\$36,236,632
22,865,000	22,097,868	21,261,397	20,671,554	20,039,878	19,363,266
22,865,000	22,097,868	21,261,397	20,671,554	20,039,878	19,363,266
\$5,808,344	\$7,666,722	\$9,001,853	\$12,800,301	\$11,962,532	\$16,873,366
20.26%	25.76%	29.75%	38.24%	37.38%	46.56%
\$318,593	\$330,718	\$336,258	\$371,909	\$355,582	\$402,629
0	0	0	0	0	0
\$318,593	\$330,718	\$336,258	\$371,909	\$355,582	\$402,629
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
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%
2008	357,276	12,004,473,600	33,600	8.50%
2009	360,765	12,581,318,610	34,874	9.50%
2010	363,184	12,918,818,064	35,571	9.10%
2011	368,130	9,381,424,920	25,484	9.50%

**Sources:** 1) United States Census Bureau. Provided by County only  
2) US Dept. of Commerce, Bureau of Economic Analysis.  
Information was available through 2005.  
Estimated increase of 2% for 2006 and 2010.  
For 2011, 2010 U.S. Census data was used.  
3) Ohio Dept. of Job and Family Services. Butler County Unemployment rate

**Ross Local School District, Ohio**

*Principal Employers*

*Current Year and Nine Years Ago*

Employer	Nature of Business	2010		
		Number of Employees	Rank	Percentage of Total Employment
Miami University	Education	3,400	1	2.00%
Cincinnati Financial Corporation	Financial	2,900	2	1.70%
AK Steel	Steel Manufacturing	2,400	3	1.41%
Butler County	Government	2,000	4	1.18%
Lakota Board of Educaiton	Government	1,688	5	0.99%
General Electric Aviation	Aerospace	1,675	6	0.98%
Mercy Fairfield Hospital	Healthcare	1,200	7	0.71%
Hamilton City Schools	Government	1,114	8	0.65%
Fort Hamilton Hospital	Healthcare	1,036	9	0.61%
Fairfield City Schools	Government	994	10	0.58%
Total		<u>18,407</u>		<u>10.81%</u>
Total Employment within the County		<u>170,100</u>		

Employer	Nature of Business	2001		
		Number of Employees	Rank	Percentage of Total Employment
AK Steel	Steel Manufacturing	4,100	1	2.44%
Miami University	Education	3,600	2	2.14%
Cincinnati Financial Group	Financial	2,500	3	1.49%
Butler County	Government	2,500	4	1.49%
Champion International	Manufacturing	2,292	5	1.36%
Middletown Regional Hospital	Healthcare	1,600	6	0.95%
Cincinnati Insurance Co.	Insurance	1,486	7	0.88%
Ohio Casualty Insurance Co.	Insurance	1,400	8	0.83%
Lakota Local School District	Government	1,300	9	0.77%
Fort Hamilton Hospital	Healthcare	<u>1,200</u>	10	<u>0.71%</u>
Total		<u>21,978</u>		<u>13.06%</u>
Total Employment within the County		<u>168,200</u>		

Source: Butler County

**Ross Local School District, Ohio**  
*School District Employees by Function/Program*  
*Last Seven Fiscal Years (1)*

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011
<b>Regular Instruction</b>								
Elementary Classroom Teachers	50.00	51.00	51.00	50.00	48.00	53.00	52.50	51.50
Middle School Classroom Teachers	37.00	37.00	37.00	39.50	39.50	37.50	37.00	36.50
High School Classroom Teachers	48.00	48.00	50.00	51.00	51.00	42.00	43.00	44.00
<b>Special Instruction</b>								
Elementary Classroom Teachers	7.00	8.00	9.00	11.00	13.00	5.00	4.00	4.00
Gifted Education Teachers	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Middle School Classroom Teachers	6.00	6.00	6.00	6.00	7.00	7.00	6.00	6.00
High School Classroom Teachers	4.00	5.00	5.00	5.25	6.50	8.00	7.00	6.00
<b>Vocational Instruction</b>								
High School Classroom Teachers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Pupil Support Services</b>								
Guidance Counselors	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00
Librarians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Psychologists	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Speech and Language Pathologists	2.00	2.00	2.00	2.00	2.00	2.50	3.00	3.00
Nurse	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Administrators</b>								
Elementary	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Middle School	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
High School	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Operation of Plant</b>								
Custodians	12.00	13.00	14.00	14.00	14.00	14.00	12.00	12.00
Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Pupil Transportation</b>								
Bus Drivers	31.00	32.00	33.00	33.00	30.00	29.00	25.00	24.00
Bus Aides	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Van Drivers	0.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50
<b>Food Service Program</b>								
Elementary Cooks	5.00	6.00	6.00	6.00	5.50	5.50	6.00	6.00
Middle School Cooks	5.00	6.00	6.00	6.00	5.50	5.50	5.50	5.50
High School Cooks	7.00	7.00	7.00	7.00	6.50	6.50	6.50	6.50

**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.

(1) Information prior to 2004 is not available.

Source: School district records

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary Comparable Districts (3)	Statewide Average Salary (4)
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
2008	31,817	68,851	50,225	53,410
2009	32,772	70,918	51,191	54,656
2010	33,722	72,975	54,092	55,958
2011	33,722	72,975	54,741	56,715

Source: School District records

- (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 Sample1, Sample 2 and Sample3 City School Districts.
- (4) Provided by the State Department of Education.

**Ross Local School District, Ohio**  
*Operating Statistics*  
*Last Nine Fiscal Years (1)*

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
2008	21,642,823	2,903	7,455	2.47%	168	17.3
2009	23,038,836	2,763	8,338	11.84%	157	17.6
2010	24,086,992	2,847	8,460	1.46%	155	18.4
2011	23,899,565	2,830	8,445	-0.18%	151	18.7

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

Information prior to 2003 was not available.

**Ross Local School District, Ohio**

*Building Statistics  
Last Ten Fiscal Years*

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>MORGAN ELEMENTARY</b>										
Constructed in 1982										
Total Building Square Footage	47,050	47,050	47,050	47,050	47,050	47,050	47,050	47,050	47,050	47,050
Enrollment Grades PK-5	442	435	451	439	487	488	461	386	394	470
Student Capacity	500	500	500	500	500	500	500	500	500	500
Regular Instruction Classrooms	25	25	24	23	22	21	20	22	22	22
Regular Instruction Teachers	25	25	24	23	22	22	20	22	22	22
Special Instruction Classrooms	1	1	2	3	4	4	6	2	2	2
Special Instruction Teachers	2	2	3	4	5	5	6	2	2	2
<b>ELDA ELEMENTARY</b>										
Constructed in 1962										
Total Building Square Footage	42,858	42,858	42,858	57,358	57,358	57,358	57,358	57,358	57,358	57,358
Enrollment Grades K-4	516	527	550	616	673	663	643	605	597	617
Student Capacity	500	500	500	575	575	575	575	575	575	575
Regular Instruction Classrooms	26	26	26	28	29	28	28	30	25	24
Regular Instruction Teachers	26	26	26	28	29	28	28	31	25	24
Special Instruction Classrooms	3	3	3	3	3	5	5	2	2	2
Special Instruction Teachers	4	4	4	4	4	7	7	3	3	3
<b>ROSS MIDDLE SCHOOL (RMS)</b>										
Constructed in 1969										
Total Building Square Footage*	79,363	79,363	79,363	79,363	101,279	101,279	101,279	101,279	101,279	101,279
Enrollment Grades 5-8	737	730	783	783	815	825	808	818	855	837
Student Capacity	800	800	800	800	750	750	750	750	750	750
Regular Instruction Classrooms	37	37	37	37	37	37	38	39	39	39
Regular Instruction Teachers	37	37	37	37	37	39.5	39.5	39.5	39.5	39.0
Special Instruction Classrooms	4	4	4	4	5	5	5	6	6	6
Special Instruction Teachers	5	6	6	6	6	6	8	7	7	7
<b>ROSS HIGH SCHOOL (RHS)</b>										
Constructed in 2005										
Total Building Square Footage**	101,279	101,279	101,279	101,279	180,080	180,080	180,080	180,080	180,080	180,080
Enrollment Grades 9-12	817	852	887	932	971	946	991	954	1,002	931
Student Capacity	750	750	750	750	920	920	920	920	920	920
Regular Instruction Classrooms	40	40	40	40	49	49	49	46	40	40
Regular Instruction Teachers	48	48	48	48	50	51	51	40	45	46
Special Instruction Classrooms	2	2	2	2	4	5	5	5	5	5
Special Instruction Teachers	3	4	4	5	5	6.25	6	6	7	6

\* RMS moved into its' current building in FY2006

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

Source: School District records.

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# Dave Yost • 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  
DECEMBER 15, 2011**