

**ROSS LOCAL SCHOOL DISTRICT**

Single Audit Reports

June 30, 2005





**Auditor of State  
Betty Montgomery**

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

We have reviewed the *Independent Auditors' Report* of the Ross Local School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

February 21, 2006

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# ROSS LOCAL SCHOOL DISTRICT

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**ROSS LOCAL SCHOOL DISTRICT**

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2005

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>		<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
(Passed through Ohio Department of Education)				
Nutrition Cluster:				
Food Distribution Program	10.550	\$	56,884	56,884
National School Lunch Program	10.555		<u>131,448</u>	<u>131,448</u>
Total U.S. Department of Agriculture			<u>188,332</u>	<u>188,332</u>
 <u>U.S. Department of Education:</u>				
(Passed through Ohio Department of Education)				
Special Education Cluster:				
Title VI - B Grant	84.027		468,424	467,662
Preschool Grant	84.173		<u>2,232</u>	<u>2,232</u>
Total Special Education Cluster			<u>470,656</u>	<u>469,894</u>
Grants to Local Education Agencies (ESEA Title I)	84.010		143,273	143,767
Innovative Education Program Strategy - Title VI	84.298		11,950	13,622
Class Size Reduction	84.367		81,025	86,953
Safe and Drug Free Schools	84.186		8,242	8,242
Technology Literacy Challenge Fund Grant	84.318		<u>339</u>	<u>1,127</u>
Total U.S. Department of Education			<u>715,485</u>	<u>723,605</u>
Total Federal Awards		\$	<u><u>903,817</u></u>	<u><u>911,937</u></u>

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - MATCHING REQUIREMENTS

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



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

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

To the Board of Education  
Ross Local School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ross Local School District (the School District) as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements and have issued our report thereon dated November 30, 2005 wherein we noted that the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 40 and GASB Technical Bulletin No. 2004-2. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

## Compliance and Other Matters

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

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

*Clark, Schaefer, Hachett & Co.*

Middletown, Ohio  
November 30, 2005





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

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

To the Board of Education  
Ross Local School District:

Compliance

We have audited the compliance of Ross Local School District (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

## Internal Control over Compliance

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of and for the year ended June 30, 2005, and have issued our report thereon dated November 30, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Clark, Schaefer, Hachett & Co.*

Middletown, Ohio  
November 30, 2005

**ROSS LOCAL SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2005

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

**Financial Statements**

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

**Federal Awards**

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

**Section II - Financial Statement Findings**

None.

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

None.

# **ROSS LOCAL SCHOOL DISTRICT**

## **Schedule of Prior Audit Findings**

**Year Ended June 30, 2005**

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

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

Comprehensive  
Annual  
Financial  
Report

For the Fiscal Year Ended  
June 30, 2005



**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

of the

**ROSS LOCAL SCHOOL DISTRICT,  
BUTLER COUNTY, OHIO**

For the Fiscal Year Ended June 30, 2005

**BOARD OF EDUCATION**

Edward Bosse  
Marcia Lang Canter  
Richard Emery  
Larry Stebins  
Darrell Ramsey

**SUPERINTENDENT OF SCHOOLS**

M. Todd Yohey

**ISSUED BY  
TREASURER'S OFFICE**

Tracy Jarvis,  
Treasurer

## Introductory Section



**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2005**

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**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2005**

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**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Comprehensive Annual Financial Report**  
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November 30, 2005

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Ross Local School District (District) for the fiscal year ended June 30, 2005. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2004-2005 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 District's continuing commitment to provide financial information to the citizens of the Ross Local School District.

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

This report has been divided into three sections:

The Introductory Section includes this transmittal letter, the table of contents, a list of principal officials, and the District's organizational chart.

The Financial Section includes the Independent Auditor's Report with an unqualified opinion of our auditors, the basic financial statements, notes to the financial statements, and the combining and individual fund financial statements and schedules.

The Statistical Section includes selective financial and demographic information, generally presented on a multi-year basis for comparative purposes.

GAAP also require 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 District's MD&A follows the report of the independent auditors.

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

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

## **ECONOMIC CONDITION**

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

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

## **THE DISTRICT AND ITS FACILITIES**

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

The District had 2,705 students enrolled in the two elementary schools, middle school, and high school. In addition to the schools listed, the District maintained and operated a transportation facility, central office facility and several sport fields.

## **ORGANIZATION OF THE DISTRICT**

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

The Board members, their terms and years on the Board as of June 30, 2005 are:

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Mr. Darrell Ramsey	1/1/2004 – 12/31/2007	1 – 1/2
Ms. Marcia Lang Canter	1/1/2004 – 12/31/2007	12
Mr. Richard Emery	1/1/2004 – 12/31/2007	11 – 1/2
Mr. Edward Bosse	1/1/2002 – 12/31/2005	24 – 1/2
Mr. Larry Stebbins	1/1/2002 – 12/31/2005	9 – 1/2

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

The Treasurer is the chief financial officer of the District and is responsible for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio law. Mrs. Tracy A. Jarvis was appointed Treasurer on August 8, 1994. Mrs. Jarvis has a BA in Mathematics from Miami University and a MBA in Management from Wright State University.

## **EMPLOYEE RELATIONS**

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

The Ross Education Association (REA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. On September 1, 2004, the REA and the District entered into a new three-year collective bargaining agreement on language, salary and fringe benefit issues, which expires on August 31, 2007.

## **SERVICES PROVIDED**

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

## **MAJOR INITIATIVES**

### **Facility Program**

The Ross Local School District opened its new high school facility for grades 9-12 in September of 2005. Construction for the new high school began in March 2004. The opening of the new high school completes phase one of the District's facility master plan. Phase one included construction of the new 135,000 square foot high school and a 15,000 square foot addition to Elda Elementary. The Elda addition was completed in December 2004. Phase two of the master plan will include renovation of the current high school into a middle school and the renovation of both Elda and Morgan Elementary Schools. The old high school is now serving students in grades 5-8. If enrollment continues to increase as projected the second phase will also include the construction of a third elementary school. The total cost of this project is estimated at \$50,000,000 with local taxpayers already approving a \$24,900,000 bond issue. The state of Ohio through its Expedited Local Partnership Program is committed to funding the remainder (48%).

The District's facility master plan is the result of the input of staff members and over 300 community members who helped in the development and evaluation of the plan. The plan was presented to and approved by the Ohio School Facility Commission.

### **Ohio Graduation Test (OGT)**

The Ross Local School District has earned an "excellent" rating from the Ohio Department of Education three of the last five years and was rated effective the other two years. The District's student test scores, attendance, and graduation rates have exceeded state standards. The implementation of new state academic content standards has required the District to realign its curriculum and begin the task of adopting new courses of study. In the spring of 2005, students in the tenth grade took the first Ohio Graduation Test. For these students passage of the OGT will be required for graduation. The District will be assessing student performance on the OGT and developing intervention strategies for those who do not pass their initial test.

### **Fiscal Health**

In May 2005, taxpayers in the District passed a 0.75% school district income tax for operations. The income tax is a limited levy expiring in 2009. Over the course of the next four years, the District will need to closely monitor the combination of the income tax and property tax collections on its ability to fund the operating expenses of the District. In addition, the District will continue its conservative spending philosophy.

## **FINANCIAL INFORMATION**

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

### **Internal Controls**

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

### **Single Audit Act**

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

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2005 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.



## **Budgetary Controls**

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

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

## **OTHER INFORMATION**

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

The Government Finance Officers Association of United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ross Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2004. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## **Independent Audit**

State statutes require an annual audit by independent accountants for the State Auditor's Office. Clark, Schaefer, Hackett & Co. conducted the District's 2005 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-1333. The auditor's report on the basic financial statements and combining and individual fund statements is included in the financial section of this report.

## **Acknowledgements**

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

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

Sincerely,

---

M. Todd Yohey  
Superintendent

---

Tracy A. Jarvis  
Treasurer

Ross Local School District  
Appointed Officials  
June 30, 2005

<u>Official</u>	<u>Title</u>
Mr. M. Todd Yohey	Superintendent
Mrs. Tracy A. Jarvis	Treasurer
Mr. Greg Young	Assistant Superintendent
Mr. Ronald Mandery	Director of Transportation
Ms. Dorothy Schmidt	Coordinator of Food Services

Ross Local School District  
Consultant and Advisors  
As of June 30, 2005

---

**Architect**

Steed Hammond Paul  
82 Williams Avenue  
Hamilton, Ohio 45015

**Independent Auditor**

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

**Legal Council**

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

**Official Depositories**

Fifth Third Bank  
4005 Hamilton Cleves Road  
Hamilton, Ohio 45013

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

J F Molloy  
PO Box 68947  
Indianapolis, Indiana 46268

**Bond Council**

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

**Investment Counselor**

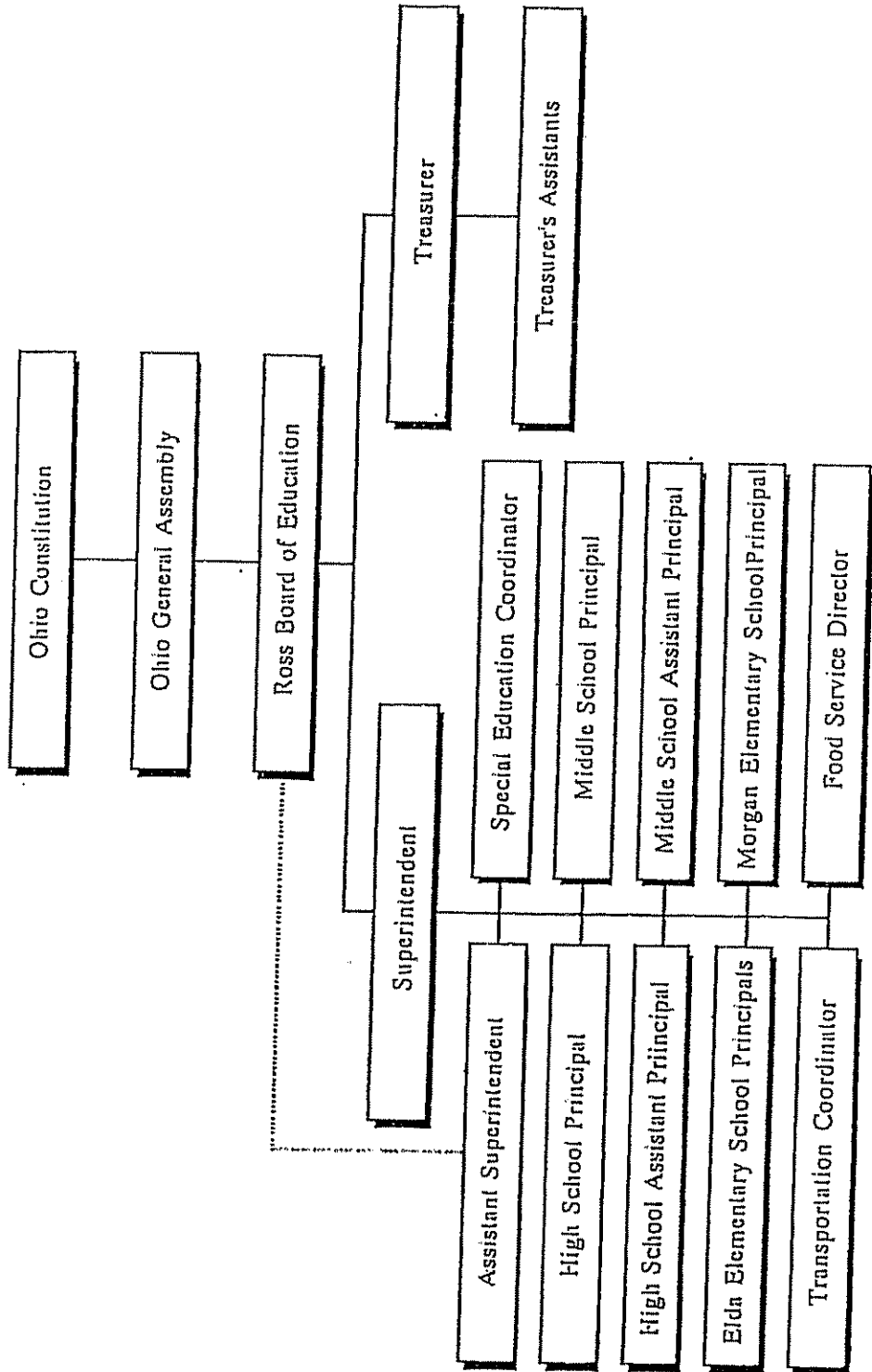
Seasongood & Mayer  
414 Walnut Street  
Cincinnati, Ohio 45202

**Underwriter**

Seasongood & Mayer  
414 Walnut Street  
Cincinnati, Ohio 45202

First National Bank of SW Ohio  
High and Third Streets  
Hamilton, Ohio 45011

# 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, 2004

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.



*Nancy L. Zjelde*

President

*Jeffrey R. Emery*

Executive Director

## Financial Section



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

**INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Ross Local School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross Local School District (the School District) as of and for the year ended June 30, 2005, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Service Center'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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District as of June 30, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposits and Investment Risk Disclosures* and GASB Technical Bulletin No. 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employees* for the year ended June 30, 2005.



In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2005 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 9 and 39 through 40 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Clark, Schaefer, Harbott & Co.*

Middletown, Ohio  
November 30, 2005

## 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, 2005. 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 2005 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$22.3 million. Of this amount, \$0.3 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$1.2 million.
- ✓ The School District had \$20.3 million in expenses related to governmental activities; only \$2.7 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$18.7 million, made up primarily of property taxes and State Foundation payments, were adequate to provide for these programs.
- ✓ The General Fund balance increased by \$0.4 million from \$1.1 million at June 30, 2004 to \$1.5 million at June 30, 2005.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

ROSS SCHOOL DISTRICT, OHIO  
Management's Discussion and Analysis  
Year Ended June 30, 2005  
Unaudited

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

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

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

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

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

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

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

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**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, 2005:

	<u>Governmental Activities 2005</u>	<u>Governmental Activities 2004 Restated</u>
Current and other assets	\$ 14,999,774	31,755,901
Capital assets	43,092,357	27,731,660
Total assets	<u>58,092,131</u>	<u>59,487,561</u>
Long-term debt outstanding	24,716,687	25,642,849
Other liabilities	11,099,203	12,766,403
Total liabilities	<u>35,815,890</u>	<u>38,409,252</u>
Net assets:		
Invested in capital assets, net of debt	19,492,357	7,528,672
Restricted:		
For capital purposes	1,831,540	5,743,046
Other purposes	630,479	2,465,935
Unrestricted	321,865	5,340,656
Total net assets	<u>\$ 22,276,241</u>	<u>21,078,309</u>

The largest portion of the School District's net assets reflects its investment in capital assets, less any related debt to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The balance of unrestricted net assets of \$321,865 may be used to meet the government's ongoing obligations to citizens and creditors.

The increase in capital assets reflects construction on the new high school and significant improvements to Elda Elementary School.

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**B. Governmental Activities during fiscal year 2005**

The following table presents a condensed summary of the School District's activities during fiscal year 2005 and the resulting change in net assets:

	<b>Governmental Activities 2005</b>	<b>Governmental Activities 2004</b>
<b>Revenues:</b>		
Program revenues:		
Charges for sales and services	\$ 1,323,273	1,108,005
Operating grants and contributions	1,380,539	872,501
Capital grants and contributions	23,940	-
Total program revenues	<u>2,727,752</u>	<u>1,980,506</u>
General revenues:		
Property taxes	7,705,920	7,601,443
Grants and entitlements	10,579,473	9,805,541
Investment earnings	257,276	157,878
Miscellaneous	186,475	97,446
Total general revenues	<u>18,729,144</u>	<u>17,662,308</u>
<b>Total Revenues</b>	<u>21,456,896</u>	<u>19,642,814</u>
<b>Expenses:</b>		
Instruction	10,478,822	10,882,654
Support Services:		
Pupil	770,183	655,851
Instructional Staff	816,001	848,876
Board of Education	74,268	121,801
Administration	1,653,472	1,600,221
Fiscal	496,548	503,934
Operation of maintenance and plant	1,721,084	3,941,084
Pupil transportation	1,506,050	1,600,836
Central	17,620	21,432
Non-instructional services	908,010	1,147,634
Interest on long-term debt	997,146	1,185,372
Food services	819,760	674,840
<b>Total expenses</b>	<u>20,258,964</u>	<u>23,184,535</u>
<b>Change in net assets</b>	<u>\$ 1,197,932</u>	<u>(3,541,721)</u>

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 Management's Discussion and Analysis  
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Of the total governmental activities revenues of \$21,456,896, \$2,727,752(13%) 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, 41% (\$7,705,920) comes from property tax levies and 56% (\$10,579,473) is from state and federal funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

**Governmental Activities**

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately \$2,727,752 of the cost of the general government programs was recouped in program revenues. Instruction costs were \$10,478,822 but program revenue contributed to fund 7% of those costs. Thus, general revenues of \$9,785,910 were used to support of remainder of the instruction costs.

The School District's governmental activities net assets increased by \$1,197,932 due primarily to increases in program revenues and decreases in expenses of interest on long-term debt and operation and maintenance of plant.

	<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost of Services</u>
Instruction	\$ 10,478,822	692,912	7%	9,785,910
Support Services	7,055,226	567,882	8%	6,487,344
Non-instructional services	908,010	631,147	70%	276,863
Food service	819,760	835,811	102%	(16,051)
Interest on long-term debt	<u>997,146</u>	<u>-</u>	<u>0%</u>	<u>997,146</u>
Total	\$ <u>20,258,964</u>	<u>2,727,752</u>	<u>13%</u>	<u>17,531,212</u>

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

**Governmental funds**

The School District has three major governmental funds: the General Fund, the Debt Service Fund and a Capital Projects Fund. Assets of these fund comprise \$14,355,704 (96%) of the total \$14,881,035 governmental funds assets.

**General Fund:** Fund balance at June 30, 2005 was \$1,490,215, including \$444,271 of unreserved balance, which represents 9% of expenditures for fiscal year 2005. The primary reasons for the increase in fund balance were increases in intergovernmental revenue and a decrease in non-instructional service expenditures.

ROSS SCHOOL DISTRICT, OHIO  
 Management's Discussion and Analysis  
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*Debt Service Fund:* The fund balance at June 30, 2005 was \$612,339, which will be used for future principal and interest payments on long-term debt. Current year change in fund balance was \$116,404. The cause of the increase relates to the decrease in interest payments related to the school improvement bonds.

*Capital Projects Fund:* The net change in fund balance for fiscal 2005 was (\$15,803,679) and relates to expenditures for construction of the new high school and additions to Elda Elementary.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- Final budgeted revenues were higher than original due to increases in State Homestead and Rollback and State Foundation payments. The school district saw an increase in State Homestead revenues due to more property being eligible for the program. While interest rates are low, the district was able to invest wisely and earn more than projected.
- Final budgeted expenditures were higher than original primarily due to increases in instructional expenses.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2005, the School District had \$43,092,357 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total increase in the School District's investment in capital assets for the current fiscal year was \$15,360,697. See Note 7 to the financial statements for more detail.

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

		<b>Governmental Activities</b>
Land	\$	1,267,681
Construction in progress		23,193,609
Land improvements		283,271
Building and improvements		16,182,757
Furniture and equipment		<u>2,165,039</u>
<b>Total</b>	<b>\$</b>	<b><u>43,092,357</u></b>

## 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. These bonds were issued after the passage of a voted tax issue to repay the debt for the next 26 years for the improvements. In fiscal 2005, a principal payment of \$700,000 and related interest of \$927,075 were paid.

The District entered into a lease agreement in June 2004 in the amount of \$1,251,000. The lease relates to additional improvements and equipment for the new high school. The first principal payment of \$41,000 was made in fiscal 2005, as well as related interest of \$53,002.

See Note 8 to the financial statements.

## ECONOMIC FACTORS

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

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

## REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's office at the Ross Local School District, 3371 Hamilton Cleves Road, Hamilton, Ohio 45013.



# ROSS LOCAL SCHOOL DISTRICT, OHIO

## Statement of Net Assets

June 30, 2005

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 6,416,209
Receivables:	
Taxes	7,866,060
Accounts	14,309
Intergovernmental	88,390
Interest	30,224
Supplies inventory	13,656
Prepays	740
Restricted cash	392,800
Deferred charges	177,386
Nondepreciable capital assets	24,461,290
Depreciable capital assets, net	<u>18,631,067</u>
<b>Total assets</b>	<u>58,092,131</u>
<b>Liabilities:</b>	
Accounts payable	107,739
Contracts payable	714,107
Accrued wages and benefits	1,660,473
Due to other governments	7,046
Pension obligation payable	437,533
Interest payable	79,086
Deferred revenue	7,253,951
Noncurrent liabilities:	
Due within one year	839,268
Due within more than one year	<u>24,716,687</u>
<b>Total liabilities</b>	<u>35,815,890</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	19,492,357
Restricted for:	
Capital projects	1,831,540
Other purposes	630,479
Unrestricted	<u>321,865</u>
<b>Total net assets</b>	<u>\$ 22,276,241</u>

See accompanying notes to the basic financial statements.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Activities  
Year Ended June 30, 2005

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$ 8,836,363	157,486	141,275	23,940	\$ (8,513,662)
Special education	1,386,822	-	345,522	-	(1,041,300)
Adult/continuing	3,987	24,689	-	-	20,702
Other	251,650	-	-	-	(251,650)
Support services:					
Pupil	770,183	-	8,242	-	(761,941)
Instructional staff	816,001	-	557,028	-	(258,973)
Board of Education	74,268	-	-	-	(74,268)
Administration	1,653,472	-	2,612	-	(1,650,860)
Fiscal	496,548	-	-	-	(496,548)
Operation and maintenance of plant					
	1,721,084	-	-	-	(1,721,084)
Pupil transportation					
	1,506,050	-	-	-	(1,506,050)
Central					
	17,620	-	-	-	(17,620)
Non-instructional services:					
Extracurricular activities	722,467	482,901	-	-	(239,566)
Community service	185,543	-	148,246	-	(37,297)
Food service	819,760	658,197	177,614	-	16,051
Interest on long-term debt	997,146	-	-	-	(997,146)
<b>Total Governmental Activities</b>	<b>20,258,964</b>	<b>1,323,273</b>	<b>1,380,539</b>	<b>23,940</b>	<b>(17,531,212)</b>
<b>General Revenues:</b>					
Property taxes, levied for general purposes					6,031,701
Property taxes, levied for debt services					1,674,219
Grants and entitlements not restricted to specific programs					10,579,473
Investment earnings					257,276
Miscellaneous					186,475
<b>Total general revenues</b>					<b>18,729,144</b>
Change in net assets					1,197,932
Net assets beginning of year, restated					21,078,309
Net assets end of year					\$ <b>22,276,241</b>

See accompanying notes to the basic financial statements.

# ROSS LOCAL SCHOOL DISTRICT, OHIO

Balance Sheet  
 Governmental Funds  
 June 30, 2005

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 2,887,308	568,262	2,534,302	426,337	6,416,209
Restricted cash	392,800	-	-	-	392,800
Receivables:					
Taxes	6,217,751	1,648,309	-	-	7,866,060
Intergovernmental	-	-	-	88,390	88,390
Accounts	14,158	-	-	151	14,309
Interest	18,127	-	12,080	17	30,224
Interfund receivable	58,647	-	-	-	58,647
Prepays	740	-	-	-	740
Supplies inventory	3,220	-	-	10,436	13,656
<b>Total assets</b>	<u>9,592,751</u>	<u>2,216,571</u>	<u>2,546,382</u>	<u>525,331</u>	<u>14,881,035</u>
<b>Liabilities:</b>					
Accounts payable	38,487	-	383	68,869	107,739
Contracts payable	-	-	714,107	-	714,107
Accrued wages and benefits	1,557,521	-	-	102,952	1,660,473
Pension obligation payable	393,032	-	-	44,501	437,533
Compensated absences payable	47,401	-	-	-	47,401
Due to other governments	6,651	-	-	395	7,046
Interfund payable	-	-	-	58,647	58,647
Deferred revenue	6,059,444	1,604,232	352	2,931	7,666,959
<b>Total liabilities</b>	<u>8,102,536</u>	<u>1,604,232</u>	<u>714,842</u>	<u>278,295</u>	<u>10,699,905</u>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	489,127	-	1,760,744	86,916	2,336,787
Budget stabilization	392,800	-	-	-	392,800
Property taxes	160,057	44,077	-	-	204,134
Prepays	740	-	-	-	740
Supplies inventory	3,220	-	-	10,436	13,656
Unreserved, reported in:					
General Fund	444,271	-	-	-	444,271
Special Revenue Funds	-	-	-	149,684	149,684
Debt Service Fund	-	568,262	-	-	568,262
Capital Projects Funds	-	-	70,796	-	70,796
<b>Total fund balances</b>	<u>1,490,215</u>	<u>612,339</u>	<u>1,831,540</u>	<u>247,036</u>	<u>4,181,130</u>
<b>Total liabilities and fund balances</b>	<u>\$ 9,592,751</u>	<u>2,216,571</u>	<u>2,546,382</u>	<u>525,331</u>	<u>14,881,035</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2005

<b>Total Governmental Fund Balances</b>		<b>\$ 4,181,130</b>
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.		177,386
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		413,008
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		43,092,357
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	(832,085)	
Interest payable	(79,086)	
Bonds payable	(23,600,000)	
Discount on bond issue	157,531	
Lease-purchase agreements	<u>(1,234,000)</u>	
Total		<u>(25,587,640)</u>
 Net Assets of Governmental Activities		 <b>\$ <u>22,276,241</u></b>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2005

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 6,127,899	1,587,995	-	-	7,715,893
Tuition and fees	24,689	-	-	-	24,689
Interest	86,392	-	179,879	1,179	267,450
Extracurricular	-	-	-	482,901	482,901
Charges for services	56,336	-	-	759,347	815,683
Intergovernmental	10,573,973	195,585	-	1,211,463	11,981,021
Other local revenues	120,966	-	20,913	47,825	189,704
<b>Total revenues</b>	<u>16,990,255</u>	<u>1,783,580</u>	<u>200,792</u>	<u>2,502,715</u>	<u>21,477,342</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	8,446,621	-	92,737	405,209	8,944,567
Special education	1,144,906	-	-	241,434	1,386,340
Vocational education	3,987	-	-	-	3,987
Other instruction	251,650	-	-	-	251,650
<b>Support services:</b>					
Pupil	668,143	-	-	109,981	778,124
Instructional staff	578,164	-	-	239,341	817,505
Board of Education	14,896	-	-	-	14,896
Administration	1,640,262	1,993	-	34,796	1,677,051
Fiscal	491,827	10,885	-	-	502,712
Operation and maintenance of plant	1,360,566	-	-	-	1,360,566
Pupil transportation	1,352,560	-	-	-	1,352,560
Central	-	-	-	12,000	12,000
<b>Non-instructional services:</b>					
Extracurricular activities	292,390	-	-	372,010	664,400
Community service	-	-	12,660	177,702	190,362
Other operating	59,372	-	-	3,315	62,687
Food service	-	-	-	819,760	819,760
Capital outlay	98,449	-	15,899,074	-	15,997,523
<b>Debt Service:</b>					
Principal	114,000	700,000	-	-	814,000
Interest and fiscal charges	56,248	954,298	-	-	1,010,546
<b>Total expenditures</b>	<u>16,574,041</u>	<u>1,667,176</u>	<u>16,004,471</u>	<u>2,415,548</u>	<u>36,661,236</u>
<b>Net change in fund balance</b>	416,214	116,404	(15,803,679)	87,167	(15,183,894)
Fund balance, beginning of year	1,074,001	495,935	17,635,219	159,869	19,365,024
Fund balance, end of year	\$ <u>1,490,215</u>	<u>612,339</u>	<u>1,831,540</u>	<u>247,036</u>	<u>4,181,130</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended June 30, 2005

Net Change in Fund Balances - Total Governmental Funds	\$	(15,183,894)
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		16,113,441
Depreciation expense		(731,288)
Amortization of bond issuance costs is an other financing use in the governmental funds. However, the deferred costs are an asset on the statement of net assets and are amortized over the life of the bonds.		
		(7,391)
The underwriter's discount from the sale of bonds is an other financing use in the governmental funds, but the discount is included as a long-term liability in the statement of net assets		
		(6,564)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets		
		814,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		27,355
Some expenses reported in the statement of activities, such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		218,212
In the statement of activities, only the loss on the sale of capital assets is reported current financial resources are not reported as revenues in the funds.		
		(28,722)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		
		<u>(17,217)</u>
Change in Net Assets of Governmental Activities	\$	<u>1,197,932</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Net Assets

Fiduciary Funds

June 30, 2005

		Private- Purpose Trust	Agency Funds
<b>ASSETS</b>			
Equity in pooled cash and investments	\$	<u>2,025</u>	<u>51,620</u>
Total assets		<u><u>2,025</u></u>	<u><u>51,620</u></u>
<b>LIABILITIES</b>			
Due to student groups		<u>-</u>	<u>51,620</u>
Total liabilities		<u>-</u>	<u>51,620</u>
<b>NET ASSETS</b>			
Held in trust	\$	<u><u>2,025</u></u>	<u><u>-</u></u>

See accompanying notes to the basic financial statements.

# ROSS LOCAL SCHOOL DISTRICT, OHIO

Statement of Changes in Net Assets

Fiduciary Funds

Year Ended June 30, 2005

		<u>Private- Purpose Trust</u>
<b>Additions:</b>		
Interest	\$	<u>9</u>
Total additions		<u>9</u>
<b>Deductions:</b>		
Community service		<u>100</u>
		<u>100</u>
Change in net assets		(91)
Net assets, beginning of year		<u>2,116</u>
Net assets, end of year	\$	<u><u>2,025</u></u>

See accompanying notes to the basic financial statements.



ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

**NOTE 1-DESCRIPTION OF THE DISTRICT**

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

**NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Ross Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity**

The financial reporting entity is composed of the school district (primary government). The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. Potential component units were reviewed for possible inclusion in the financial statements. Component units are legally separate organizations for which the District would be financially accountable. The District would be financially accountable for an organization if the District appointed a voting majority of the organization's governing board and (1) the District was able to significantly influence the programs or services performed or provided by the organization; or (2) the District was legally entitled to or can otherwise access the organization's resources; the District was legally obligated or had otherwise assumed the responsibility to finance the deficits of or provided financial support to, the organization; or the District was obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. There were no component units included in the reporting entity.

Jointly Governed Organization: The District participates in two jointly governed organizations. These jointly governed organizations are described in Note 13.

**B. Basis of Presentation**

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

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

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

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

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

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

### **C. Fund Accounting**

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

#### **Governmental Funds**

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

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

The following are the District's major governmental funds:

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

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

Capital Projects Fund - This fund is used to account for the financial resources to be used for the acquisition or construction of major capital assets or facilities, as required by Chapter 5705 of the Ohio Revised Code.

Fiduciary Funds

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

**D. Basis of Accounting**

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

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

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

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

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the fiscal year in which use is first permitted, matching requirements, in which the District must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

*Deferred Revenue* – Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2005 that are intended to finance fiscal year 2006 operations have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**E. Cash and Investments**

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During fiscal year 2005, the District's investments were limited to US Treasury notes, US Agency securities and the State Treasury Assets Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2005

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value are reported in the operations statements. The District recorded investments held at June 30, 2005 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.

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

**F. Restricted Assets**

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

**G. Inventories**

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

**H. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements but are not reported in the governmental fund financial statements. The District defines capital assets as those with an individual cost of more than \$500 and an estimated useful life in excess of one year. All capital assets are reported at cost or estimated historical cost. Donated capital assets are stated at their estimated fair value when received. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

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

**I. Compensated Absences**

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

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

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. Interfund Transactions**

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

**L. Net Assets**

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

**M. Fund Balance Reserves**

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

**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.

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

**NOTE 3-CHANGE IN ACCOUNTING PRINCIPLE/PRIOR PERIOD ADJUSTMENTS**

The School District has implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures* which addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk and outlines disclosure requirements.

The School District has implemented GASB Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers*. The Technical Bulletin clarifies the amount that should be recognized as an expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple employer pension and other postemployment benefit plans. The implementation of GASB Technical Bulletin 2004-2 had the following effect on fund balances previously reported:

Two prior period adjustments are necessary to correct errors in the June 30, 2004 financial statements. First, lease-purchase proceeds of \$916,000 were recognized as a liability but the corresponding cash held by fiscal agent was not recorded. An adjustment is also needed to capitalize construction in progress in the amount of \$1,646,033 which was expensed in the prior year. The following is the effect on net assets of governmental activities.

Governmental activities net assets - June 30, 2004	\$	18,516,276
Correction of capital assets		1,646,033
Correction of lease-purchase		916,000
		21,078,309
Governmental activities net assets - June 30, 2004, restated	\$	21,078,309

The following is the effect on fund balances of governmental funds.

		General <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor Governmental <u>Funds</u>
Fund balance at June 30, 2004 as previously reported	\$	1,175,248	16,719,219	176,072
Correction of lease-purchase		-	916,000	-
Implementation of GASB Technical Bulletin 2004-2		(101,247)	-	(16,203)
Fund balance at June 30, 2004, restated	\$	1,074,001	17,635,219	159,869

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

**NOTE 4-DEFICIT FUND BALANCES**

At June 30, 2005, the following funds had a deficit fund balance:

Summer School Subsidy	\$38,927
Title I	\$1,117
Food Service	\$29,875

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

**NOTE 5-EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

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

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

Inactive Deposits - Those monies not required for use within the current two-year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories or as savings or deposit accounts, including, but not limited to, passbook accounts.

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

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.



ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

Ohio law permits interim monies to be invested or deposited in the following securities:

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptances and commercial paper notes for a period not to exceed 180 days from the date of purchase in an amount not to exceed 25 percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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.

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

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, \$6,803,377 of the School District's bank balance of \$6,903,377 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, 2005 are as summarized as follows:

	Fair Value	Average Maturity (Years)
U.S. Agency Securities	\$ 4,014,240	0.49
U.S. Money Market Funds	644,905	n/a
	\$ 4,659,145	

*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 U.S. Agency Securities were rated AAA by Standard & Poor's and Aaa by Moody's. The School District's investments in the U.S. Money Market Funds were rated AAA by Standard & Poor's.

*Custodial Credit Risk*

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

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

*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.

**NOTE 6-PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true 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. Tangible personal property taxes paid 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. The District receives property taxes from Butler County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2005 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2005. 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 Debt Service Fund at June 30, 2005 were \$160,057 and \$44,077, respectively.

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

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

	<u>2004 Second- Half Collections</u>		<u>2005 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 275,664,300	93.69%	262,910,140	93.50%
Tangible Personal Property	<u>18,576,999</u>	6.31%	<u>18,291,389</u>	6.50%
Total Assessed Value	\$ <u>294,241,299</u>	100.00%	<u>281,201,529</u>	100.00%
Tax rate per \$1,000 of assessed valuation	\$51.98		\$51.98	

**NOTE 7-CAPITAL ASSETS**

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

	<u>Balance 07/01/04</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 06/30/05</u>
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,267,681	-	-	1,267,681
Construction in progress	7,786,717	15,972,069	(565,177)	23,193,609
Subtotal	<u>9,054,398</u>	<u>15,972,069</u>	<u>(565,177)</u>	<u>24,461,290</u>
<b>Depreciable:</b>				
Land improvements	1,403,088	-	-	1,403,088
Buildings and improvements	24,122,396	566,118	-	24,688,514
Furniture and equipment	5,673,235	140,431	(53,597)	5,760,069
Subtotal	<u>31,198,719</u>	<u>706,549</u>	<u>(53,597)</u>	<u>31,851,671</u>
Totals at historical cost	<u>40,253,117</u>	<u>16,678,618</u>	<u>(618,774)</u>	<u>56,312,961</u>
Less accumulated depreciation:				
Land improvements	1,044,240	75,577	-	1,119,817
Buildings and improvements	8,315,510	190,247	-	8,505,757
Furniture and equipment	3,161,707	465,464	(32,141)	3,595,030
Total accumulated depreciation	<u>12,521,457</u>	<u>731,288</u>	<u>(32,141)</u>	<u>13,220,604</u>
Capital assets, net	\$ <u>27,731,660</u>	<u>15,947,330</u>	<u>(586,633)</u>	<u>43,092,357</u>

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

Depreciation expense was charged as follows:

Instruction:	
Regular	\$ 191,236
Special	8,788
Support services:	
Pupil	617
Instructional staff	1,713
School administration	14,796
Fiscal	3,282
Operation and maintenance of plant	233,369
Pupil transportation	162,987
Central	5,620
Community service	13,998
Extracurricular activities	94,881
Total depreciation expense	\$ 731,288

**NOTE 8-LONG-TERM OBLIGATIONS**

Long-Term Obligations – The changes in the District’s long-term obligations during fiscal year 2005 were as follows:

	Principal Outstanding 07/01/04	Additions	Reductions	Principal Outstanding 06/30/05	Amounts Due in One Year
<i>Governmental Activities:</i>					
School Improvement Bonds	\$ 24,300,000	-	(700,000)	23,600,000	735,000
Discount on Issue	(164,095)	-	6,564	(157,531)	(6,564)
Bus and Copier Lease	97,000	-	(73,000)	24,000	12,488
Equipment Lease	1,251,000	-	(41,000)	1,210,000	43,000
STRS Early Retirement Incentive	51,398	-	(8,619)	42,779	21,390
Compensated Absences Liability	991,765	836,707	(991,765)	836,707	33,954
Total	\$ 26,527,068	836,707	(1,807,820)	25,555,955	839,268

The school improvement bonds consist of \$23,540,000 Current Interest Serial Bonds dated March 15, 2003 and \$760,000 Capital Appreciation Bonds dated March 19, 2003. The Current Interest Serial Bonds pay interest from 1.5% to 5.0% and mature from fiscal years 2004 through 2016 and from fiscal years 2019 through 2025 and 2029. The Capital Appreciation Bonds pay interest at 5.0% and mature in fiscal years 2017 through 2018.

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

A summary of the District's future annual service requirements to maturity for these bonds is as follows:

Fiscal Year Ending June 30,	Principal Due	Interest Due	Total FY Payments
2006	\$ 735,000	354,000	1,089,000
2007	780,000	457,300	1,237,300
2008	840,000	552,125	1,392,125
2009	585,000	509,880	1,094,880
2010	635,000	578,480	1,213,480
2011-2015	3,770,000	700,875	4,470,875
2016-2020	3,185,000	731,475	3,916,475
2021-2025	6,035,000	627,360	6,662,360
2026-2029	7,035,000	8,090,250	15,125,250
Total	\$ <u>23,600,000</u>	<u>12,601,745</u>	<u>36,201,745</u>

During fiscal year 2003, the District entered into a lease agreement for the acquisition of buses and copiers. During fiscal year 2004, the District entered into a lease agreement for acquisition of equipment and improvements related to the construction of the new high school. Both leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Therefore, these lease agreements have been recorded at the present value of the future minimum lease payments as of the date of inception.

Compensated absences are generally liquidated from the fund from which the employee is paid.

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, 2005:

Year Ending <u>June 30</u>	
2006	\$ 106,610
2007	105,794
2008	92,447
2009	92,545
2010	92,560
2011	<u>1,023,490</u>
Total Future Minimum Lease Payments	1,513,446
Less: Amount Representing Interest	<u>279,446</u>
Present Value of Future Minimum Lease Payments	\$ <u>1,234,000</u>

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

**NOTE 9-INTERFUND TRANSACTIONS**

On the fund financial statements, the General Fund has a receivable of \$58,647 that consists of \$58,647 due from non-major governmental funds. These interfund loans were made to provide operating capital.

**NOTE 10-EARLY RETIREMENT INCENTIVE PROGRAM**

During fiscal year 2005, the District participated in the State Teacher Retirement System Early Retirement Incentive program for certificated staff. During fiscal year 2005, four teachers were eligible to participate, but none were eligible to retire. The District purchased two years of service credit for eligible certificated employees in fiscal 2005. 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 2006 and 2007 totaled \$21,390 and 21,389 respectively.

**NOTE 11-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 12-EMPLOYEE RETIREMENT SYSTEMS**

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

SCHOOL EMPLOYEES RETIREMENT SYSTEM

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

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate, which is currently 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 District's required contributions to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$303,914, \$367,999 and \$345,667 respectively; 50% has been contributed for 2005 and 100% for fiscal years 2004 and 2003.

#### STATE TEACHERS RETIREMENT SYSTEM

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance, based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.55% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DB and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2005, 2004, and 2003 were \$1,370,965, \$1,133,458, and \$1,072,311 respectively; 81% has been contributed for 2005 and 100% for fiscal years 2004 and 2003. The unpaid contribution for fiscal year 2005 is recorded as a liability within the respective funds.



ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

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

POSTEMPLOYMENT BENEFITS

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

STRS has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. For the year ended June 30, 2005, the board allocated employer contributions equal to 1.00% of covered payroll to the Health Care Reserve Fund. For the School District, this amount was approximately \$98,000 during fiscal year 2005. STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.100 billion at June 30, 2004. For the year ended June 30, 2004, net health care costs paid by STRS were \$268.7 million and STRS had 111,853 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For this fiscal year, employer contributions to fund health care benefits were 4.91% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established at \$14,500. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care for the year ended June 30, 2004 were \$223.4 million and the target level was \$335.2 million. At June 30, 2004, SERS' net assets available for payment of health care benefits was \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits. For the School District, this amount to fund health care benefits, including the surcharge, was approximately \$107,000 during the 2005 fiscal year.

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

**NOTE 13-JOINTLY GOVERNED ORGANIZATION**

SOUTHWEST OHIO COMPUTER ASSOCIATION

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

BUTLER COUNTY TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

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

**NOTE 14-RISK MANAGEMENT**

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

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

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

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

**NOTE 15-CONTINGENCIES**

**A. LITIGATION**

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

**B. FEDERAL AND STATE GRANTS**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2005.

**NOTE 16-STATE SCHOOL FUNDING DECISION**

On December 11, 2002, the Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding system is unconstitutional. The Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

**NOTE 17-STATUTORY RESERVES**

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

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

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2004	\$ (234,850)	-	392,800
Current year set-aside requirement	349,128	349,128	-
Less qualifying disbursements	(314,175)	(17,132,556)	-
Set-aside balance as of June 30, 2005	<u>\$ (199,897)</u>	<u>(16,783,428)</u>	<u>392,800</u>

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2005

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

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

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## Required Supplementary Information

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**ROSS LOCAL SCHOOL DISTRICT**

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

General Fund

Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Taxes	5,700,000	5,933,241	5,933,241	-
Tuition and fees	15,000	24,339	24,339	-
Interest	80,000	65,800	65,800	-
Intergovernmental	8,635,000	10,573,973	10,573,973	-
Other local revenues	269,800	90,727	90,727	-
<b>Total revenues</b>	<u>14,699,800</u>	<u>16,688,080</u>	<u>16,688,080</u>	<u>-</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	5,906,825	8,402,838	8,402,838	-
Special education	844,200	1,166,071	1,166,071	-
Other instruction	223,400	365,392	365,392	-
<b>Support services:</b>				
Pupil	404,940	671,350	671,350	-
Instructional staff	526,333	577,774	577,774	-
Board of Education	23,150	24,156	24,156	-
Administration	1,296,960	1,623,617	1,623,617	-
Fiscal	403,600	488,879	488,879	-
Operation and maintenance of plant	1,001,200	1,438,778	1,438,778	-
Pupil transportation	1,133,880	1,398,224	1,398,224	-
Extracurricular activities	287,140	301,069	301,069	-
Capital outlay	50,000	313,880	313,880	-
Repayment of debt	77,100	170,248	170,248	-
<b>Total expenditures</b>	<u>12,178,728</u>	<u>16,942,277</u>	<u>16,942,276</u>	<u>-</u>
Excess of revenues over expenditures	2,521,072	(254,197)	(254,196)	-
<b>Other financing sources (uses):</b>				
Transfers in	-	97,269	97,269	-
Advances in	-	82,500	82,500	-
Refund of prior year expenditures	-	23,889	23,889	-
Transfers out	-	(97,269)	(97,269)	-
Advances out	(40,000)	(141,147)	(141,147)	-
<b>Total other financing sources (uses):</b>	<u>(40,000)</u>	<u>(34,758)</u>	<u>(34,758)</u>	<u>-</u>
Net change in fund balance	2,481,072	(288,955)	(288,954)	-
Fund balance, beginning of year	2,560,558	2,560,558	2,560,558	
Prior year encumbrances appropriated	395,130	395,130	395,130	
Fund balance, end of year	<u>5,436,760</u>	<u>2,666,733</u>	<u>2,666,734</u>	

See accompanying notes to required supplemental information.

**NOTE A-BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

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

Change in Fund Balance (GAAP Basis)	\$	416,214
Increase/(Decrease)		
Due to revenues		(302,175)
Due to expenditures		159,108
Due to other financing uses		(34,758)
Due to encumbrances		<u>(527,343)</u>
Change in fund balance (Budgetary Basis)	\$	<u>(288,954)</u>



Supplemental Section:  
Combining Statements and  
Individual Fund Schedules

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## **Non-Major Governmental Funds**

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

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

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

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

#### **Other Grant Fund**

This fund accounts for various local grants

#### **Athletic Fund**

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

#### **Auxiliary Service Fund**

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

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

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

#### **Management Information Systems**

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

#### **ONENet**

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

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

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

#### **Ohio Reads Grant**

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

**Summer School Subsidy**

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

**Miscellaneous State Grants**

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

**Title VI-B**

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

**Title I**

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

**Title VI**

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

**Drug Free School Grant**

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

**Title VI-B Preschool**

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

**Class Size Reduction Grant**

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

**Miscellaneous Federal Grants**

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

**Special Revenue Fund**

This fund accounts for various local grants and contributions.

**Food Service**

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

**Uniform School Supplies**

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

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

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

### **IVDL Grant Fund**

This fund accounts for state grants for capital assets.

## **Major Governmental Funds**

### **Major Governmental Funds**

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

### **Debt Service Fund**

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

### **Capital Projects Fund**

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

# ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects IVDL Grant Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and equity in pooled cash and investments	\$ 425,386	951	426,337
Net receivables:			
Accounts	151	-	151
Interest	17	-	17
Intergovernmental	88,390	-	88,390
Supplies and inventory	10,436	-	10,436
<b>Total assets</b>	<u>524,380</u>	<u>951</u>	<u>525,331</u>
<b>Liabilities:</b>			
Accounts payable	68,813	56	68,869
Accrued wages and benefits	102,952	-	102,952
Due to other governments	395	-	395
Interfund payable	58,647	-	58,647
Deferred revenue	2,931	-	2,931
Pension obligation payable	44,501	-	44,501
<b>Total liabilities</b>	<u>278,239</u>	<u>56</u>	<u>278,295</u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	86,021	895	86,916
Supplies inventory	10,436	-	10,436
Unreserved, reported in:			
Special Revenue Funds	149,684	-	149,684
<b>Total fund balances</b>	<u>246,141</u>	<u>895</u>	<u>247,036</u>
<b>Total liabilities and fund balances</b>	<u>\$ 524,380</u>	<u>951</u>	<u>525,331</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

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

Nonmajor Governmental Funds

Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects IVDL Grant Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Extracurricular	482,901	-	482,901
Charges for services	\$ 759,347	-	759,347
Interest	1,179	-	1,179
Intergovernmental	1,187,523	23,940	1,211,463
Other Local Revenues	47,825	-	47,825
<b>Total revenues</b>	<u>2,478,775</u>	<u>23,940</u>	<u>2,502,715</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	382,164	23,045	405,209
Special	241,434	-	241,434
Support services:			
Pupil	109,981	-	109,981
Instructional staff	239,341	-	239,341
School administration	34,796	-	34,796
Central	12,000	-	12,000
Community services	177,702	-	177,702
Extracurricular activities	372,010	-	372,010
Other operating	3,315	-	3,315
Food services	819,760	-	819,760
<b>Total expenditures</b>	<u>2,392,503</u>	<u>23,045</u>	<u>2,415,548</u>
Net change in fund balances	86,272	895	87,167
Fund balance, beginning of year	159,869	-	159,869
Fund balance, end of year	\$ <u>246,141</u>	<u>895</u>	<u>247,036</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2005

	<u>Public School Support</u>	<u>Other Local Grant</u>	<u>Athletic</u>	<u>Auxiliary Service</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 51,130	650	92,976	55,894
Net receivables:				
Accounts	-	-	56	-
Interest	-	-	-	-
Intergovernmental	-	-	-	-
Supplies and inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>51,130</u>	<u>650</u>	<u>93,032</u>	<u>55,894</u>
<b>Liabilities:</b>				
Accounts payable	412	140	1,442	14,358
Accrued wages and benefits	-	-	-	14,816
Due to other governments	-	-	-	-
Interfund Payable	-	-	-	-
Deferred Revenue	-	-	-	-
Pension obligation payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,127</u>
<b>Total liabilities</b>	<u>412</u>	<u>140</u>	<u>1,442</u>	<u>32,301</u>
<b>Fund Balances:</b>				
Fund Balances				
Reserved for:				
Encumbrances	6,938	0	24,122	24,488
Supplies inventory	-	-	-	-
Unreserved-undesignated	<u>43,780</u>	<u>510</u>	<u>67,468</u>	<u>(895)</u>
<b>Total fund balances</b>	<u>50,718</u>	<u>510</u>	<u>91,590</u>	<u>23,593</u>
<b>Total liabilities and fund balances</b>	<u>\$ 51,130</u>	<u>650</u>	<u>93,032</u>	<u>55,894</u>



<u>Entry Year</u> <u>Teaching</u> <u>Program</u>	<u>Management</u> <u>Information</u> <u>Systems</u>	<u>ONENet</u>	<u>SchoolNet</u> <u>Professional</u> <u>Development</u>	<u>Ohio</u> <u>Reads</u> <u>Grant</u>	<u>Summer</u> <u>School</u> <u>Subsidy</u>	<u>Misc</u> <u>State</u> <u>Grants</u>
-	5,157	-	909	2,196	11,099	120
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,157	-	909	2,196	11,099	120
-	-	-	-	330	4,526	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	45,493	-
-	-	-	-	-	0	-
-	-	-	-	-	7	-
-	-	-	-	330	50,026	-
-	47	-	909	1,866	6,573	-
-	-	-	-	-	-	-
-	5,110	-	-	-	(45,500)	120
-	5,157	-	909	1,866	(38,927)	120
-	5,157	-	909	2,196	11,099	120

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2005

	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 55,443	552	-	-
Net receivables:				
Accounts	-	-	-	-
Interest	-	-	-	-
Interest	64,527	-	-	-
Supplies and inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>119,970</u>	<u>552</u>	<u>-</u>	<u>-</u>
<b>Liabilities:</b>				
Accounts payable	45,163	-	-	-
Accrued wages and benefits	32,970	1,578	-	-
Due to other governments	156	-	-	-
Interfund Payable	6,482	-	-	-
Deferred Revenue	0	-	-	-
Pension obligation payable	<u>10,136</u>	<u>91</u>	<u>-</u>	<u>-</u>
<b>Total liabilities</b>	<u>94,907</u>	<u>1,669</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Fund Balances				
Reserved for:				
Encumbrances	10,280	-	-	-
Supplies inventory	-	-	-	-
Unreserved-undesignated	<u>14,783</u>	<u>(1,117)</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u>25,063</u>	<u>(1,117)</u>	<u>-</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 119,970</u>	<u>552</u>	<u>-</u>	<u>-</u>

<u>Title VI-B Preschool</u>	<u>Class Size Reduction Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>TOTAL</u>
300	-	3,747	78,785	35,217	31,211	425,386
-	-	-	-	-	95	151
-	-	-	17	-	-	17
1,056	19,771	3,036	-	-	-	88,390
-	-	-	-	6,554	3,882	10,436
<u>1,356</u>	<u>19,771</u>	<u>6,783</u>	<u>78,802</u>	<u>41,771</u>	<u>35,188</u>	<u>524,380</u>
-	-	780	132	239	1,291	68,813
-	12,083	-	-	41,505	-	102,952
-	-	-	-	239	-	395
300	3,444	2,928	-	-	-	58,647
356	2,487	88	-	-	-	2,931
-	1,477	-	-	29,663	-	44,501
<u>656</u>	<u>19,491</u>	<u>3,796</u>	<u>132</u>	<u>71,646</u>	<u>1,291</u>	<u>278,239</u>
300	-	2,967	1,125	6,406	-	86,021
-	-	-	-	6,554	3,882	10,436
400	280	20	77,545	(42,835)	30,015	149,684
700	280	2,987	78,670	(29,875)	33,897	246,141
<u>1,356</u>	<u>19,771</u>	<u>6,783</u>	<u>78,802</u>	<u>41,771</u>	<u>35,188</u>	<u>524,380</u>

# ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

All Nonmajor Special Revenue Funds

Year Ended June 30, 2005

	Public School Support	Other Local Grant	Athletic	Auxiliary Service
<b>Revenues:</b>				
Extracurricular activities	\$ 99,390	-	383,511	-
Charges for services	-	-	-	-
Interest	-	-	-	409
Intergovernmental	-	-	-	136,246
Other local revenues	-	7,715	-	-
<b>Total revenues</b>	<u>99,390</u>	<u>7,715</u>	<u>383,511</u>	<u>136,655</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	66,376	6,995	-	-
Special	-	210	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
School administration	-	-	-	-
Central	-	-	-	-
Community services	-	-	-	129,580
Extracurricular activities	-	-	372,010	-
Other operating	-	-	-	-
Food services	-	-	-	-
<b>Total expenditures</b>	<u>66,376</u>	<u>7,205</u>	<u>372,010</u>	<u>129,580</u>
Net change in fund balances	33,014	510	11,501	7,075
Fund balance, beginning of year	<u>17,704</u>	<u>-</u>	<u>80,089</u>	<u>16,518</u>
Fund balance, end of year	<u>\$ 50,718</u>	<u>510</u>	<u>91,590</u>	<u>23,593</u>

<u>Entry Year Teaching Program</u>	<u>Management Information Systems</u>	<u>ONENet</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads Grant</u>	<u>Summer School Subsidy</u>	<u>Misc. State Grants</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,500	7,987	12,000	4,140	14,500	25,979	2,612
-	-	-	-	-	-	-
<u>5,500</u>	<u>7,987</u>	<u>12,000</u>	<u>4,140</u>	<u>14,500</u>	<u>25,979</u>	<u>2,612</u>
5,500	-	-	-	15,376	59,410	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7,168	-	3,231	-	3,567	-
-	-	-	-	-	-	2,612
-	-	12,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	3,315	-
-	-	-	-	-	-	-
<u>5,500</u>	<u>7,168</u>	<u>12,000</u>	<u>3,231</u>	<u>15,376</u>	<u>66,292</u>	<u>2,612</u>
-	819	-	909	(876)	(40,313)	-
-	4,338	-	-	2,742	1,386	120
<u>-</u>	<u>5,157</u>	<u>-</u>	<u>909</u>	<u>1,866</u>	<u>(38,927)</u>	<u>120</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Nonmajor Special Revenue Funds  
Year Ended June 30, 2003

	<u>Title VIB</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>
<b>Revenues:</b>				
Extracurricular activities	\$ -	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Intergovernmental	532,951	143,273	11,950	8,242
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>532,951</u>	<u>143,273</u>	<u>11,950</u>	<u>8,242</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	25,000	-	-	-
Special	128,771	110,221	-	-
Support services:				
Pupil	101,739	-	-	8,242
Instructional staff	202,570	375	9,470	-
School administration	32,184	-	-	-
Central	-	-	-	-
Community services	31,925	2,477	1,040	-
Extracurricular activities	-	-	-	-
Other operating	-	-	-	-
Food services	-	-	-	-
<b>Total expenditures</b>	<u>522,189</u>	<u>113,073</u>	<u>10,510</u>	<u>8,242</u>
Net change in fund balances	10,762	30,200	1,440	-
Fund balance, beginning of year	14,301	(31,317)	(1,440)	-
Fund balance, end of year	<u>\$ 25,063</u>	<u>(1,117)</u>	<u>-</u>	<u>-</u>

<u>Title VI-B Preschool</u>	<u>Class Size Reduction Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>TOTAL</u>
-	-	-	-	-	-	482,901
-	-	-	-	658,197	101,150	759,347
-	-	-	173	597	-	1,179
2,932	98,309	3,288	-	177,614	-	1,187,523
-	-	-	40,110	-	-	47,825
<u>2,932</u>	<u>98,309</u>	<u>3,288</u>	<u>40,283</u>	<u>836,408</u>	<u>101,150</u>	<u>2,478,775</u>
-	86,055	1,092	19,606	-	96,754	382,164
2,232	-	-	-	-	-	241,434
-	-	-	-	-	-	109,981
-	2,987	555	9,418	-	-	239,341
-	-	-	-	-	-	34,796
-	-	-	-	-	-	12,000
-	-	260	13,200	(780)	-	177,702
-	-	-	-	-	-	372,010
-	-	-	-	-	-	3,315
-	-	-	-	819,760	-	819,760
<u>2,232</u>	<u>89,042</u>	<u>1,907</u>	<u>42,224</u>	<u>818,980</u>	<u>96,754</u>	<u>2,392,503</u>
700	9,267	1,381	(1,941)	17,428	4,396	86,272
-	(8,987)	1,606	80,611	(47,303)	29,501	159,869
<u>700</u>	<u>280</u>	<u>2,987</u>	<u>78,670</u>	<u>(29,875)</u>	<u>33,897</u>	<u>246,141</u>

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Public School Support Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2005**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 99,390	99,390	-
Expenditures:			
Current:			
Instruction:			
Regular	137,110	93,238	43,872
Total expenditures	<u>137,110</u>	<u>93,238</u>	<u>43,872</u>
Net change in fund balance	(37,720)	6,152	43,872
Fund balance, beginning of year	24,221	24,221	
Prior year encumbrances appropriated	13,499	13,499	
Fund balance, end of year	<u>\$ -</u>	<u>43,872</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, 2005**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 7,715	7,715	-
Expenditures:			
Current:			
Instruction:			
Regular	6,993	6,993	-
Special	210	210	-
Total expenditures	<u>7,203</u>	<u>7,203</u>	-
Net change in fund balance	512	512	-
Fund balance, beginning of year	-	-	
Prior year encumbrances appropriated	-	-	
Fund balance, end of year	<u>\$ 512</u>	<u>512</u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Athletic Fund Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2005**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 383,511	383,511	-
Expenditures:			
Extracurricular activities	464,180	396,768	67,412
Total expenditures	464,180	396,768	67,412
Net change in fund balance	(80,669)	(13,257)	67,412
Fund balance, beginning of year	80,669	80,669	
Prior year encumbrances appropriated	-	-	
Fund balance, end of year	\$ -	67,412	

**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, 2005**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 136,655	136,655	-
Expenditures:			
Community services	159,475	159,475	-
Total expenditures	159,475	159,475	-
Net change in fund balance	(22,820)	(22,820)	-
Fund balance, beginning of year	25,655	25,655	
Prior year encumbrances appropriated	14,212	14,212	
Fund balance, end of year	\$ 17,047	17,047	

**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, 2005**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 7,987	7,987	-
Expenditures:			
Current:			
Support services:			
Instructional staff	7,786	7,786	-
Total expenditures	7,786	7,786	-
Net change in fund balance	201	201	-
Fund balance, beginning of year	4,908	4,908	
Fund balance, end of year	\$ 5,109	5,109	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Entry Year Teaching Program Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2005**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 5,500	5,500	-
Expenditures:			
Current:			
Instruction:			
Regular	5,500	5,500	-
Total expenditures	5,500	5,500	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 ONENet Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2005

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

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**School Net Professional Development Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2005**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 4,140	4,140	-
Expenditures:			
Current:			
Support services:			
Instructional staff	4,140	4,140	-
Total expenditures	4,140	4,140	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Ohio Reads Volunteer Grant Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 14,500	14,500	-
Expenditures:			
Current:			
Instruction:			
Regular	17,275	17,275	-
Total expenditures	17,275	17,275	-
Net change in fund balance	(2,775)	(2,775)	-
Fund balance, beginning of year	2,775	2,775	
Fund balance, end of year	\$ -	-	



Ross Local School District, Ohio  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Summer School Subsidy Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 25,979	25,979	-
Expenditures:			
Current:			
Instruction:			
Regular	73,171	73,171	-
Supporting Services:			
Insturctional Staff	4,987	4,987	-
Total expenditures	78,158	78,158	-
Excess of revenues over expenditures	(52,179)	(52,179)	-
Other Financing Sources (Uses):			
Advances-In	45,493	45,493	-
Misc. Use of Funds	(3,315)	(3,315)	-
Total other financing sources (uses)	42,178	42,178	-
Net change in fund balance	(10,001)	(10,001)	
Fund balance, beginning of year	10,001	10,001	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Miscellaneous State Grants Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 2,612	2,612	-
Expenditures:			
Current:			
Support services:			
School administration	2,612	2,612	-
Total expenditures	2,612	2,612	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	119	119	
Fund balance, end of year	\$ 119	119	

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, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 468,424	468,424	-
Expenditures:			
Current:			
Instruction:			
Regular	25,000	25,000	
Special	105,756	105,756	-
Support services:			
Pupil	122,929	122,929	-
Instructional staff	197,507	197,507	-
School administration	35,554	35,554	-
Community services	36,358	36,358	-
Total expenditures	523,104	523,104	-
Excess of revenues over expenditures	(54,680)	(54,680)	-
Other Financing Sources (Uses):			
Advances In	7,974	7,974	-
Transfers Out	(1,493)	(1,493)	-
Total other financing sources (uses)	6,481	6,481	
Net change in fund balance	(48,199)	(48,199)	
Fund balance, beginning of year	10,341	10,341	
Prior year encumbrances appropriated	37,858	37,858	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Title I Special Revenue Fund  
For the Fiscal Year Ended June 30, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 143,273	143,273	-
Expenditures:			
Current:			
Instruction:			
Special	141,629	141,629	-
Supporting services			
Instructional staff	375	375	-
Community services	1,762	1,762	-
Total expenditures	143,766	143,766	-
Deficiency of revenues under expenditures	(493)	(493)	-
Other Financing Sources:			
Transfers In	17	17	-
Transfers Out	(17)	(17)	-
	-	-	-
Net change in fund balance	(493)	(493)	
Fund balance, beginning of year	1,044	1,044	
Fund balance, end of year	\$ 551	551	

Ross Local School District, Ohio  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title VI Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 11,950	11,950	-
Expenditures:			
Current:			
Support services:			
Instructional staff	12,385	12,385	-
Community services	1,237	1,237	-
Total expenditures	13,622	13,622	-
Net change in fund balance	(1,672)	(1,672)	-
Fund balance, beginning of year	1,672	1,672	
Fund balance, end of year	\$ -	-	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Drug Free School Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2005**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 8,242	8,242	-
Expenditures:			
Current:			
Support services:			
Pupil	8,242	8,242	-
Total expenditures	8,242	8,242	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title VI-B Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 2,232	2,232	-
Expenditures:			
Current:			
Instruction:			
Special	2,232	2,232	-
Support services:			
Instructional staff	300	300	-
Total expenditures	2,532	2,532	-
Excess of revenues over expenditures	(300)	(300)	-
Other Financing Sources:			
Advances In	300	300	-
Net change in fund balance	-	-	
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Class Size Reduction Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 81,025	81,025	-
Expenditures:			
Current:			
Instruction:			
Regular	83,966	83,966	-
Support services:			
Instructional staff	2,987	2,987	-
Total expenditures	86,953	86,953	-
Excess of revenues over expenditures	(5,928)	(5,928)	-
Other Financing Sources			
Advances - In	3,444	3,444	-
Net change in fund balance	(2,484)	(2,484)	
Fund balance, beginning of year	2,484	2,484	
Fund balance, end of year	\$ -	-	



Ross Local School District, Ohio  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Miscellaneous Federal Grants Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 340	340	-
Expenditures:			
Current:			
Instruction:			
Regular	3,781	3,781	-
Support services:			
Instructional staff	843	843	-
Community services	250	250	-
Total expenditures	4,874	4,874	-
Excess of revenues over expenditures	(4,534)	(4,534)	-
Other Financing Sources (Uses):			
Advances In	3,963	3,963	-
Transfers Out	(1,035)	(1,035)	-
Total other financing sources (uses)	2,928	2,928	-
Net change in fund balance	(1,606)	(1,606)	
Fund balance, beginning of year	1,606	1,606	
Fund balance, end of year	\$ -	-	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2005**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 40,275	40,275	-
Expenditures:			
Current:			
Instruction:			
Regular	47,579	21,211	26,368
Support			
Instructional staff	10,517	9,418	1,099
Community services	65,462	13,300	52,162
Total expenditures	123,558	43,929	79,629
Net change in fund balance	(83,283)	(3,654)	79,629
Fund balance, beginning of year	83,283	83,283	
Fund balance, end of year	\$ -	79,629	

**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, 2005**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 793,822	793,822	-
Expenditures:			
Current:			
Food services	779,039	779,039	-
Total expenditures	779,039	779,039	-
Deficiency of revenues under expenditures	14,783	14,783	-
Other Financing Sources (Uses):			
Advances in	40,000	40,000	-
Advances out	(40,000)	(40,000)	-
Total other financing sources (uses)	-	-	-
Fund balance, beginning of year	13,788	13,788	
Fund balance, end of year	\$ 28,571	28,571	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Uniform School Supply Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2005**

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 101,236	101,236	-
Expenditures:			
Current:			
Supplies and materials	126,781	96,856	29,925
Total expenditures	126,781	96,856	29,925
Excess of revenues over expenditures	(25,545)	4,380	29,925
Other Financing Sources (Uses):			
Advances in	42,500	42,500	-
Advances out	(42,500)	(42,500)	-
Total other financing sources (uses)	-	-	-
Net change in fund balance	(25,545)	4,380	
Fund balance, beginning of year	25,545	25,545	
Fund balance, end of year	\$ -	29,925	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
 Schedule of Revenues, Expenditures and Changes in Fund  
 Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Debt Service Fund  
 Year Ended June 30, 2005

	<u>Budget</u>	<u>Actual</u>	Variance With Budget
<b>Revenues:</b>			
Taxes	\$ 1,524,838	1,524,838	-
Intergovernmental	195,585	195,585	-
<b>Total revenues</b>	<u>1,720,423</u>	<u>1,720,423</u>	-
<b>Expenditures:</b>			
Current:			
Support services:			-
Administration	1,134	1,134	-
Fiscal	10,885	10,885	-
Repayment of debt	<u>1,654,298</u>	<u>1,654,298</u>	-
<b>Total expenditures</b>	<u>1,666,317</u>	<u>1,666,317</u>	-
Net change in fund balance	<u>54,106</u>	<u>54,106</u>	-
Fund balance, beginning of year	<u>495,935</u>	<u>495,935</u>	
Fund balance end of year	\$ <u><u>550,041</u></u>	<u><u>550,041</u></u>	

## ROSS LOCAL SCHOOL DISTRICT, OHIO

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

Capital Projects Fund

Year Ended June 30, 2005

	Budget	Actual	Variance With Budget
<b>Revenues:</b>			
Interest	\$ 163,064	163,064	-
Other local revenues	18,530	18,530	-
<b>Total revenues</b>	<u>181,594</u>	<u>181,594</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	244,593	244,593	-
Community service	12,660	12,660	-
Capital outlay			
Site improvement	53,619	53,619	-
Architecture and engineering	1,014,503	1,014,503	-
Building acquisition and construction	18,387,812	18,387,812	-
Repayment of debt	-	-	-
<b>Total expenditures</b>	<u>19,713,187</u>	<u>19,713,187</u>	<u>-</u>
Excess of revenues over expenditures	(19,531,593)	(19,531,593)	-
<b>Other financing sources (uses):</b>			
Proceeds from the sale of notes	916,000	916,000	-
Refund of prior year expenditures	2,383	2,383	-
<b>Total other financing sources (uses):</b>	<u>918,383</u>	<u>918,383</u>	<u>-</u>
Net change in fund balance	(18,613,210)	(18,613,210)	-
Fund balance, beginning of year	17	17	
Prior year encumbrances appropriated	18,680,513	18,680,513	
Fund balance, end of year	\$ <u><u>67,320</u></u>	<u><u>67,320</u></u>	

**Ross Local School District, Ohio**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**IVDL Grant Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2005**

Approved by the Board of Education  
 on \_\_\_\_\_, 2005

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 23,940	23,940	-
Expenditures:			
Current:			
Instruction:			
Regular	23,940	23,940	-
Total expenditures	23,940	23,940	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ -	-	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Fund

June 30, 2005

		Beginning Balance <u>7/1/2004</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>6/30/2005</u>
<b>Assets:</b>					
Equity in pooled cash and investments	\$	<u>65,859</u>	<u>94,792</u>	<u>109,031</u>	<u>51,620</u>
Total assets		<u><u>65,859</u></u>			<u><u>51,620</u></u>
<b>Liabilities:</b>					
Due to student groups		<u>65,859</u>	<u>94,792</u>	<u>109,031</u>	<u>51,620</u>
Total liabilities	\$	<u><u>65,859</u></u>			<u><u>51,620</u></u>



## Statistical Section

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ROSS LOCAL SCHOOL DISTRICT, OHIO  
GENERAL FUND EXPENDITURES BY FUNCTION  
LAST TEN YEARS

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal
Instruction	9,847,164	10,308,137	9,424,612	8,969,317	8,286,535	7,916,951	7,383,808	7,091,378	6,732,849	6,273,740
Pupil Support	668,143	641,368	554,744	597,526	490,294	499,469	463,760	436,490	421,593	384,024
Instructional Staff	578,164	653,891	677,859	691,682	527,290	515,914	479,804	438,208	397,315	368,209
Board of Education	14,896	16,315	23,077	17,966	20,504	16,278	15,833	27,671	19,934	21,269
Administration	1,640,262	1,447,442	1,541,959	1,694,240	1,320,688	1,264,469	1,177,328	1,211,454	1,171,316	1,013,279
Fiscal	491,827	449,039	416,643	398,545	360,862	343,735	342,863	332,641	340,945	311,252
Operations and maintenance	1,360,566	1,174,988	1,044,205	1,023,005	932,418	906,094	889,695	894,584	866,973	859,493
Pupil Transportation	1,352,560	1,486,143	1,423,347	1,273,387	1,148,335	1,280,670	1,076,996	1,057,198	1,030,003	953,194
Miscellaneous	-	-	-	-	-	-	-	-	851	1,168
Extracurricular activities	292,390	543,336	398,689	334,517	286,933	256,020	242,016	225,832	185,000	176,831
Capital Outlay	98,449	195,583	137,889	139,097	394,120	256,638	136,571	275,383	227,848	14,024
Repayment of Debt	170,248	77,079	-	-	-	-	-	-	-	-
Non-Instructional Services	59,372	-	82,721	-	-	157,105	153,685	44,080	54,592	66,891
Total Expenditures	<u>16,574,041</u>	<u>16,993,320</u>	<u>15,725,745</u>	<u>15,139,282</u>	<u>13,767,979</u>	<u>13,413,343</u>	<u>12,362,359</u>	<u>12,034,919</u>	<u>11,449,219</u>	<u>10,443,374</u>

Source: District records.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**GENERAL FUND REVENUES BY SOURCE**  
**LAST TEN YEARS**

	<u>2005</u> Fiscal	<u>2004</u> Fiscal	<u>2003</u> Fiscal	<u>2002</u> Fiscal	<u>2001</u> Fiscal
Taxes	6,127,899	5,929,378	5,283,108	4,901,079	5,987,162
Tuition	24,689	14,532	6,787	15,240	10,964
Earnings on Investments	86,392	63,928	175,749	120,339	298,465
Other Local Revenues	177,302	127,765	395,299	90,066	131,055
Intergovernmental	<u>10,573,973</u>	<u>9,531,997</u>	<u>9,360,561</u>	<u>8,970,598</u>	<u>8,439,858</u>
Total Revenues	<u>16,990,255</u>	<u>15,667,601</u>	<u>15,221,504</u>	<u>14,097,322</u>	<u>14,867,504</u>

Source: District records.

<u>2000</u> <u>Fiscal</u>	<u>1999</u> <u>Fiscal</u>	<u>1998</u> <u>Fiscal</u>	<u>1997</u> <u>Fiscal</u>	<u>1996</u> <u>Fiscal</u>
5,415,742	5,217,795	5,088,667	5,061,769	4,805,486
17,029	5,961	12,018	7,501	4,875
244,395	197,012	176,073	152,882	79,098
340,176	261,782	230,395	132,050	121,441
<u>7,998,297</u>	<u>7,794,931</u>	<u>7,031,261</u>	<u>6,738,308</u>	<u>6,320,497</u>
<u>14,015,639</u>	<u>13,477,481</u>	<u>12,538,414</u>	<u>12,092,510</u>	<u>11,331,397</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO  
PROPERTY TAX LEVIES AND COLLECTIONS - REAL AND PUBLIC UTILITY PROPERTY  
LAST TEN COLLECTION (CALENDAR) YEARS**

<u>Year</u>	<u>Tax Levied (1)</u>	<u>Current Collection (2)</u>	<u>Percent Collected</u>	<u>Delinquent Collection</u>	<u>Total Tax Collection</u>	<u>Percent of Total Collections to Levy</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes to Tax Levied</u>
2005	\$ 8,519,603	8,084,647	94.89%	360,419	8,445,066	99.13%	407,975	4.79%
2004	7,928,997	7,511,048	94.73%	307,057	7,818,105	98.60%	417,949	5.27%
2003	6,262,051	6,195,706	98.94%	125,756	6,321,462	100.95%	250,755	4.00%
2002	5,768,382	5,722,821	99.21%	155,314	5,878,135	101.90%	302,885	5.25%
2001	5,994,187	5,629,321	93.91%	166,376	5,795,697	96.69%	565,004	9.43%
2000	5,978,841	5,593,400	93.55%	112,471	5,705,871	95.43%	366,514	6.13%
1999	5,505,565	5,401,165	98.10%	167,019	5,568,184	101.14%	93,545	1.70%
1998	5,384,738	5,242,795	97.36%	139,579	5,382,374	99.96%	156,162	2.90%
1997	5,358,931	5,205,129	97.13%	166,919	5,372,048	100.24%	153,800	2.87%
1996	NA	NA	NA	NA	NA	NA	NA	NA

Source: Butler County Auditor.

- (1) Taxes levied and collected are presented on a cash basis.
- (2) State reimbursements of rollback and homestead exemptions are included.
- (3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.
- NA Information not available from the County

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**PROPERTY TAX RATES (PER \$1,000 OF ASSESSED VALUATION)**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN COLLECTION (CALENDAR YEARS)**

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Butler County	8.74	8.75	8.75	8.75	8.75	8.45	8.45	8.44	8.45	8.44
Ross Township	6.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
Butler County Joint Vocational School	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93

Source: Butler County Auditor

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN CALENDAR YEARS (1)**

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005	\$ 262,910,140	751,171,829	8,926,189	35,704,756
2004	275,664,300	733,602,990	9,592,910	38,371,641
2003	244,534,330	698,669,514	9,136,105	36,544,420
2002	217,059,670	620,170,486	9,238,487	36,953,948
2001	211,676,960	604,791,257	8,738,086	34,952,344
2000	207,818,580	593,767,371	7,835,089	31,340,356
1999	173,867,580	496,764,543	7,569,992	30,279,968
1998	169,523,550	484,353,000	6,927,607	27,710,428
1997	166,897,720	476,850,629	6,414,341	25,657,364
1996	NA	NA	NA	NA

Source: Butler County Auditor.

(1) Butler County Auditor property tax records are maintained on a calendar year basis.

NA Information not available from the County



Public Utilities Personal		Total		Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
9,365,200	10,642,273	281,201,529	797,518,858	35.26%
8,984,089	8,393,506	294,241,299	780,368,136	37.71%
8,658,870	7,993,815	262,329,305	743,207,749	35.30%
8,768,710	9,964,443	235,066,867	667,088,877	35.24%
12,015,310	13,653,761	232,430,356	653,397,362	35.57%
12,960,720	14,728,091	228,614,389	639,835,818	35.73%
12,694,070	14,425,080	194,131,642	541,469,591	35.85%
12,679,920	14,409,000	189,131,077	526,472,428	35.92%
13,271,050	15,080,739	186,583,111	517,588,732	36.05%
NA	NA	NA	NA	NA

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2005**

Assessed valuation of District	\$	<u>281,201,529</u>
Voted Debt Limit - 9% of Assessed Value	\$	25,308,138
Amount of Debt Applicable to Debt Limit:		
Net Bonded Debt		<u>23,600,000</u>
Voted Debt Margin	\$	<u>1,708,138</u>
Unvoted Debt Limit - .1% of Assessed Value	\$	281,202
Amount of Debt Applicable to Debt Limit:		<u>-</u>
Unvoted Debt Margin	\$	<u>281,202</u>

Source: County Auditor and School District Records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 0.1% for unvoted debt.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2005**

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Direct:			
Ross Local School District:			
Bonds	\$ <u>23,600,000</u>	100.00%	<u>23,600,000</u>
Total Ross Local School District	\$ <u>23,600,000</u>		<u>23,600,000</u>
Overlapping:			
Butler County	\$ <u>49,320,000</u>	3.98%	<u>1,962,936</u>
Total Overlapping	\$ <u>49,320,000</u>		<u>1,962,936</u>
Total Direct and Overlapping	\$ <u>72,920,000</u>		<u>25,562,936</u>

Source: Butler County Auditor.

Overlapping governments with no outstanding debt are not reflected.

**ROSS LOCAL SCHOOL DISTRICT, OHIO  
CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES  
LAST TEN YEARS**

<b>Year</b>		<b>Property Values (1)</b>	<b>Construction Values (2)</b>	<b>Bank Deposits (3)</b>
2005	\$	281,201,529	7,973,340	737,683,000
2004		294,241,299	3,987,722	1,136,994,000
2003		262,329,305	4,321,500	1,136,994,000
2002		235,066,867	4,308,690	1,136,994,000
2001		222,215,590	2,373,890	1,152,810,000
2000		218,357,230	3,669,590	913,169,000
1999		183,170,020	3,773,570	864,105,000
1998		178,856,290	2,968,200	815,435,000
1997		175,717,540	2,685,244	783,398,000
1996		154,772,930	4,294,130	800,556,000

(1) Source: Butler County Auditor.

(2) Source: Butler County Auditor.

(3) Includes all Butler County deposits. Source: Department of Data Service,  
Federal Reserve Bank of Cleveland.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**PRINCIPAL TAXPAYERS - REAL AND TANGIBLE PERSONAL PROPERTY**  
**JUNE 30, 2005**

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Assessed Value</u>
Butler Rural Electric	\$ 2,056,020	0.70%
Cincinnati Gas & Electric	2,040,400	0.69%
Cincinnati Bell Telephone	1,686,220	0.57%
Daniel Pilarczyk	789,120	0.27%
Carl J. Hesselbrock	600,610	0.20%
Ross Trall Inc.	558,140	0.19%
Mae Real Estate LLC	551,120	0.19%
Betty Barnes Henshaw ETAL	452,980	0.15%
Dayton Power & Light	436,180	0.15%
Thomas Wilkerson	412,520	0.14%

Source: Butler County Auditor.

**ROSS LOCAL SCHOOL DISTRICT, OHIO  
GENERAL FUND EXPENDITURES,  
AVERAGE DAILY MEMBERSHIP AND  
GENERAL COST PER PUPIL  
LAST TEN FISCAL YEARS**

Fiscal Year		General Fund Expenditures (1)	Average Daily Membership	General Fund Cost per Pupil (2)
2005	\$	16,414,931	2,705	6,068
2004		16,993,320	2,593	6,554
2003		15,725,745	2,557	6,150
2002		15,530,600	2,546	6,100
2001		14,942,304	2,456	6,084
2000		14,350,931	2,479	5,789
1999		14,277,816	2,646	5,396
1998		13,867,150	2,654	5,225
1997		13,082,594	2,693	4,858
1996		11,383,218	2,709	4,202

Source: District records.

(1) Expenditures on Cash Basis, including other financing uses with the exception of advances and transfers out.

(2) Certified by the Ohio Department of Education.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**COST TO EDUCATE A 2005 GRADUATE**  
**ROSS LOCAL SCHOOL DISTRICT VS. STATE OF OHIO AVERAGE**  
**(1992 - 2005)**

<u>Fiscal Year</u>	<u>Grade</u>	<u>Ross Local School District Annual Per Pupil Cost</u>	<u>State of Ohio Average Cost Per Pupil</u>	<u>Comparison to State Average Cost</u>
2005	12	6,068	9,028	(2,960)
2004	11	6,554	7,682	(1,128)
2003	10	6,150	7,483	(1,333)
2002	9	6,100	7,052	(952)
2001	8	6,084	6,602	(518)
2000	7	5,789	6,176	(387)
1999	6	5,396	5,788	(392)
1998	5	5,225	5,113	112
1997	4	4,858	4,915	(57)
1996	3	4,202	4,758	(556)
1995	2	4,236	4,640	(404)
1994	1	4,143	4,437	(294)
1993	KDG(1)	4,194	4,254	(60)
1992		<u>3,729</u>	<u>4,159</u>	<u>(430)</u>
		<u>53,956</u>	<u>57,894</u>	<u>(3,938)</u>

Source: District records.

Annual cost per pupil is General Fund, on cash basis

(1) Annual per pupil cost for Kindergarten is one half annual per pupil cost.

**ROSS LOCAL SCHOOL DISTRICT, OHIO  
STUDENT DEMOGRAPHIC INFORMATION  
LAST TEN YEARS**

<u>School Year</u>	<u>Enrollment</u>	<u>Minority Percent</u>	<u>ADC Percent</u>	<u>Attendance Rate</u>
2004-2005	2,705	1.50%	3.20%	96.80%
2003-2004	2,593	1.00%	3.50%	96.50%
2002-2003	2,557	1.01%	3.79%	97.80%
2001-2002	2,546	0.78%	2.50%	96.20%
2000-2001	2,456	0.78%	2.50%	96.20%
1999-2000	2,479	0.93%	2.49%	94.90%
1998-1999	2,646	1.02%	3.44%	95.50%
1997-1998	2,654	1.28%	4.36%	95.38%
1996-1997	2,693	1.23%	4.61%	94.73%
1995-1996	2,709	1.10%	4.52%	94.87%

Source: District records.



ROSS LOCAL SCHOOL DISTRICT, OHIO  
COMPARISON TO OTHER SCHOOL DISTRICTS  
ECONOMIC INDICATORS (1)

District	County	ADM 2004-2005	Poverty as % of ADM	% of Population Administrative or Professional Occupations	Median Income	% of Population with College Degree or More	% Agricultural Property	Population Density	Non-Residential & Non- Agricultural Per Pupil	% Minority Students
Ross Local School District	Butler	2,705	5.9	27.2	35,102	21.9	9.6	200.0	12,308	1.5
Valley View Local	Montgomery	2,008	5.9	29.9	34,350	22.8	12.0	165.0	15,843	1.2
Crestwood Local	Portage	2,702	11.6	22.8	32,324	19.7	11.5	199.0	16,042	1.6
Manchester Local	Summit	1,542	6.6	30.8	32,751	25.8	2.7	656.0	12,136	0.8
Champion Local	Trumbull	1,692	9.3	26.5	32,480	19.6	8.1	376.0	17,350	1.3
Keystone Local	Lorain	1,837	4.9	24.0	35,443	15.8	8.9	168.0	19,190	2.1
Southwest Local	Portage	2,162	12.5	23.8	30,981	17.2	15.6	119.0	12,929	0.7
Northwest Local	Stark	2,397	11.5	30.6	33,931	26.5	6.0	410.0	19,137	0.9
Milton-Union Exempted Village	Miami	1,751	10.7	24.5	30,017	17.2	7.4	219.0	13,420	2.2
Chippewa Local	Wayne	1,469	7.4	30.5	30,997	24.1	6.7	306.0	15,369	0.8
Clinton-Massie Local	Clinton	1,783	9.4	25.4	33,724	23.8	21.0	68.0	9,848	2.3
Louisville City	Stark	3,299	11.1	26.8	30,610	19.4	6.1	490.0	18,953	0.2
Teays Valley Local	Pickaway	3,368	15.3	24.1	34,491	16.4	14.6	133.0	15,361	1.9
Firelands Local	Lorain	2,155	8.1	25.0	32,784	21.8	9.7	128.0	18,845	3.4
Lake Local	Stark	3,430	6.6	35.0	35,058	29.6	3.5	663.0	19,993	1.0
Madison Local	Lake	3,761	11.3	24.1	30,876	20.2	7.3	100.0	18,436	2.5
Madison Local	Butler	1,577	12.6	21.6	33,899	16.3	6.9	256.0	10,621	2.0
Johnstown-Monroe Local	Licking	1,546	8.3	33.2	35,979	24.2	9.7	148.0	19,194	1.3
Coldwater Exempted Village	Mercer	1,577	3.7	22.0	28,894	20.2	18.9	151.0	15,009	1.6
Miami East Local	Miami	1,367	4.1	25.4	32,157	22.1	19.9	60.0	14,458	1.3
West Branch Local	Mahoning	2,441	12.6	21.3	27,441	18.1	20.8	119.0	16,459	0.9

Source: Ohio Department of Education

(1) Comparison group is defined by the Ohio Department of Education, based on socio-economic factors.

ROSS LOCAL SCHOOL DISTRICT, OHIO  
 BOARD OWNED PROPERTY  
 JUNE 30, 2005

Instructional Sites:						<u>Year Constructed</u>	<u>Capacity/ Square Ft</u>	<u>Acreage</u>
Elda Elementary	3980 Hamilton Cleves Road	Hamilton	Ohio	45013	1963	42,751	10.0	
Morgan Elementary	3427 Chapel Road	Hamilton	Ohio	45013	1982	47,050	13.0	
Ross Middle School	3425 Hamilton Cleves Road	Hamilton	Ohio	45013	1967	101,278	37.0	
Ross High School	3601 Hamilton Cleves Road	Hamilton	Ohio	45013	2005	172,000	32.0	
<b>Administrative and Service Sites</b>								
Administrative Offices	3371 Hamilton Cleves Road	Hamilton	Ohio	45013	1938	2,000	17.0	
Transportation Department		Hamilton	Ohio	45013		6,000	3.5	

Note: The Transportation Department is leased from MBA.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**DIRECTORY OF EDUCATIONAL SERVICES**  
**JUNE 30, 2005**

**Instructional Sites:**

Elda Elementary	Principal	Mrs. Deborah Johnsen	(513) 738-1972
Morgan Elementary	Principal	Mr. Tom Perry	(513) 738-1986
Ross Middle School	Principal	Mr. Chris Saylor	(513) 863-1251
Ross High School	Principal	Mr. Keith Klinefelter	(513) 863-1252

**Administrative and Service Sites**

Administrative Offices	Superintendent	Mr. Todd Yohey	(513) 863-1253
	Treasurer	Mrs. Tracy Jarvis	(513) 863-1250
	Asst. Superintendent	Mr. Greg Young	(513) 863-1253
Transportation Department	Director of Transportation	Mr. Ron Mandery	(513) 738-2900

**Note:** The Administrative Office and the Ross Middle School share a common site.  
The Transportation Department is leased from MBA.

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Betty Montgomery**

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**ROSS LOCAL SCHOOL DISTRICT  
BUTLER COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 07, 2006**