

**ROSS LOCAL SCHOOL DISTRICT**



**Single Audit Reports**

**June 30, 2013**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Ross Local School District, Butler County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2012 through June 30, 2013. 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 "Dave Yost".

Dave Yost  
Auditor of State

March 27, 2014

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**ROSS LOCAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$24,870	\$0	\$24,870	\$0
National School Lunch Program	3L60	10.555	296,756	71,587	296,756	71,587
Total Nutrition Cluster			<u>321,626</u>	<u>71,587</u>	<u>321,626</u>	<u>71,587</u>
Total U.S. Department of Agriculture			<u>321,626</u>	<u>71,587</u>	<u>321,626</u>	<u>71,587</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Passed Through Ohio Department of Education:						
Special Education Cluster:						
Special Education-Grants to States	3M20	84.027	568,478	0	565,713	0
Special Education-Preschool Grants	3C50	84.173	1,663	0	1,463	0
Special Education-Grants to States (Parent Mentoring)	3M20	84.027	27,016	0	29,522	0
Total Special Education Cluster			<u>597,157</u>	<u>0</u>	<u>596,698</u>	<u>0</u>
Title I Grants to Local Educational Agencies	3M00	84.010	258,638	0	252,735	0
Race to the Top - ARRA	3FD0	84.395	43,127	0	101,830	0
Education Jobs	3ET0	84.410	38,529	0	0	0
Education Technology State Grants	3S20	84.318	240	0	114	0
Improving Teacher Quality	3Y60	84.367	64,960	0	64,924	0
Total Department of Education			<u>1,002,651</u>	<u>0</u>	<u>1,016,301</u>	<u>0</u>
<u>Institute of Museum and Library Services</u>						
Passed Through the State Library of Ohio:						
Library Services and Technology Grant	LSTG	45.310	2,684	0	65	0
Total State Library of Ohio			<u>2,684</u>	<u>0</u>	<u>65</u>	<u>0</u>
Total Federal Assistance			<u>\$1,326,961</u>	<u>\$71,587</u>	<u>\$1,337,992</u>	<u>\$71,587</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**INDEPENDENT AUDITOR'S 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross Local School District (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 30, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness: Finding 2013-1.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We noted certain matters that we reported to management of the District in a separate letter dated January 30, 2014.

### **Ross Local School District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*Plattensburg & Associates, Inc.*

Plattensburg & Associates, Inc.  
Cincinnati, Ohio  
January 30, 2014

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Education  
Ross Local School District

**Report on Compliance for Each Major Federal Program**

We have audited the Ross Local School District (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

**Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on



compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 30, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Cincinnati, Ohio  
January 30, 2014

**ROSS LOCAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**Section I – Summary of Auditor’s Results**

<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	Yes
<i>(d)(1)(ii)</i>	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were the any other significant control deficiencies reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under Section .510?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (list):</i>	Nutrition Cluster: School Breakfast - CFDA# 10.553 School Lunch - CFDA# 10.555
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee?</i>	Yes

**Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS**

**2013-1 – Material Weaknesses Related to the Financial Statements:**

During the course of the audit, misstatements were identified related to the following:

- Capital Assets amounts were recorded erroneously in prior periods. Management corrected this by restating beginning balances.

The accompanying financial statements were adjusted to reflect the correction of material misstatement relating to beginning balances of capital assets. The District should implement application and monitoring controls over financial reporting to ensure that all financial statement transactions are accurately and completely reported.

**Management Response:**

Procedures will be modified to assure proper recording.

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

None

**ROSS LOCAL SCHOOL DISTRICT**  
**June 30, 2013**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
***OMB CIRCULAR A-133***

The Ross Local School District had no prior audit findings or questioned costs.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURE**

To the Board of Education  
Ross Local School District

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

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

1. We noted the Board amended its anti-harassment policy on June 24, 2012 to include harassment, intimidation or bullying of any student "on a school bus" or by an "electronic act."

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

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

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
Cincinnati, Ohio  
January 30, 2014

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Comprehensive Annual  
Financial Report

For the Fiscal Year Ended  
June 30, 2013



**Ross Local Schools**

3371 Hamilton-Cleves Road Hamilton, OH 45013 | 513-863-1253

[www.rossrams.com](http://www.rossrams.com)

**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

of the

**ROSS LOCAL SCHOOL DISTRICT,**

**BUTLER COUNTY, OHIO**

For the Fiscal Year Ended June 30, 2013

**BOARD OF EDUCATION**

Edward Bosse

David Brown

Glenda Holt

John McCandless

Steve Stitsinger

**SUPERINTENDENT OF SCHOOLS**

Greg Young

**ISSUED BY  
TREASURER'S OFFICE**

Cathy McMonigle,  
Treasurer



## Introductory Section

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2013**

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**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2013**

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**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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# Ross Local School District

**SUPERINTENDENT** (513) 863-1253  
**TREASURER** (513) 863-1250  
3371 Hamilton-Cleves Road • Hamilton, OH 45013

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

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

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

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

January 30, 2014

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Ross Local School District (School District) for the fiscal year ended June 30, 2013. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for the 2012-2013 fiscal year. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the School District's continuing commitment to provide financial information to the citizens of the Ross Local School District.

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

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

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

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

## **ECONOMIC CONDITION**

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

## THE SCHOOL DISTRICT AND ITS FACILITIES

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

The School District had 2,843 students enrolled in the two elementary schools, middle school, and high school. In addition to the schools listed, the School District maintained and operated a transportation facility, central office facility and several sport fields.

## ORGANIZATION OF THE SCHOOL DISTRICT

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

The Board members, their terms and years on the Board as of June 30, 2013 are:

<u>Board Member</u>	<u>Term</u>
Mr. David Brown	10/19/2006 – 12/31/2015
Mr. Steve Stitsinger	07/18/2006 – 12/31/2015
Mr. Edward Bosse	01/01/1982 – 12/31/2013
Ms. Glenda Holt	01/01/2006 – 12/31/2013
Mr. John McCandless	06/10/2009 – 12/31/2015

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

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

On September 26, 2013, the Board appointed Cathy McMonigle as Treasurer. Mrs. McMonigle has a B.S. in Accounting, Personnel and Employee Relations and Organizational Behavior from Miami University.

## EMPLOYEE RELATIONS

The School District has 269 full and part-time employees. This number has decreased slightly as the School District works to trim costs through attrition. There is one organization representing the certificated employees. The School District's classified and administrative employees are not currently represented.

The Ross Education Association (REA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the School District. On December 16, 2013, the REA and the School District entered into a new two-year collective bargaining agreement on language, salary and fringe benefit issues. This contract expires on August 31, 2015.

## SERVICES PROVIDED

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

## MAJOR INITIATIVES

### Academic Performance

2012-2013 was another banner school year for our district. Student achievement increased as we obtained all A's and B's on the state report card. In addition, we earned our highest score yet on the performance index scale as more students performed in the accelerated and advanced ranges on the state's standardized tests. Here are a few academic highlights from 2012-2013:

#### District Highlights

- Our student attendance rate was 95.9%.
- Our performance index score for the District was 106.1, the highest in Butler County and number 71 in Ohio.
- In the area of value added, the district ranked number 33 in Ohio out of over 600 districts.
- Our value added score for the District shows that our students made more than one year's worth of progress from the previous year.

#### Ross High School Highlights

- On the Ohio Graduation Test the math score of 95.5% was the highest of all Butler County school districts.
- The high school posted historically high SAT scores in all areas.
- We had the highest graduation rate in our history at 97.9%

#### Ross Middle School Highlights

- Ross Middle School received a performance index rating of 105.7.
- RMS attained an overall Value Added rating of "Above" as a building for the 2012-2013 school year.
- The fifth grade scores of 87.8% in reading and 89.5% in science were the best of all Butler County school districts.
- Our sixth grade scores in reading (95.5%) and math (96.4%) were the best among our state similar districts and the math score was the best in Butler County.
- We had our best scores ever in seventh grade reading (93.4%) and math (96.5%). Those scores were the highest among all Butler County districts.
- For the first time ever our eighth grade scores were the best in Butler County in all tested areas. Our reading score was 96.7%, our math score was 92.8%, and our science score was 88.5%.

#### Elda Elementary Highlights

- Elda's performance index score was 105.8.
- Elda had above expected growth on the Value-Added Measure in both reading and math.
- Elda's attendance rate was 96.4%.

### Morgan Elementary Highlights

- Morgan students had a 96.8% attendance rate.
- The Morgan fourth grade scored 100% on the OAA math test for the second consecutive year.
- Morgan's performance index score was 110.8 which was the highest performance index score of any school in Butler County.

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

*Newsweek* magazine ranked Ross High School as one of the top 2,000 high schools in the nation.

### **Facilities**

Our district began the planning process for additions and renovations to Morgan Elementary School during the 2012 – 2013 school year. The Morgan construction work will take place during the 2013 – 2014 school year. This project will mark the final phase of the district's Facilities Master Plan which was begun in 2002.

## **FINANCIAL INFORMATION**

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

### **Internal Controls**

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

### **Single Audit Act**

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

As part of the School District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the School District has complied with applicable laws and regulations. The results of the School District's single audit for the fiscal year ended June 30, 2013 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.



## **Budgetary Controls**

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

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

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

## **Long-term Financial Planning**

The School District has always maintained that fiscal responsibility is a primary goal. In November 2005 the residents of the School District approved a .75% income tax for a period of four years. On November 4, 2008, the residents voted to replace the existing four-year traditional income tax with a continuous earned only income tax. Conversion to the earned only income tax reduced the total income tax receipts by an estimated \$400,000. The stability provided by the continuous tax source of revenue is important to the district's long-term financial planning.

Conversely, the School District's revenue has benefited from the Rockies Express natural gas pipeline which cuts through the district. This new source of property tax revenue has been one of the factors keeping the district out of deficit spending for the past few years. A new pipeline is expected to be in place in the future, but the timeline has not been provided to the District.

Additionally, state funding continues to be volatile with legislative changes occurring rapidly. HB 59 for FY14-15 is the fourth new funding formula since 2009. The district is anticipating flat funding for the next several years. Although the district continues to look for ways to reduce costs, deficit spending returns in the current forecast. Subsequently, the School District realizes a return to the ballot is eminent.

## **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, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### **Independent Audit**

State statutes require an annual audit by independent accountants. The Plattenburg & Associates, Inc. conducted the School District's 2013 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. The accountant's report on the basic financial statements and combining and individual fund statements is included in the financial section of this report.

### **Acknowledgements**

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

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

Sincerely,

  
\_\_\_\_\_  
Greg Young  
Superintendent

  
\_\_\_\_\_  
Cathy McMonigle  
Treasurer

Ross Local School District  
Appointed Officials  
June 30, 2013

<b><u>Official</u></b>	<b><u>Title</u></b>
Mr. Greg Young	Superintendent
Mrs. Christine Cook Poetter*	Treasurer
Mr. Ray Lyttle	Director, Special Ed and Personnel
Mrs. Kathy DiBlasi	Director, Curriculum
Mr. Ronald Mandery	Director, Transportation
Mrs. Deborah Christophel	Director, Food Services

\* - On September 26, 2013, the Board appointed Cathy McMonigle as Treasurer.

Ross Local School District  
Consultant and Advisors  
As of June 30, 2013

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**Architect**

SHP Leading Design  
82 Williams Avenue  
Hamilton, Ohio 45015

**Bond Counsel**

Bricker & Eckler LLP  
100 South Third Street  
Columbus, OH 43215

**Investment Counselor**

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

**Underwriter**

RBC  
414 Walnut Street, Suite 300  
Cincinnati, Ohio 45202

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

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

**Bond Counsel**

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

**Independent Auditor**

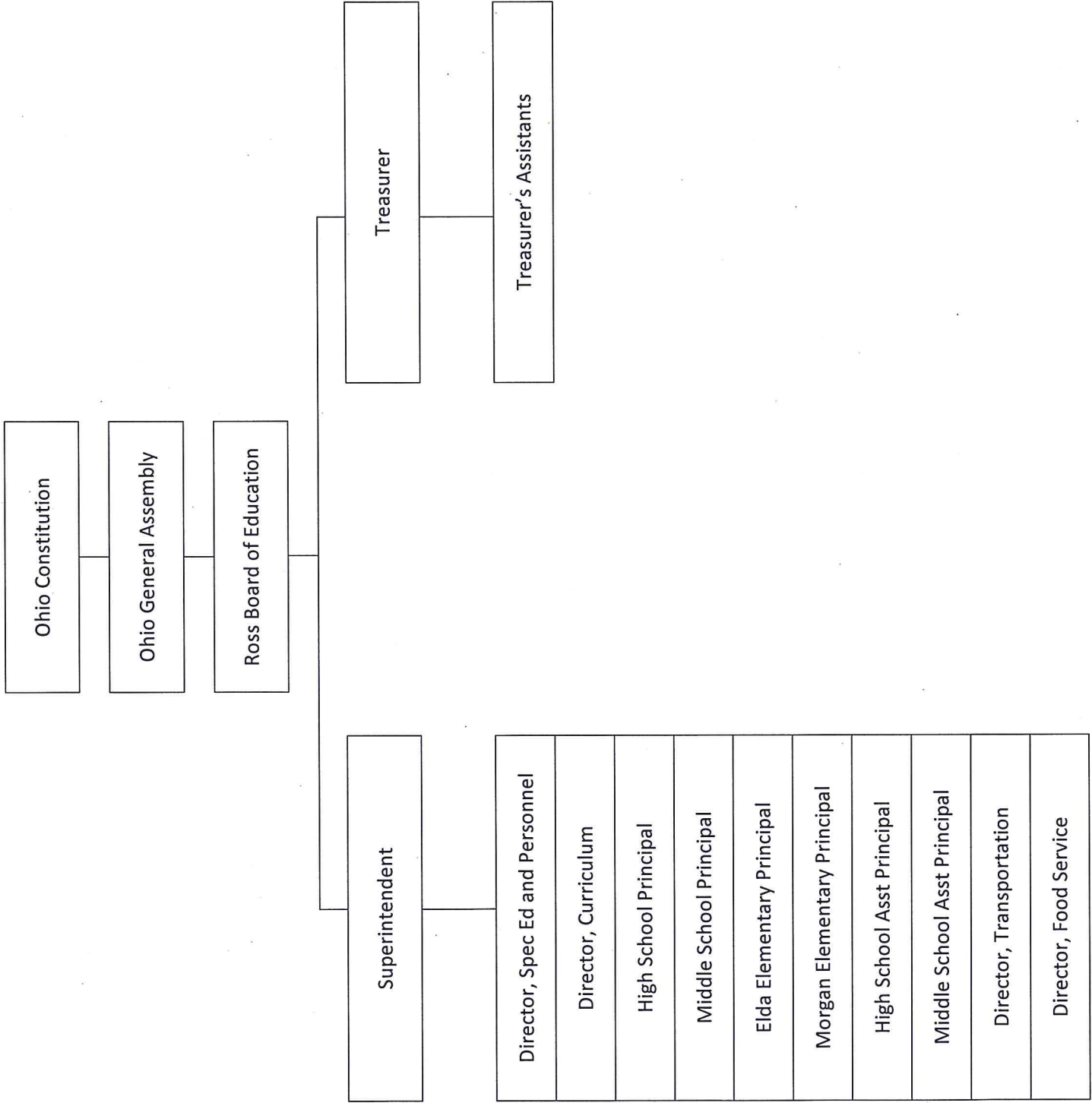
Plattenburg & Associates, Inc.  
8260 Northcreek Drive, Suite 330  
Cincinnati, Ohio 45236

**Legal Counsel**

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

**Official Depositories**

Fifth Third Bank  
4005 Hamilton Cleves Road  
Hamilton, Ohio 45013





Government Finance Officers Association

Certificate of  
Achievement  
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in Financial  
Reporting

Presented to

**Ross Local School District**  
**Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**



Executive Director/CEO

## Financial Section

## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Ross Local School District

### Report on the Financial Statements

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 District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## **Opinions**

In our opinion, the financial statements referred to previously 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 District, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Cincinnati, Ohio

January 30, 2014

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2013**  
**Unaudited**

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

This discussion and analysis provides key information from management highlighting the overall financial performance of the Ross Local School District for the year ended June 30, 2013. 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 2013 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$43.3 million. Of this amount, \$7.7 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net position decreased by \$0.3 million.
- ✓ The School District had \$27.2 million in expenses related to governmental activities; only \$3.1 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$23.8 million, made up primarily of property and income taxes and State Foundation payments, were used to provide for these programs.
- ✓ The General Fund balance increased by \$1.2 million from \$5.0 million at June 30, 2012 to \$6.2 million at June 30, 2013.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

The following table presents a condensed summary of the School District's overall financial position at June 30, 2013 and 2012:

	<b>Governmental Activities 2013</b>	<i>Restated</i> <b>Governmental Activities 2012</b>
	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 28,340,157	30,001,653
Capital assets	47,663,852	48,370,875
Total assets	<u>76,004,009</u>	<u>78,372,528</u>
Long-term liabilities	20,314,506	20,305,018
Other liabilities	12,384,059	14,461,991
Total liabilities	<u>32,698,565</u>	<u>34,767,009</u>
Net position:		
Net investment in capital assets	30,014,580	29,538,230
Restricted	5,636,656	8,398,780
Unrestricted	7,654,208	5,668,509
Total net position	<u>\$ 43,305,444</u>	<u>43,605,519</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2013**  
**Unaudited**

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The largest portion of the School District's net position is for its investment in capital assets, less any related debt that is still outstanding that was used to acquire those assets. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The balance of unrestricted net position of \$7.7 million may be used to meet the government's ongoing obligations to citizens and creditors.

The other large portion of the School District's net position is capital improvements. The School District was awarded State funds for capital improvements to existing school buildings during fiscal year 2009. These funds, along with financed proceeds, are restricted and for use on specific improvement projects.

Total assets decreased by approximately \$2.4 million, or 3%. The largest decrease occurred in current and other assets where the School District experienced a decline in taxes receivable due to lower real estate valuations and less unpaid delinquent taxes outstanding. Capital assets also declined, as depreciation expense exceeded additions.

Total liabilities decreased by approximately \$2.1 million, or 6%. The large decrease in other liabilities was primarily attributable to a decrease in unearned revenue, the offset to the related decrease in taxes receivable. Long-term liabilities increased during the fiscal year with the inception of a \$1,274,991 lease-purchase agreement to help finance renovations being made to Morgan Elementary.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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**B. Governmental Activities during fiscal year 2013**

The following table presents a condensed summary of the School District's activities during fiscal year 2013 and fiscal year 2012 and the resulting change in net position:

	<b>Governmental Activities 2013</b>	<i>Restated</i> <b>Governmental Activities 2012</b>
<b>Revenues:</b>		
Program revenues:		
Charges for sales and services	\$ 1,572,932	\$ 1,623,512
Operating grants and contributions	1,565,970	1,982,339
Total program revenues	<u>3,138,902</u>	<u>3,605,851</u>
General revenues:		
Property and income taxes	11,221,271	13,100,457
Grants and entitlements	12,122,593	11,438,492
Investment earnings	(4,688)	25,120
Miscellaneous	453,511	289,961
Total general revenues	<u>23,792,687</u>	<u>24,854,030</u>
<b>Total Revenues</b>	<u>26,931,589</u>	<u>28,459,881</u>
<b>Expenses:</b>		
Instruction	14,643,783	14,793,397
Support Services:		
Pupil	807,496	868,746
Instructional staff	1,476,961	1,376,411
Board of education	30,201	21,793
Administration	1,991,135	1,960,499
Fiscal	655,656	665,521
Operation of maintenance and plant	3,089,136	1,954,719
Pupil transportation	1,561,487	1,585,983
Central	7,482	7,200
Non-instructional services	1,113,413	986,794
Interest on long-term debt	734,427	729,462
Food services	1,120,487	1,109,769
<b>Total expenses</b>	<u>27,231,664</u>	<u>26,060,294</u>
<b>Change in net position</b>	(300,075)	2,399,587
Beginning net position	43,605,519	41,205,932
Ending net position	<u>\$ 43,305,444</u>	<u>\$ 43,605,519</u>

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

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Of the total governmental activities revenues of \$26,931,589, 12% (\$3,138,902) is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, (47%) comes from property tax levies and income taxes and (51%) is from state funding. The School District's operations are reliant upon its property tax levy, income tax and the State's foundation program.

Total revenue decreased by approximately \$1.5 million, or approximately 5%, due to decreases in the taxes previously discussed. Total expenses increased by approximately \$1.2 million, or 4%, due to recognition of depreciation on work recently completed on the Elda Elementary and Ross Middle School facilities.

***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 12% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$14,643,783 but program revenue contributed to fund 4% of those costs. Thus, general revenues of \$14,047,062 were used to support the remainder of the instruction costs.

		<b><u>Total Cost of Services</u></b>	<b><u>Program Revenue</u></b>	<b><u>Revenues as a % of Total Costs</u></b>	<b><u>Net Cost of Services</u></b>
Instruction	\$	(14,643,783)	596,721	4%	(14,047,062)
Support Services		(9,619,554)	634,800	7%	(8,984,754)
Non-instructional services		(1,113,413)	849,329	76%	(264,084)
Food service		(1,120,487)	1,058,052	94%	(62,435)
Interest on long-term debt		<u>(734,427)</u>	<u>-</u>	0%	<u>(734,427)</u>
Total	\$	<u>(27,231,664)</u>	<u>3,138,902</u>	<u>12%</u>	<u>(24,092,762)</u>



**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2013**  
**Unaudited**

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

**Governmental funds**

The School District has three major governmental funds: the General Fund, Debt Service Fund and the Classroom Facilities Project Fund. Assets of these funds comprise \$25,875,846 (92%) of the total \$28,155,569 governmental funds' assets.

**General Fund:** Fund balance at June 30, 2013 was \$6,169,443, including \$5,231,569 of unassigned balance, which represents 24% of expenditures for fiscal year 2013. The increase in fund balance was approximately \$1.2 million, which was about \$781,000 lower than the prior year primarily due to the General Fund covering administrative expenditures that were funded with Education Jobs funding in fiscal year 2012.

**Debt Service Fund:** Restricted fund balance at June 30, 2013 was \$905,905. Property taxes are collected in order to pay the School District's outstanding bond principal and interest.

**Classroom Facilities Project Fund:** The ending fund balance at June 30, 2013 was \$6,509,356. The increase in fund balance is due to a transfer in of \$2,000,000 and inception of the lease-purchase agreement committed and restricted to finance renovation projects on Morgan 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. Original budget revenues were only increased by 2% during the fiscal year. Original budget expenditures were increased by 7% during the fiscal year to account for severances and early retirement incentives that occurred during the fiscal year. Actual revenues and expenditures were in line with the final budget.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets:** At June 30, 2013, the School District had invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total decrease in the School District's investment in capital assets for the current fiscal year was \$707,023 due primarily to depreciation expense exceeding current year additions. See Note 8 to the financial statements for more detail:

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

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**Capital Assets at Year-End**

	<b><u>Governmental Activities</u></b>	
	<b><u>FY2013</u></b>	<i>Restated</i> <b><u>FY2012</u></b>
Land	\$ 1,262,525	1,262,525
Construction in progress	214,444	-
Land improvements	2,206,068	2,206,068
Building and improvements	68,075,295	67,132,639
Furniture and equipment	735,152	735,152
Vehicles	2,228,168	2,541,909
Less: Accumulated depreciation	<u>(27,057,800)</u>	<u>(25,507,418)</u>
	<b><u>\$ 47,663,852</u></b>	<b><u>48,370,875</u></b>

**Debt**

The School District had \$17,340,000 outstanding on three general obligation bond obligations, with \$940,000 due in the next fiscal year.

The School District also had \$1,673,791 outstanding on lease-purchase agreements, an increase of \$1,011,690, for building improvements and acquisition of equipment.

See Notes 9 and 10 to the financial statements for more detail.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2013**  
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**ECONOMIC FACTORS**

School funding continues to be a complex and unstable issue for Ohio School Districts. Due to the current condition of the state's budget, we are projecting flat state funding for the next Biennial Budget. The School District receives almost all of its funding from two sources: state funding and local property tax revenues. Property taxes have been increasing. The real estate portion is slightly lower, but the utilities portion is significantly higher due to the Rockies Express natural gas pipeline revenue.

The School District was able to pass a voted income tax levy in November 2008. The income tax rate of .75% remains the same but it is now a continuing levy. While conversion from the traditional income tax to the earned only income tax did decrease the revenue to the School District by \$400,000, having the consistent income source will provide more stability for the School District.

**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 Position

June 30, 2013

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 15,816,424
Cash with fiscal agent	126,972
Receivables:	
Property taxes	10,141,493
Income taxes	1,186,253
Accounts	44,686
Intergovernmental	437,547
Supplies inventory	11,448
Restricted cash	324,996
Deferred charges	250,338
Nondepreciable capital assets	1,476,969
Depreciable capital assets, net	<u>46,186,883</u>
<b>Total assets</b>	<u>76,004,009</u>
<b>Liabilities:</b>	
Accounts payable	75,286
Contracts payable	126,972
Accrued wages and benefits	1,986,444
Due to other governments	28,202
Pension obligation payable	313,424
Matured compensated absences payable	25,958
Retirement incentive obligation	69,482
Interest payable	56,998
Unearned revenue	9,701,293
Noncurrent liabilities:	
Due within one year	1,711,974
Due within more than one year	<u>18,602,532</u>
<b>Total liabilities</b>	<u>32,698,565</u>
<b>Net Position:</b>	
Net investment in capital assets	30,014,580
Restricted for:	
Capital projects	4,018,785
Debt service	543,022
Classroom facilities maintenance	768,791
Scholarships	95,686
Athletics	106,754
Other Purposes	103,618
Unrestricted	<u>7,654,208</u>
<b>Total net position</b>	<u>\$ 43,305,444</u>

See accompanying notes to the basic financial statements.

## ROSS LOCAL SCHOOL DISTRICT, OHIO

Statement of Activities

Fiscal Year Ended June 30, 2013

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 12,166,170	220,800	153,266	\$ (11,792,104)
Special education	1,604,276	-	222,655	(1,381,621)
Other	873,337	-	-	(873,337)
Support services:				
Pupil	807,496	-	-	(807,496)
Instructional staff	1,476,961	-	539,643	(937,318)
Board of Education	30,201	-	-	(30,201)
Administration	1,991,135	-	87,957	(1,903,178)
Fiscal	655,656	-	-	(655,656)
Operation and Maintenance of Plant	3,089,136	-	-	(3,089,136)
Pupil transportation	1,561,487	-	-	(1,561,487)
Central	7,482	-	7,200	(282)
Non-instructional services:				
Extracurricular activities	951,709	675,941	-	(275,768)
Community service	161,704	-	173,388	11,684
Food service	1,120,487	676,191	381,861	(62,435)
Interest on long-term debt	734,427	-	-	(734,427)
<b>Total Governmental Activities</b>	<b>\$ 27,231,664</b>	<b>1,572,932</b>	<b>1,565,970</b>	<b>(24,092,762)</b>

### General Revenues:

Property taxes, levied for general purposes	7,036,508
Property taxes, levied for debt services	1,204,324
Property taxes, levied for permanent improvement	210,427
Income taxes	2,770,012
Grants and entitlements not restricted to specific programs	12,122,593
Investment earnings	(4,688)
Miscellaneous	453,511
<b>Total general revenues</b>	<b>23,792,687</b>
Change in net position	(300,075)
Net position beginning of year, <i>restated</i>	43,605,519
Net position end of year	\$ 43,305,444

See accompanying notes to the basic financial statements.

## ROSS LOCAL SCHOOL DISTRICT, OHIO

Balance Sheet

Governmental Funds

June 30, 2013

	General	Debt Service	Classroom Facilities Project	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 6,591,076	856,795	6,509,356	1,859,197	15,816,424
Restricted cash	324,996	-	-	-	324,996
Cash with fiscal agent	-	-	126,972	-	126,972
Receivables:					
Property Taxes	8,495,816	1,399,755	-	245,922	10,141,493
Income Taxes	1,186,253	-	-	-	1,186,253
Accounts	39,128	-	-	5,558	44,686
Intergovernmental	277,190	-	-	160,357	437,547
Interfund receivable	65,750	-	-	-	65,750
Supplies inventory	2,759	-	-	8,689	11,448
<b>Total assets</b>	<u>16,982,968</u>	<u>2,256,550</u>	<u>6,636,328</u>	<u>2,279,723</u>	<u>28,155,569</u>
<b>Liabilities:</b>					
Accounts payable	29,846	-	-	45,440	75,286
Contracts payable retainage	-	-	126,972	-	126,972
Accrued wages and benefits	1,770,396	-	-	216,048	1,986,444
Pension obligation payable	291,158	-	-	22,266	313,424
Matured compensated absences payable	25,958	-	-	-	25,958
Retirement incentive obligation	69,482	-	-	-	69,482
Due to other governments	26,135	-	-	2,067	28,202
Interfund payable	-	-	-	65,750	65,750
Deferred revenue	8,600,550	1,350,645	-	249,121	10,200,316
<b>Total liabilities</b>	<u>10,813,525</u>	<u>1,350,645</u>	<u>126,972</u>	<u>600,692</u>	<u>12,891,834</u>
<b>Fund Balances:</b>					
Nonspendable	2,759	-	-	8,689	11,448
Restricted	-	905,905	4,509,356	1,721,404	7,136,665
Committed	-	-	2,000,000	-	2,000,000
Assigned	935,115	-	-	-	935,115
Unassigned	5,231,569	-	-	(51,062)	5,180,507
<b>Total fund balances</b>	<u>6,169,443</u>	<u>905,905</u>	<u>6,509,356</u>	<u>1,679,031</u>	<u>15,263,735</u>
<b>Total liabilities and fund balances</b>	<u>\$ 16,982,968</u>	<u>2,256,550</u>	<u>6,636,328</u>	<u>2,279,723</u>	<u>28,155,569</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2013

<b>Total Governmental Fund Balances</b>		\$ 15,263,735
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred charges in governmental activities are not financial resources and therefore are not reported in the funds.		250,338
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		499,023
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		47,663,852
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	(728,315)	
Early retirement incentive	(183,661)	
Interest payable	(56,998)	
Bonds payable	(17,679,440)	
Discount on bond issue	13,281	
Premium on bond issue	(802,017)	
Deferred amount on refunding	739,437	
Lease obligations	<u>(1,673,791)</u>	
Total		<u>(20,371,504)</u>
 Net Position of Governmental Activities		 \$ <u>43,305,444</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Fiscal Year Ended June 30, 2013

	General	Debt Service	Classroom Facilities Project	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Property Taxes	\$ 8,282,950	1,374,370	-	240,185	9,897,505
Income taxes	2,599,600	-	-	168,209	2,767,809
Tuition and fees	131,136	-	-	-	131,136
Interest	(7,182)	-	2,250	244	(4,688)
Extracurricular	305,734	-	-	370,207	675,941
Charges for services	89,664	-	-	675,893	765,557
Intergovernmental	11,782,615	118,243	65,373	1,710,539	13,676,770
Other local revenues	71,182	2,676	74,816	319,427	468,101
<b>Total revenues</b>	<u>23,255,699</u>	<u>1,495,289</u>	<u>142,439</u>	<u>3,484,704</u>	<u>28,378,131</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	10,937,303	-	-	227,535	11,164,838
Special education	1,387,614	-	-	209,083	1,596,697
Other instruction	873,337	-	-	-	873,337
Support services:					
Pupil	815,353	-	-	-	815,353
Instructional staff	915,972	-	-	555,812	1,471,784
Board of Education	30,201	-	-	-	30,201
Administration	1,916,703	16,091	-	73,808	2,006,602
Fiscal	639,754	8,826	-	3,142	651,722
Operation and maintenance of plant	1,928,890	-	-	72,218	2,001,108
Pupil transportation	1,545,723	-	-	-	1,545,723
Central	282	-	-	7,200	7,482
Non-instructional services:					
Community service	-	-	-	154,958	154,958
Extracurricular activities	498,318	-	-	418,481	916,799
Food service	-	-	-	1,125,268	1,125,268
Capital outlay	306,521	-	1,157,100	23,603	1,487,224
Debt Service:					
Principal	263,301	1,050,000	-	-	1,313,301
Interest and fiscal charges	14,021	602,015	-	-	616,036
<b>Total expenditures</b>	<u>22,073,293</u>	<u>1,676,932</u>	<u>1,157,100</u>	<u>2,871,108</u>	<u>27,778,433</u>
Excess of revenues over (under) expenditures	<u>1,182,406</u>	<u>(181,643)</u>	<u>(1,014,661)</u>	<u>613,596</u>	<u>599,698</u>
<b>Other financing sources (uses):</b>					
Inception of lease-purchase	-	-	1,274,991	-	1,274,991
Transfers in	-	-	2,000,000	1,000,000	3,000,000
Transfers out	-	(1,000,000)	-	(2,000,000)	(3,000,000)
<b>Total other financing sources (uses):</b>	<u>-</u>	<u>(1,000,000)</u>	<u>3,274,991</u>	<u>(1,000,000)</u>	<u>1,274,991</u>
Net change in fund balance	1,182,406	(1,181,643)	2,260,330	(386,404)	1,874,689
Fund balance, beginning of year	4,987,037	2,087,548	4,249,026	2,065,435	13,389,046
Fund balance, end of year	\$ <u>6,169,443</u>	<u>905,905</u>	<u>6,509,356</u>	<u>1,679,031</u>	<u>15,263,735</u>

See accompanying notes to the basic financial statements.



Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Fiscal Year Ended June 30, 2013

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	1,874,689
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		1,239,213
Depreciation expense		(1,932,400)
In the statement of activities, loss on disposal of capital assets is reported, whereas only proceeds from sales are reported in the funds.		
		(13,836)
Governmental funds report the effect of issuance costs, discounts, premiums and deferrals when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:		
Discount from sale of bonds		(2,656)
Premium on sale of bonds		59,303
Deferred amount on refunding		(54,500)
Bond issuance costs		(20,564)
Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		1,313,301
Accretion on capital appreciation bonds is recorded each year as interest in the statement of net position.		
		(94,535)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
		(5,439)
Some expenses reported in the statement of activities, such as compensated absences and retirement incentives do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		44,590
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(1,432,250)
The inception of a lease-purchase provides current financial resources to governmental funds, while its recognized as an asset and liability on the statement of net position.		
		<u>(1,274,991)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(300,075)</u></u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Net Position

Fiduciary Funds

June 30, 2013

	Private- Purpose Trust	Agency Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Equity in pooled cash and investments	\$ 1,058	36,307
Total assets	<u>1,058</u>	<u>36,307</u>
<b>LIABILITIES</b>		
Due to student groups	<u>-</u>	36,307
Total liabilities	<u>-</u>	<u>36,307</u>
<b>NET POSITION</b>		
Held in trust	\$ <u>1,058</u>	

See accompanying notes to the basic financial statements.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Changes in Net Position

Fiduciary Funds

Fiscal Year Ended June 30, 2013

	<u>Private- Purpose Trust</u>
<b>Deductions:</b>	
Community service	\$ <u>250</u>
	<u>250</u>
 Change in net position	 (250)
 Net position, beginning of year	 <u>1,308</u>
Net position, end of year	\$ <u><u>1,058</u></u>

See accompanying notes to the basic financial statements.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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

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

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

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

**A. Reporting Entity**

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

Jointly Governed Organization: The School District participates in two jointly governed organizations. These jointly governed organizations are described in Note 17.

**B. Basis of Presentation**

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

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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

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

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

**C. Fund Accounting**

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

Governmental Funds

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

The following are the School District's major governmental funds:

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

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

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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

**D. Basis of Accounting**

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

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

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

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

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

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

*Deferred Revenue* – Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2013 that are intended to finance fiscal year 2014 operations have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**E. Cash and Investments**

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During fiscal year 2013, the School District's investments were limited to U.S. Money Markets, U.S. Agency securities and U.S. Treasuries.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value are reported in the operations statements. The School District recorded investments held at June 30, 2013 at fair value.

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

Cash with fiscal agent represent amounts held in escrow accounts for retainage owed to contractors.

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

**F. Restricted Assets**

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

**G. Inventories**

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

**H. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements but are not reported in the governmental fund financial statements. The School District defines capital assets as those with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are reported at cost or estimated historical cost. Donated capital assets are stated at their estimated fair value when received. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**I. Compensated Absences**

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

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

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

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

**K. Net Position**

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

**L. Interfund Transactions**

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

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



**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**M. Fund Balance**

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

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

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

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

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

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

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

**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, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**NOTE 3-DEFICIT FUND BALANCES**

At June 30, 2013, the following funds had a deficit fund balance:

Other Governmental Funds:		
Race to the Top	\$	2,694
IDEA Part B		37,648
Title I		10,443
Improving Teacher Quality		277

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

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

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

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed 180 days from the date of purchase in an amount not to exceed 25 percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

**A. Deposits**

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a custodial credit risk policy. At year-end, \$11,566,833 of the School District's bank balance of \$11,943,805 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.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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**B. Investments**

The School District's investments at June 30, 2013 are as summarized as follows:

	Fair Value	Average Maturity (Years)
Federal Home Loan Bank	\$ 1,405,492	0.22
Federal Home Loan Mortgage Corp.	983,959	1.30
U.S. Treasuries	435,472	0.17
Fed. National Mortgage Assoc.	1,691,554	0.64
U.S. Money Market Funds	<u>7,995</u>	n/a
	<u>\$ 4,524,472</u>	

*Credit Risk*

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

*Custodial Credit Risk*

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

*Interest Rate Risk*

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

*Concentration of Credit Risk*

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

Investments	Percent
Federal Home Loan Bank	31.06%
Federal Home Loan Mortgage Corp.	21.75%
U.S. Treasuries	9.62%
Fed. National Mortgage Assoc.	37.39%
U.S. Money Market Funds	0.18%

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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**NOTE 5-PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Distributions from the second half of the calendar year occur in the subsequent fiscal year and are intended to finance the operations of that year, except monies available to be advanced against such distributions which may be appropriated and used in the current fiscal year. Property taxes include amounts levied against real and public utility property located within the School District.

Real property taxes and public utility taxes are levied after April against the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35 percent of appraised value.

Public utility property taxes are assessed on tangible personal property as well as land and improvements. Real property is assessed at 35 percent of true value and tangible personal property is currently assessed at varying percentages of true value. These taxes attached as a lien against local and inter-exchange telephone companies and are levied January 1 of the current year.

The School District receives property taxes from the Butler County Auditor, who periodically advances to the School District its portion of taxes collected. Second-half real property tax payments collected by the County by June 30, 2013 are available to finance fiscal year 2013 operations.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes that became measurable as of June 30, 2013. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available as advances in the General Fund, Debt Service Fund and Other Governmental Funds at June 30, 2013 were \$258,253, \$49,110 and \$8,594, respectively.

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

	<u>2012 Second- Half Collections</u>		<u>2013 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 343,622,540	86.60%	\$ 343,774,500	89.81%
Personal Property	<u>53,164,800</u>	13.40%	<u>38,993,460</u>	10.19%
Total Assessed Value	\$ <u>396,787,340</u>	100.00%	\$ <u>382,767,960</u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$49.73		\$49.73

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**NOTE 6-INTERFUND TRANSACTIONS**

Interfund transactions at June 30, 2013 consisted of the following interfund receivables/payables and transfers in/out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$ 65,750	-	-	-
Debt Service Fund	-	-	-	1,000,000
Classroom Facilities Project Fund	-	-	2,000,000	-
Other Governmental Funds	-	65,750	1,000,000	2,000,000
	<u>\$ 65,750</u>	<u>65,750</u>	<u>3,000,000</u>	<u>3,000,000</u>

The interfund loans were made to provide operating capital. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the general or debt service funds to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers from the Debt Service Fund were made, with County Budget Commission approval, in accordance with Ohio Revised Code (ORC) Section 5705.14(c)(2). The transfer from Other Governmental Funds (Permanent Improvement Fund) was for the acquisition of permanent improvements, as the money was not required for debt obligations in accordance with ORC Section 5705.14(B).

**NOTE 7-INCOME TAX**

The School District levies a voted tax of .75 percent for general operations on the income of residents and estates. The voted levy is for a continuous term. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund and the Classroom Facilities Maintenance Fund. The State requires the School District to set aside a certain amount of money for maintaining classrooms. This is being funded with income tax as allowed by law.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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**NOTE 8-CAPITAL ASSETS**

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

	<i>Restated</i> Balance 7/1/12	Additions	Disposals	Balance 6/30/13
<b>Nondepreciable Capital Assets</b>				
Land	\$ 1,262,525	\$ -	\$ -	\$ 1,262,525
Construction in progress	-	214,444	-	214,444
Subtotal	<u>1,262,525</u>	<u>214,444</u>	<u>-</u>	<u>1,476,969</u>
<b>Depreciable:</b>				
Land improvements	2,206,068	-	-	2,206,068
Buildings and improvements	67,132,639	942,656	-	68,075,295
Furniture and equipment	735,152	-	-	735,152
Vehicles	<u>2,541,909</u>	<u>82,113</u>	<u>(395,854)</u>	<u>2,228,168</u>
Subtotal	<u>72,615,768</u>	<u>1,024,769</u>	<u>(395,854)</u>	<u>73,244,683</u>
Totals at cost	<u>73,878,293</u>	<u>1,239,213</u>	<u>(395,854)</u>	<u>74,721,652</u>
Less accumulated depreciation:				
Land improvements	1,378,722	86,716	-	1,465,438
Buildings and improvements	21,613,650	1,707,731	-	23,321,381
Furniture and equipment	529,157	45,756	-	574,913
Vehicles	<u>1,985,889</u>	<u>92,197</u>	<u>(382,018)</u>	<u>1,696,068</u>
Total accumulated depreciation	<u>25,507,418</u>	<u>1,932,400</u>	<u>(382,018)</u>	<u>27,057,800</u>
Capital assets, net	\$ <u>48,370,875</u>	\$ <u>(693,187)</u>	\$ <u>(13,836)</u>	\$ <u>47,663,852</u>

Depreciation expense was charged as follows:

Instruction:	
Regular	\$ 1,041,823
Support services:	
Instructional staff	583
Operation and maintenance of plant	759,146
Pupil transportation	89,510
Non-instructional services:	
Community service	5,972
Extracurricular activities	35,366
Total depreciation expense	\$ <u>1,932,400</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
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**NOTE 9-LONG-TERM OBLIGATIONS**

Long-Term Obligations – The changes in the School District’s long-term obligations during fiscal year 2013 were as follows:

	Principal Outstanding 07/01/12	Additions	Reductions	Principal Outstanding 06/30/13	Amounts Due in One Year
<i>Governmental Activities:</i>					
2003 School Improvement Bonds 3.1%-5.0%	\$ 2,475,000	-	(820,000)	1,655,000	895,000
2006 Refunding Bonds					
Current Interest Serial Bonds 4.0%-4.375%	7,395,000	-	(45,000)	7,350,000	45,000
Current Interest Term Bonds 4.0% - 4.25%	1,720,000	-	-	1,720,000	-
Capital Appreciation Bonds	110,000	-	-	110,000	-
Accretion on Capital Appreciation Bonds	239,057	81,074	-	320,131	-
2012 Refunding Bonds					
Current Interest Serial Bonds 2.0%-3.0%	6,630,000	-	(185,000)	6,445,000	-
Capital Appreciation Bonds	60,000	-	-	60,000	-
Accretion on Capital Appreciation Bonds	5,848	13,461	-	19,309	-
Deferred Amounts:					
Add: Bond premiums	861,320	-	(59,303)	802,017	-
Less: Bond discounts	(15,937)	-	2,656	(13,281)	-
Less: Deferred amount on refunding	(793,937)	-	54,500	(739,437)	-
Capital Lease Obligations	662,101	1,274,991	(263,301)	1,673,791	609,232
STRS Early Retirement Incentive	104,126	149,017	(69,482)	183,661	-
Compensated Absences Liability	852,440	110,091	(234,216)	728,315	162,742
Total	\$ <u>20,305,018</u>	<u>1,628,634</u>	<u>(1,619,146)</u>	<u>20,314,506</u>	<u>1,711,974</u>

The School District issued \$24,900,000 in School Improvement Bonds in fiscal year 2003 that was originally scheduled to mature in fiscal year 2025, for the construction of a high school and improvements to the School District’s elementary schools. The original issue included current interest serial bonds and capital appreciation bonds. The School District advanced refunded \$16,105,000 of this issuance in fiscal years 2007 and 2012. The remaining current interest serial bonds will be fully matured in 2017. The refunded bonds were not included in the School District’s outstanding debt since the School District has satisfied its obligations through the advance refunding. The principal balance of the refunded bonds at June 30, 2013 was \$9,415,000.

The School District issued \$9,415,000 in Series 2006 Refunding Bonds that mature in December 2029, for the partial advance refunding of \$9,415,000 of Series 2003 School Improvement Bonds. The Series 2006 bonds include current interest serial bonds that will mature in December 2028; two issues of current interest term bonds that mature in December 2020 and December 2025; and capital appreciation bonds that will mature in December 2015. The maturity amount of the capital appreciation bonds is \$725,000. For fiscal year 2013, \$81,074 was accreted for a total bond value of \$430,131.



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**Notes to the Basic Financial Statements**  
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The School District issued \$6,690,000 in Series 2012 Refunding Bonds that mature in December 2024, for the partial advance refunding of \$6,690,000 in Series 2003 School Improvement Bonds. These bonds include serial bonds that will mature in December 2024 and capital appreciation bonds that will mature in December 2019. The maturity amount of the capital appreciation bonds is \$320,000. For fiscal year 2013, \$13,461 was accreted for a total bond value of \$79,309.

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

Principal and interest requirements to retire the School District's long-term general obligation bonds outstanding at June 30, 2013 are shown in the table below.

Fiscal Year Ending June 30,	Principal Due	Interest Due	Total FY Payments
2014	\$ 940,000	567,644	1,507,644
2015	50,000	548,963	598,963
2016	145,000	1,162,616	1,307,616
2017	515,000	920,663	1,435,663
2018	515,000	957,463	1,472,463
2019-2023	5,290,000	2,663,138	7,953,138
2024-2028	7,915,000	1,440,150	9,355,150
2029	<u>1,970,000</u>	<u>43,094</u>	<u>2,013,094</u>
Total	\$ <u>17,340,000</u>	<u>8,303,731</u>	<u>25,643,731</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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**NOTE 10-CAPITAL LEASES – LESSEE DISCLOSURE**

During fiscal year 2011, the School District entered into a lease agreement related to the construction of the new high school. Assets acquired under these leases were \$782,000. During fiscal year 2013, the School District entered into a \$1,274,991 lease-purchase agreement to finance a portion of the renovations to Morgan Elementary. As of June 30, 2013, the School District had spent \$111,511 of the lease-purchase proceeds.

These leases meet the criteria of a capital lease as defined by generally accepted accounting principles, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds.

The following is a schedule of the future minimum lease payments for the capital leases, and the present value of the future minimum lease payments at June 30, 2013:

Year Ending June 30		
2014	\$	649,263
2015		649,263
2016		<u>443,711</u>
Total Future Minimum Lease Payments		1,742,237
Less: Amount Representing Interest		<u>68,446</u>
Present Value of Future Minimum Lease Payments	\$	<u><u>1,673,791</u></u>

**NOTE 11-OPERATING LEASE – LESSEE DISCLOSURE**

On August 1, 2011 the School District entered into a two-year operating lease agreement with M.B.A. Holdings Company to continue its lease of the bus garage, with an option to renew for an additional two years. The School District elected to renew the lease for an additional two years. The future minimum annual rental payments are \$38,216 and is payable monthly at \$3,185. For fiscal year 2013, the School District's rental costs were \$38,216.

**NOTE 12-OTHER EMPLOYEE BENEFITS**

Accumulated Unpaid Vacation

School District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The School District's total obligation for vacation accrual as of June 30, 2013 was \$151,736.

Accumulated Unpaid Sick Leave

School District employees may accumulate sick leave. Upon retirement, payment is made for 26.5% of the total unused sick leave balance up to a maximum of fifty days for certified and classified employees. The total obligation for sick leave accrual, for the School District as a whole, as of June 30, 2013 was \$576,579.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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Early Retirement Incentive

During fiscal year 2013, the School District participated in the State Teacher Retirement System Early Retirement Incentive program for certificated staff. During fiscal year 2013, nine additional teachers were eligible to participate. The School District purchased two years of service credit for eligible certificated employees in fiscal 2013. 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 years 2014 and 2015 totaled \$109,153 and \$74,508, respectively.

**NOTE 13-OASBO WORKERS' COMP PROGRAM**

OASBO GROUP RATING PROGRAM

The School District participates in the Ohio Association of School Business Officials 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 OASBO. The Executive Director of the OASBO, 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 14-PENSION PLANS**

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For the fiscal year ending June 30, 2013, the allocation to pension and death benefits is 13.10%. The remaining 0.90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's required contributions to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were approximately \$399,000, \$410,000, and \$418,000 respectively; 89% has been contributed for 2013 and 100% for fiscal years 2012 and 2011.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
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STATE TEACHERS RETIREMENT SYSTEM OF OHIO

The School District contributes to the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. STRS Ohio issued a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

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

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

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

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

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

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

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

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

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

Contribution requirements and contributions actually made for the fiscal year ended June 30, 2013, were 10% of covered payroll for members and 14% for employers. The School District’s contributions to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were approximately \$1,465,000, \$1,525,000 and \$1,587,000 respectively; 87% has been contributed for 2013 and 100% for fiscal years 2012 and 2011.

**SOCIAL SECURITY SYSTEM**

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

**NOTE 15-POSTEMPLOYMENT BENEFITS**

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care for fiscal years ended June 30, 2013, 2012, and 2011. The 14% employer contribution rate is the maximum rate established under Ohio law. The School District's contributions to STRS Ohio allocated to post-employment health care for the fiscal years ended June 30, 2013, 2012 and 2011 were approximately \$105,000, \$109,000 and \$113,000, respectively. 87% has been contributed for 2013 and 100% for fiscal years 2012 and 2011.

SERS administers two postemployment benefit plans:

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2013, the actuarially required allocation was 0.74%. The School District's contributions for the fiscal years ended June 30, 2013, 2012 and 2011 were approximately \$21,000, \$22,000 and \$23,000, respectively. 89% has been contributed for 2013 and 100% for fiscal years 2012 and 2011.

Health Care Plan

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

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

The Health Care Fund was established under, and is administered in accordance with Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. For the year ended June 30, 2013, the health care allocation was 0.16%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the minimum compensation level was established at \$20,525.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District contributions assigned to health care for the fiscal years ended June 30, 2013, 2012, and 2011 were approximately \$5,000, \$16,000 and \$43,000, respectively. 89% has been contributed for 2013 and 100% for fiscal years 2012 and 2011.

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

**NOTE 16-FUND BALANCES**

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

<u>Fund Balances</u>	<u>General</u>	<u>Debt Service</u>	<u>Classroom Facilities Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><i>Nonspendable</i></b>					
Inventory	\$ 2,759	-	-	8,689	11,448
<b><i>Restricted for</i></b>					
Food service	-	-	-	29,271	29,271
Scholarships	-	-	-	95,686	95,686
Classroom Facilities Maintenance	-	-	-	768,791	768,791
Athletics	-	-	-	106,754	106,754
Auxilliary Services	-	-	-	52,024	52,024
Other Purposes	-	-	-	1,841	1,841
Debt Service Payments	-	905,905	-	-	905,905
Capital Improvements	-	-	4,509,356	667,037	5,176,393
<b><i>Total Restricted</i></b>	<u>-</u>	<u>905,905</u>	<u>4,509,356</u>	<u>1,721,404</u>	<u>7,136,665</u>
<b><i>Committed for</i></b>					
Capital Improvements	-	-	2,000,000	-	2,000,000
<b><i>Assigned to</i></b>					
Public School Support	48,130	-	-	-	48,130
Encumbrances	886,985	-	-	-	886,985
<b><i>Total Assigned</i></b>	<u>935,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>935,115</u>
<b><i>Unassigned (Deficit)</i></b>	<u>5,231,569</u>	<u>-</u>	<u>-</u>	<u>(51,062)</u>	<u>5,180,507</u>
<b><i>Total Fund Balance</i></b>	<u>\$ 6,169,443</u>	<u>905,905</u>	<u>6,509,356</u>	<u>1,679,031</u>	<u>15,263,735</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**NOTE 17-JOINTLY GOVERNED ORGANIZATIONS**

SOUTHWEST OHIO COMPUTER ASSOCIATION

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

BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

The Butler Technology and Career Development Schools (BTCDS), a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school districts' elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. BTCDS was formed for the purpose of providing vocational education opportunities to the students of the member school districts which includes the students of the School District.

The School District has no ongoing financial interest in or responsibility for BTCDS. To obtain financial information, write to BTCDS, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

**NOTE 18-RISK MANAGEMENT**

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

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

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



**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**NOTE 19-CONTINGENCIES**

**A. Litigation**

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

**B. Federal and State Funding**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2013, if applicable, cannot be determined at this time.

**NOTE 20-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 acquisition, maintenance, 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 capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>	<u>Budget Stabilization</u>
Set-aside balance as of June 30, 2012	\$ -	324,996
Current year set-aside requirement	484,575	-
Current year qualifying expenditures	(729,610)	
Current year qualifying offsets	(406,896)	
H.B. 30 Elimination	<u>-</u>	<u>-</u>
Total	(651,931)	324,996
Balance carried forward to FY2014	<u>-</u>	<u>324,996</u>
	-	
Set-aside reserve balance as of June 30, 2013	\$ <u><u>-</u></u>	<u><u>324,996</u></u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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

**NOTE 21-SIGNIFICANT CONTRACTUAL COMMITMENTS**

The School District utilizes encumbrance accounting to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The School District's outstanding encumbrance amounts at June 30, 2013 were:

General Fund	\$ 911,734
Classroom Facilities Project	1,347,806
Other Governmental Funds	<u>373,024</u>
	\$ <u>2,632,564</u>

**NOTE 22-CHANGE IN ACCOUNTING PRINCIPLES**

The School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statement No. 14 and No. 34*, GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 62 incorporates Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants' (AICPA) accounting and financial reporting guidance issued on or before November 30, 1989 into GASB authoritative literature. GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position.

**NOTE 23-RESTATEMENT**

The School District restated its net position as of June 30, 2012 to correct capital assets based upon an appraisal that was performed during fiscal year 2013. The following table shows the effect on Governmental Activities' net position:

	<u>Governmental Activities</u>
Net Position at June 30, 2012	\$ 46,183,531
Capital asset adjustment	<u>(2,578,012)</u>
Restated Net Position at June 30, 2012	\$ <u>43,605,519</u>

## Required Supplementary Information

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
Fiscal Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Property taxes	\$ 7,970,100	8,237,204	8,237,204	-
Income taxes	2,500,000	2,536,100	2,536,100	-
Tuition and fees	156,100	131,136	131,136	-
Interest	20,000	17,198	17,198	-
Intergovernmental	11,407,900	11,526,134	11,526,134	-
Other local revenues	313,300	394,966	394,966	-
<b>Total revenues</b>	<u>22,367,400</u>	<u>22,842,738</u>	<u>22,842,738</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	10,334,120	11,194,785	11,194,785	-
Special education	1,365,325	1,392,006	1,392,006	-
Other instruction	838,100	907,792	907,792	-
Support services:				
Pupil	880,353	843,722	843,722	-
Instructional staff	768,985	862,368	862,368	-
Board of Education	32,728	36,661	36,661	-
Administration	1,904,329	1,927,869	1,927,869	-
Fiscal	809,560	655,548	655,548	-
Operation and maintenance of plant	2,127,253	2,101,588	2,101,588	-
Pupil transportation	1,744,476	1,647,020	1,647,020	-
Central	-	282	282	-
Non-instructional services:				
Extracurricular activities	348,109	467,211	467,211	-
Capital outlay	107,992	531,795	531,795	-
Debt service	-	205,552	205,552	-
<b>Total expenditures</b>	<u>21,261,330</u>	<u>22,774,199</u>	<u>22,774,199</u>	<u>-</u>
Excess of revenues over (under) expenditures	1,106,070	68,539	68,539	-
<b>Other financing sources (uses):</b>				
Advances in	77,000	70,000	70,000	-
Other financing sources	10,000	2,219	2,219	-
Advances out	-	(70,000)	(70,000)	-
<b>Total other financing sources (uses):</b>	<u>87,000</u>	<u>2,219</u>	<u>2,219</u>	<u>-</u>
Net change in fund balance	1,193,070	70,758	70,758	-
Fund balance, beginning of year	5,540,895	5,540,895	5,540,895	
Prior year encumbrances appropriated	381,679	381,679	381,679	
Fund balance, end of year	\$ <u>7,115,644</u>	<u>5,993,332</u>	<u>5,993,332</u>	

See accompanying notes to required supplementary information.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2013

**NOTE A-BUDGETARY BASIS OF ACCOUNTING**

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

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

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

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

Encumbrances are treated as expenditures for all funds (budgetary basis) rather than as an expenditure when paid (GAAP basis).

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

Change in Fund Balance (GAAP Basis)	1,182,406
Increase/(Decrease)	
Inclusion of Uniform School Supplies Fund	\$ (9,079)
Inclusion of Public School Support Fund	2,105
Due to revenues	(122,232)
Due to expenditures	(72,927)
Due to encumbrances	(911,734)
Due to other financing sources and uses	<u>2,219</u>
Change in fund balance (Budgetary Basis)	\$ <u><u>70,758</u></u>

Supplemental Section:  
Combining Statements and  
Individual Fund Schedules

## **Non-Major Governmental Funds**

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

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

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

This fund accounts for various local grants.

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

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

#### ***Athletic Fund***

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

#### ***Auxiliary Service Fund***

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

#### ***Data Communications Fund***

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

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

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

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

To account for federal funds distributed by the State and used to create or save education jobs.

#### ***Race to the Top Fund***

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

#### ***IDEA Part B Fund***

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

***Title II-D Fund***

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

***Title I Fund***

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

***IDEA Preschool Fund***

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

***Improving Teacher Quality Fund***

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

***Miscellaneous Federal Grants Fund***

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 Fund***

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

**Non-Major Capital Projects Fund**

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

***Permanent Improvement Fund***

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



## **Other General Funds**

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

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

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

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

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

## **Major Governmental Funds**

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

### ***Debt Service Fund***

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

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

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 1,200,754	658,443	1,859,197
Receivables:			
Property taxes	-	245,922	245,922
Accounts	5,558	-	5,558
Intergovernmental	160,357	-	160,357
Supplies inventory	8,689	-	8,689
<b>Total assets</b>	<u>1,375,358</u>	<u>904,365</u>	<u>2,279,723</u>
<b>Liabilities:</b>			
Accounts payable	45,440	-	45,440
Accrued wages and benefits	216,048	-	216,048
Pension obligation payable	22,266	-	22,266
Due to other governments	2,067	-	2,067
Interfund payable	65,750	-	65,750
Deferred revenue	11,793	237,328	249,121
<b>Total liabilities</b>	<u>363,364</u>	<u>237,328</u>	<u>600,692</u>
<b>Fund Balances:</b>			
Nonspendable	8,689	-	8,689
Restricted	1,054,367	667,037	1,721,404
Unassigned	(51,062)	-	(51,062)
<b>Total fund balances</b>	<u>1,011,994</u>	<u>667,037</u>	<u>1,679,031</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,375,358</u>	<u>904,365</u>	<u>2,279,723</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

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

Nonmajor Governmental Funds

Fiscal Year Ended June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues:</b>			
Property taxes	\$ -	240,185	240,185
Income taxes	168,209		168,209
Interest	244	-	244
Extracurricular	370,207	-	370,207
Charges for services	675,893	-	675,893
Intergovernmental	1,596,995	113,544	1,710,539
Other local revenues	78,257	241,170	319,427
<b>Total revenues</b>	<u>2,889,805</u>	<u>594,899</u>	<u>3,484,704</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	227,535	-	227,535
Special education	209,083	-	209,083
Support services:			
Instructional staff	555,812	-	555,812
Administration	71,059	2,749	73,808
Fiscal	-	3,142	3,142
Operation and maintenance of plant	72,218	-	72,218
Central	7,200	-	7,200
Non-instructional services:			
Community services	154,958	-	154,958
Extracurricular activities	418,481	-	418,481
Food services	1,125,268	-	1,125,268
Capital outlay	-	23,603	23,603
<b>Total expenditures</b>	<u>2,841,614</u>	<u>29,494</u>	<u>2,871,108</u>
<b>Excess of revenues over expenditures</b>	48,191	565,405	613,596
<b>Other financing sources (uses)</b>			
Transfers in	-	1,000,000	1,000,000
Transfers out	-	(2,000,000)	(2,000,000)
<b>Total Other financing sources (uses)</b>	<u>-</u>	<u>(1,000,000)</u>	<u>(1,000,000)</u>
<b>Net change in fund balances</b>	48,191	(434,595)	(386,404)
Fund balance, beginning of year	<u>963,803</u>	<u>1,101,632</u>	<u>2,065,435</u>
Fund balance, end of year	<u>\$ 1,011,994</u>	<u>667,037</u>	<u>1,679,031</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2013

	Other Local Grant	Classroom Facilities Maintenance	Athletic	Auxiliary Service	Data Communications	Misc. State Grants	Education Jobs	Race to the Top	IDEA Part B
<b>Assets:</b>									
Equity in pooled cash and investments	\$ 1,841	768,791	118,095	91,933	-	-	-	-	-
Receivables:									
Accounts	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	65,742	54,927
Supplies inventory	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>1,841</u>	<u>768,791</u>	<u>118,095</u>	<u>91,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,742</u>	<u>54,927</u>
<b>Liabilities:</b>									
Accounts payable	-	-	10,141	32,907	-	-	-	-	-
Accrued wages and benefits	-	-	1,200	6,082	-	-	-	2,934	75,184
Pension obligation payable	-	-	-	838	-	-	-	-	7,066
Due to other governments	-	-	-	82	-	-	-	-	642
Interfund payable	-	-	-	-	-	-	-	64,068	1,682
Deferred revenue	-	-	-	-	-	-	-	1,434	8,001
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>11,341</u>	<u>39,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,436</u>	<u>92,575</u>
<b>Fund Balances:</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	1,841	768,791	106,754	52,024	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(2,694)	(37,648)
<b>Total fund balances</b>	<u>1,841</u>	<u>768,791</u>	<u>106,754</u>	<u>52,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,694)</u>	<u>(37,648)</u>
<b>Total liabilities and fund balances</b>	\$ <u>1,841</u>	<u>768,791</u>	<u>118,095</u>	<u>91,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,742</u>	<u>54,927</u>

(continued)

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 June 30, 2013  
 (Continued)

	Title II-D	Title I	IDEA Preschool	Improving Teacher Quality	Misc. Federal Grants	Special Revenue	Food Service	TOTAL
<b>Assets:</b>								
Equity in pooled cash and investments	\$ -	2,455	-	36	-	96,158	121,445	1,200,754
Receivables:								
Accounts	-	-	-	-	-	1,920	3,638	5,558
Intergovernmental	-	27,896	-	11,792	-	-	-	160,357
Supplies inventory	-	-	-	-	-	-	8,689	8,689
<b>Total assets</b>	<u>-</u>	<u>30,351</u>	<u>-</u>	<u>11,828</u>	<u>-</u>	<u>98,078</u>	<u>133,772</u>	<u>1,375,358</u>
<b>Liabilities:</b>								
Accounts payable	-	-	-	-	-	2,392	-	45,440
Accrued wages and benefits	-	33,220	-	10,526	-	-	86,902	216,048
Pension obligation payable	-	4,750	-	1,452	-	-	8,160	22,266
Due to other governments	-	478	-	115	-	-	750	2,067
Interfund payable	-	-	-	-	-	-	-	65,750
Deferred revenue	-	2,346	-	12	-	-	-	11,793
<b>Total liabilities</b>	<u>-</u>	<u>40,794</u>	<u>-</u>	<u>12,105</u>	<u>-</u>	<u>2,392</u>	<u>95,812</u>	<u>363,364</u>
<b>Fund Balances:</b>								
Nonspendable	-	-	-	-	-	-	8,689	8,689
Restricted	-	-	-	-	-	95,686	29,271	1,054,367
Unassigned	-	(10,443)	-	(277)	-	-	-	(51,062)
<b>Total fund balances</b>	<u>-</u>	<u>(10,443)</u>	<u>-</u>	<u>(277)</u>	<u>-</u>	<u>95,686</u>	<u>37,960</u>	<u>1,011,994</u>
<b>Total liabilities and fund balances</b>	\$ <u>-</u>	<u>30,351</u>	<u>-</u>	<u>11,828</u>	<u>-</u>	<u>98,078</u>	<u>133,772</u>	<u>1,375,358</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Fiscal Year Ended June 30, 2013

	Other Local Grant	Classroom Facilities Maintenance	Athletic	Auxiliary Service	Data Communications	Misc. State Grants	Education Jobs	Race to the Top	IDEA Part B
<b>Revenues:</b>									
Income taxes	\$ -	168,209	-	-	-	-	-	-	-
Interest	-	-	-	90	-	-	-	-	-
Extracurricular	-	-	370,207	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Intergovernmental	-	30,376	-	150,888	7,200	450	20,865	102,069	560,202
Other local revenues	1,120	3,677	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>1,120</u>	<u>202,262</u>	<u>370,207</u>	<u>150,978</u>	<u>7,200</u>	<u>450</u>	<u>20,865</u>	<u>102,069</u>	<u>560,202</u>
<b>Expenditures:</b>									
Current:									
Instruction:									
Regular	-	-	-	-	-	450	-	89,583	-
Special education	-	-	-	-	-	-	-	-	-
Support services:									
Instructional staff	-	-	-	-	-	-	-	15,180	511,378
Administration	-	-	-	-	-	-	-	-	70,000
Operation and maintenance of plant	918	71,300	-	-	-	-	-	-	-
Central	-	-	-	-	7,200	-	-	-	-
Non-instructional services:									
Community services	-	-	-	122,859	-	-	-	-	9,771
Extracurricular activities	1,575	-	409,663	-	-	-	-	-	-
Food services	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>2,493</u>	<u>71,300</u>	<u>409,663</u>	<u>122,859</u>	<u>7,200</u>	<u>450</u>	<u>-</u>	<u>104,763</u>	<u>591,149</u>
Net change in fund balances	(1,373)	130,962	(39,456)	28,119	-	-	20,865	(2,694)	(30,947)
Fund balance, beginning of year	3,214	637,829	146,210	23,905	-	-	(20,865)	-	(6,701)
Fund balance, end of year	\$ <u>1,841</u>	<u>768,791</u>	<u>106,754</u>	<u>52,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,694)</u>	<u>(37,648)</u>

(continued)

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
Fiscal Year Ended June 30, 2013  
(Continued)

	Title II-D	Title I	IDEA Preschool	Improving Teacher Quality	Misc. Federal Grants	Special Revenue	Food Service	TOTAL
<b>Revenues:</b>								
Income taxes	\$ -	-	-	-	-	-	-	168,209
Interest	-	-	-	-	-	-	154	244
Extracurricular	-	-	-	-	-	-	-	370,207
Charges for services	-	-	-	-	-	-	675,893	675,893
Intergovernmental	-	259,140	1,663	76,740	5,541	-	381,861	1,596,995
Other local revenues	-	-	-	-	-	69,822	3,638	78,257
<b>Total revenues</b>	<u>-</u>	<u>259,140</u>	<u>1,663</u>	<u>76,740</u>	<u>5,541</u>	<u>69,822</u>	<u>1,061,546</u>	<u>2,889,805</u>
<b>Expenditures:</b>								
Current:								
Instruction:								
Regular	-	-	-	76,815	-	60,687	-	227,535
Special education	-	207,420	1,663	-	-	-	-	209,083
Support services:								
Instructional staff	114	25,679	-	-	3,461	-	-	555,812
Administration	-	-	-	-	-	1,059	-	71,059
Operation and maintenance of plant	-	-	-	-	-	-	-	72,218
Central	-	-	-	-	-	-	-	7,200
Non-instructional services:								
Community services	-	12,328	-	-	-	10,000	-	154,958
Extracurricular activities	-	-	-	-	-	7,243	-	418,481
Food services	-	-	-	-	-	-	1,125,268	1,125,268
<b>Total expenditures</b>	<u>114</u>	<u>245,427</u>	<u>1,663</u>	<u>76,815</u>	<u>3,461</u>	<u>78,989</u>	<u>1,125,268</u>	<u>2,841,614</u>
Net change in fund balances	(114)	13,713	-	(75)	2,080	(9,167)	(63,722)	48,191
Fund balance, beginning of year	114	(24,156)	-	(202)	(2,080)	104,853	101,682	963,803
Fund balance, end of year	\$ -	(10,443)	-	(277)	-	95,686	37,960	1,011,994

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Other Local Grants Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenues	\$ 28,665	1,120	(27,545)
Expenditures:			
Current:			
Instruction:			
Regular	29,219	-	29,219
Support services:			
Operation and maintenance of plant	1,080	1,013	67
Non-instructional services:			
Extracurricular activities	1,120	1,119	1
Total expenditures	<u>31,419</u>	<u>2,132</u>	<u>29,286</u>
Excess of revenues over (under) expenditures	<u>(2,754)</u>	<u>(1,012)</u>	<u>1,742</u>
Other financing uses:			
Other financing uses	(456)	(456)	-
Total other financing uses	<u>(456)</u>	<u>(456)</u>	<u>-</u>
Net change in fund balance	(3,210)	(1,468)	1,741
Fund balance, beginning of year	<u>3,214</u>	<u>3,214</u>	
Fund balance, end of year	\$ <u><u>4</u></u>	<u><u>1,746</u></u>	



**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Classroom Facilities Maintenance Special Revenue Fund

Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Income taxes	\$ 168,209	168,209	-
Intergovernmental	<u>30,400</u>	<u>30,376</u>	<u>(24)</u>
Total revenues	<u>198,609</u>	<u>198,585</u>	<u>(24)</u>
Expenditures:			
Current:			
Support services:			
Operation and maintenance of plant	<u>516,322</u>	<u>76,300</u>	<u>440,022</u>
Total expenditures	<u>516,322</u>	<u>76,300</u>	<u>440,022</u>
Excess of revenues over (under) expenditures	<u>(317,713)</u>	<u>122,285</u>	<u>439,998</u>
Other financing sources:			
Other financing sources	<u>3,677</u>	<u>3,677</u>	<u>-</u>
Total other financing sources	<u>3,677</u>	<u>3,677</u>	<u>-</u>
Net change in fund balance	<u>(314,036)</u>	<u>125,962</u>	<u>439,998</u>
Fund balance, beginning of year	621,507	621,507	
Prior year encumbrances appropriated	<u>16,322</u>	<u>16,322</u>	
Fund balance, end of year	\$ <u>323,793</u>	<u>763,791</u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

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

Athletic Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Extracurricular	\$ <u>380,200</u>	<u>371,675</u>	<u>(8,525)</u>
Expenditures:			
Current:			
Non-instructional services:			
Extracurricular activities	<u>538,014</u>	<u>454,708</u>	<u>83,306</u>
Total expenditures	<u>538,014</u>	<u>454,708</u>	<u>83,306</u>
Net change in fund balance	(157,814)	(83,033)	74,781
Fund balance, beginning of year	139,536	139,536	
Prior year encumbrances appropriated	<u>18,278</u>	<u>18,278</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>74,781</u></u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

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

Auxiliary Service Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Interest	\$ 100	90	(10)
Intergovernmental	<u>150,888</u>	<u>150,888</u>	<u>-</u>
Total revenues	<u>150,988</u>	<u>150,978</u>	<u>(10)</u>
Expenditures:			
Current:			
Non-instructional services:			
Community services	<u>183,518</u>	<u>177,408</u>	<u>6,110</u>
Total expenditures	<u>183,518</u>	<u>177,408</u>	<u>6,110</u>
Net change in fund balance	(32,530)	(26,430)	6,100
Fund balance, beginning of year	26,848	26,848	
Prior year encumbrances appropriated	<u>5,682</u>	<u>5,682</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>6,100</u></u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Data Communication Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>7,200</u>	<u>7,200</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Central	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Total expenditures	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Miscellaneous State Grants Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 450	450	-
Expenditures:			
Current:			
Instruction:			
Regular	450	450	-
Total expenditures	450	450	-
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)

Education Jobs Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>38,529</u>	<u>38,529</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Administration	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	38,529	38,529	-
Fund balance, beginning of year	<u>(38,529)</u>	<u>(38,529)</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

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

Race To The Top Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 132,186	43,127	(89,059)
Expenditures:			
Current:			
Instruction:			
Regular	105,250	86,890	18,360
Support services:			
Instructional staff	17,011	15,180	1,831
Administration	4,560	-	4,560
Total expenditures	<u>126,821</u>	<u>102,070</u>	<u>24,751</u>
Net change in fund balance	5,365	(58,943)	(64,308)
Fund balance, beginning of year	(5,493)	(5,493)	
Prior year encumbrances appropriated	<u>128</u>	<u>128</u>	
Fund balance, end of year	\$ <u>-</u>	<u>(64,308)</u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)

IDEA Part B Special Revenue Fund

Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$ 640,158	589,802	(50,356)
Expenditures:			
Current:			
Support services:			
Instructional staff	553,625	510,591	43,034
Administration	70,000	70,000	-
Non-instructional services:			
Community services	14,093	9,772	4,321
Total expenditures	<u>637,718</u>	<u>590,363</u>	<u>47,355</u>
Excess of revenues over (under) expenditures	<u>2,440</u>	<u>(561)</u>	<u>(3,001)</u>
Other financing sources (uses):			
Transfers in	7,937	7,937	-
Transfers out	<u>(7,937)</u>	<u>(7,937)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,440	(561)	(3,001)
Fund balance, beginning of year	<u>(1,940)</u>	<u>(1,940)</u>	
Fund balance, end of year	\$ <u><u>500</u></u>	<u><u>(2,501)</u></u>	



**ROSS LOCAL SCHOOL DISTRICT, OHIO**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)

Title II-D Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>3,206</u>	<u>240</u>	<u>(2,966)</u>
Expenditures:			
Current:			
Support services:			
Instructional staff	2,936	114	2,822
Non-instructional services:			
Community services	<u>131</u>	<u>-</u>	<u>131</u>
Total expenditures	<u>3,067</u>	<u>114</u>	<u>2,953</u>
Net change in fund balance	139	126	(13)
Fund balance, beginning of year	(383)	(383)	
Prior year encumbrances appropriated	<u>257</u>	<u>257</u>	
Fund balance, end of year	\$ <u><u>13</u></u>	<u><u>-</u></u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)

Title I Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 293,456	258,638	(34,818)
Expenditures:			
Current:			
Instruction:			
Special education	238,830	207,577	31,253
Support services:			
Instructional staff	32,838	32,838	-
Non-instructional services:			
Community services	18,340	12,320	6,020
Total expenditures	<u>290,008</u>	<u>252,735</u>	<u>37,273</u>
Excess of revenues over (under) expenditures	3,448	5,903	2,455
Other financing sources (uses):			
Transfers in	782	782	-
Transfers out	<u>(782)</u>	<u>(782)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	3,448	5,903	2,455
Fund balance, beginning of year	<u>(3,448)</u>	<u>(3,448)</u>	
Fund balance, end of year	\$ <u>-</u>	<u>2,455</u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

IDEA Preschool Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>1,663</u>	<u>1,663</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special education	<u>1,663</u>	<u>1,663</u>	<u>-</u>
Total expenditures	<u>1,663</u>	<u>1,663</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u><u>-</u></u>	<u><u>-</u></u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Improving Teacher Quality Special Revenue Fund  
Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ 76,840	64,960	(11,880)
Expenditures:			
Current:			
Instruction:			
Regular	76,568	64,924	11,644
Non-instructional services:			
Community services	<u>272</u>	<u>-</u>	<u>272</u>
Total expenditures	<u>76,840</u>	<u>64,924</u>	<u>11,644</u>
Net change in fund balance	-	36	36
Fund balance, beginning of year	<u>-</u>	<u>-</u>	
Fund balance, end of year	\$ <u>-</u>	<u>36</u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Miscellaneous Federal Grants Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Intergovernmental	\$ <u>8,375</u>	<u>8,375</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	65	65	-
Support services:			
Instructional staff	<u>5,691</u>	<u>5,691</u>	<u>-</u>
Total expenditures	<u>5,756</u>	<u>5,756</u>	<u>-</u>
Net change in fund balance	2,619	2,619	-
Fund balance, beginning of year	(8,376)	(8,376)	
Prior year encumbrances appropriated	<u>5,757</u>	<u>5,757</u>	
Fund balance, end of year	\$ <u>-</u>	<u>-</u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)

Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenues	\$ 101,700	70,010	(31,690)
Expenditures:			
Current:			
Instruction:			
Regular	121,867	69,902	51,965
Support services:			
Administration	2,423	1,723	700
Non-instructional services:			
Community services	50,807	10,000	40,807
Extracurricular activities	17,948	7,243	10,705
Total expenditures	<u>193,045</u>	<u>88,868</u>	<u>104,177</u>
Net change in fund balance	(91,345)	(18,858)	72,487
Fund balance, beginning of year	92,254	92,254	
Prior year encumbrances appropriated	<u>16,922</u>	<u>16,922</u>	
Fund balance, end of year	\$ <u>17,831</u>	<u>90,318</u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)

Food Service Special Revenue Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Interest	\$ 200	154	(46)
Charges for services	721,006	683,185	(37,821)
Intergovernmental	<u>349,394</u>	<u>329,027</u>	<u>(20,367)</u>
Total revenues	<u>1,070,600</u>	<u>1,012,366</u>	<u>(58,234)</u>
Expenditures:			
Current:			
Support services:			
Operation and maintenance of plant	41,464	41,464	-
Non-instructional services:			
Food services	<u>1,152,039</u>	<u>1,132,137</u>	<u>19,902</u>
Total expenditures	<u>1,193,503</u>	<u>1,173,601</u>	<u>19,902</u>
Net change in fund balance	(122,903)	(161,235)	(38,332)
Fund balance, beginning of year	51,009	51,009	
Prior year encumbrances appropriated	<u>123,398</u>	<u>123,398</u>	
Fund balance, end of year	\$ <u>51,504</u>	<u>13,172</u>	

## ROSS LOCAL SCHOOL DISTRICT, OHIO

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Permanent Improvement Capital Projects Fund

Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance from Final Budget
Revenues:			
Taxes	\$ 240,100	238,687	(1,413)
Intergovernmental	<u>113,544</u>	<u>113,544</u>	<u>-</u>
Total revenues	<u>353,644</u>	<u>352,231</u>	<u>(1,413)</u>
Expenditures:			
Current:			
Support services:			
Administration	3,662	2,749	913
Fiscal	3,142	3,142	-
Capital outlay	<u>363,405</u>	<u>142,601</u>	<u>220,804</u>
Total expenditures	<u>370,209</u>	<u>148,492</u>	<u>221,717</u>
Excess of revenues (under) over expenditures	(16,565)	203,739	220,304
Other financing sources (uses):			
Transfers in	1,000,000	1,000,000	-
Transfers out	(2,000,000)	(2,000,000)	-
Other financing sources	<u>241,170</u>	<u>241,170</u>	<u>-</u>
Total other financing sources (uses)	<u>(758,830)</u>	<u>(758,830)</u>	<u>-</u>
Net change in fund balance	(775,395)	(555,091)	220,304
Fund balance, beginning of year	956,327	956,327	
Prior year encumbrances appropriated	<u>138,209</u>	<u>138,209</u>	
Fund balance, end of year	\$ <u>319,141</u>	<u>539,445</u>	



**ROSS LOCAL SCHOOL DISTRICT, OHIO**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)

## Uniform School Supplies Fund (1)

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Other local revenues	\$ 106,448	89,664	(16,784)
Expenditures:			
Current:			
Instruction:			
Regular	138,267	82,956	55,311
Total expenditures	<u>138,267</u>	<u>82,956</u>	<u>55,311</u>
Excess of revenues over (under) expenditures	(31,819)	6,708	38,527
Other financing sources (uses):			
Advances in	76,052	70,000	(6,052)
Advances out	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>6,052</u>	<u>-</u>	<u>(6,052)</u>
Net change in fund balance	(25,767)	6,708	32,475
Fund balance, beginning of year	27,340	27,340	
Prior year encumbrances appropriated	<u>2,222</u>	<u>2,222</u>	
Fund balance, end of year	\$ <u>3,795</u>	<u>36,270</u>	

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Public School Support Fund (1)

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Extracurricular	\$ <u>246,300</u>	<u>201,065</u>	<u>(45,235)</u>
Expenditures:			
Current:			
Instruction:			
Regular	186,907	150,566	36,341
Support services:			
Instructional staff	47,760	39,438	8,322
Non-instructional services:			
Extracurricular activities	<u>31,910</u>	<u>29,596</u>	<u>2,314</u>
Total expenditures	<u>266,577</u>	<u>219,600</u>	<u>46,977</u>
Net change in fund balance	(20,277)	(18,535)	1,742
Fund balance, beginning of year	50,081	50,081	
Prior year encumbrances appropriated	<u>15,702</u>	<u>15,702</u>	
Fund balance, end of year	\$ <u><u>45,506</u></u>	<u><u>47,248</u></u>	

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)

## Debt Service Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Taxes	\$ 1,365,810	1,365,810	-
Intergovernmental	182,614	118,243	(64,371)
Other local revenues	<u>2,676</u>	<u>2,676</u>	<u>-</u>
Total revenues	<u>1,551,100</u>	<u>1,486,729</u>	<u>(64,371)</u>
Expenditures:			
Current:			
Support services:			
Administration	20,000	16,091	3,909
Fiscal	10,100	8,826	1,274
Debt service	<u>1,695,000</u>	<u>1,652,015</u>	<u>42,985</u>
Total expenditures	<u>1,725,100</u>	<u>1,676,932</u>	<u>48,168</u>
Excess of revenues over expenditures	(174,000)	(190,203)	(16,203)
Other financing uses:			
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Total other financing uses	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>-</u>
Net change in fund balance	(1,174,000)	(1,190,203)	(16,203)
Fund balance, beginning of year	<u>2,046,998</u>	<u>2,046,998</u>	
Fund balance, end of year	\$ <u>872,998</u>	<u>856,795</u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual (Non-GAAP Budgetary Basis)

Classroom Facilities Project Capital Projects Fund

Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget</u>
Revenues:			
Interest	\$ 5,000	2,479	(2,521)
Intergovernmental	65,373	65,373	-
Other local revenues	<u>1,274,991</u>	<u>1,274,991</u>	<u>-</u>
Total revenues	<u>1,345,364</u>	<u>1,342,843</u>	<u>(2,521)</u>
Expenditures:			
Capital outlay	<u>4,243,558</u>	<u>2,504,906</u>	<u>1,738,652</u>
Total expenditures	<u>4,243,558</u>	<u>2,504,906</u>	<u>1,738,652</u>
Excess of revenues over (under) expenditures	(2,898,194)	(1,162,063)	1,736,131
Other financing sources (uses):			
Transfers in	2,000,000	2,000,000	-
Other financing sources	<u>76,055</u>	<u>76,055</u>	<u>-</u>
Total other financing sources (uses)	<u>2,076,055</u>	<u>2,076,055</u>	<u>-</u>
Net change in fund balance	(822,139)	913,992	1,736,131
Fund balance, beginning of year	3,172,501	3,172,501	
Prior year encumbrances appropriated	<u>1,075,057</u>	<u>1,075,057</u>	
Fund balance, end of year	\$ <u>3,425,419</u>	<u>5,161,550</u>	

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Changes in Fiduciary Assets and Liabilities

Agency Fund

Fiscal Year Ended June 30, 2013

	Beginning Balance 7/1/12	Additions	Deductions	Ending Balance 6/30/13
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 36,625	\$ 69,023	\$ 69,341	\$ 36,307
Total assets	<u>36,625</u>			<u>36,307</u>
<b>Liabilities:</b>				
Due to student groups	<u>36,625</u>	<u>69,023</u>	<u>69,341</u>	<u>36,307</u>
Total liabilities	<u>\$ 36,625</u>			<u>\$ 36,307</u>

## Statistical Section

# Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	<b>81-84</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	<b>85-89</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>90-93</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>94-95</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>96-99</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Ross Local School District, Ohio**  
*Net Position by Component*  
*Last Ten Fiscal Years*  
*(accrual basis of accounting)*

	2004	2005	2006	2007	2008	2009	2010	2011	2012 <sup>(1)</sup>	2013
Net Investment in Capital Assets	\$7,528,672	\$11,674,008	\$13,033,241	\$13,233,413	\$ 13,365,318	\$ 13,714,999	\$ 15,648,895	\$ 29,821,233	\$ 29,538,230	\$ 30,014,580
Restricted	8,208,981	2,462,019	1,028,253	1,169,953	2,163,316	26,400,093	25,205,756	11,081,744	8,398,780	5,636,656
Unrestricted (Deficit)	2,778,623	321,865	1,877,874	2,399,521	1,918,679	2,460,439	1,928,932	2,880,967	5,668,509	7,654,208
<b>Total Net Position</b>	<b>\$18,516,276</b>	<b>\$14,457,892</b>	<b>\$15,939,368</b>	<b>\$16,802,887</b>	<b>\$17,447,313</b>	<b>\$42,575,531</b>	<b>\$42,783,583</b>	<b>\$43,783,944</b>	<b>\$43,605,519</b>	<b>\$43,305,444</b>

(1) - Balances were restated for fiscal year 2012 for corrections made to capital asset balances.



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Regular Instruction	\$9,124,245	\$8,836,363	\$8,762,193	\$11,323,356	\$11,085,096	\$ 11,592,916	\$ 12,455,204	\$ 12,554,421	\$ 12,225,999	\$ 12,166,170
Special Instruction	1,388,504	1,386,822	1,555,089	1,782,823	1,881,815	2,078,745	1,949,860	1,876,301	1,780,666	1,604,276
Adult/Continuing	738	3,987	78,155	1,837	1,173	-	-	-	-	-
Other	369,167	251,650	207,342	256,839	222,898	401,083	615,611	796,116	786,732	873,337
Pupil Support	655,851	770,183	823,651	818,693	1,028,579	930,722	1,053,650	1,049,738	868,746	807,496
Instructional Staff Support	848,876	816,001	1,182,254	1,302,590	1,432,129	1,431,265	1,563,829	1,517,143	1,376,411	1,476,961
Board of Education	121,801	74,268	83,630	14,304	51,828	22,942	22,390	20,266	21,793	30,201
Administration	1,600,221	1,653,472	1,795,625	1,756,814	1,922,777	1,906,408	1,979,015	1,859,702	1,960,499	1,991,135
Fiscal	503,934	496,548	518,893	525,050	668,717	717,195	735,029	746,212	665,521	655,656
Operation and Maintenance of Plant	3,941,084	1,721,084	2,134,602	2,628,197	2,828,484	2,428,993	1,920,431	2,119,800	1,954,719	3,089,136
Pupil Transportation	1,600,836	1,506,050	2,021,368	2,192,810	2,097,136	1,988,556	1,892,347	1,831,602	1,585,983	1,561,487
Central	21,432	17,620	21,697	10,058	33,898	22,946	9,145	9,100	7,200	7,482
Operation of Food Services	674,840	819,760	906,186	927,764	1,013,382	1,033,437	1,069,713	1,024,440	1,109,769	1,120,487
Extracurricular Activities	823,930	722,467	900,778	1,075,040	904,121	945,408	827,471	802,357	799,603	951,709
Community Service	323,704	185,543	223,040	212,301	192,002	206,985	184,892	164,490	187,191	161,704
Interest and Fiscal Charges	1,185,372	997,146	1,006,783	965,394	928,810	927,424	909,985	890,291	729,462	734,427
<i>Total Expenses</i>	<u>23,184,535</u>	<u>20,258,964</u>	<u>22,221,286</u>	<u>25,793,870</u>	<u>26,292,845</u>	<u>26,635,025</u>	<u>27,188,572</u>	<u>27,261,979</u>	<u>26,060,294</u>	<u>27,231,664</u>
<b>Program Revenues</b>										
Charges for Services										
Regular Instruction	\$169,109	\$157,486	\$179,873	\$309,079	\$183,828	\$ 193,468	\$ 192,433	\$ 268,093	\$ 252,257	\$ 220,800
Adult/Continuing	14,432	24,689	44,662	-	-	-	-	-	-	-
Operation of Food Service	584,106	658,197	735,407	769,131	779,561	775,235	762,161	709,594	720,003	676,191
Extracurricular Activities	340,358	482,901	449,059	455,068	574,182	582,507	674,517	592,849	651,252	675,941
Operating Grants and Contributions										
Regular Instruction	118,459	141,275	130,975	86,065	84,107	95,500	135,902	583,700	234,939	153,266
Special Instruction	144,022	345,522	112,843	97,997	110,298	260,893	498,922	324,514	370,570	222,655
Adult/Continuing	-	-	-	-	-	-	20,387	20,038	-	-
Pupil Support	9,651	8,242	8,212	6,542	6,405	55,984	78,234	-	-	-
Staff Support	331,528	557,028	699,852	706,481	695,655	481,030	610,235	696,173	419,821	539,643
Administration	2,585	2,612	-	20,003	7,169	41,709	631,875	823,610	380,706	87,957
Operation and maintenance of plant	-	-	-	-	-	2,285	300,727	-	-	-
Pupil transportation	-	-	-	-	-	-	-	19,132	32,653	-
Central	-	-	12,000	37,088	12,000	12,000	9,145	9,100	7,200	7,200
Community Service	151,813	148,246	136,352	135,828	152,680	171,439	139,801	146,470	159,659	173,388
Operation of Food Service	114,443	177,614	167,894	216,056	236,914	274,375	342,180	328,290	376,791	381,861
Capital Grants and Contributions										
Regular Instruction	-	23,940	-	-	-	-	-	-	-	-
<i>Total Program Revenues</i>	<u>1,980,506</u>	<u>2,727,752</u>	<u>2,677,129</u>	<u>2,839,338</u>	<u>2,842,799</u>	<u>2,946,425</u>	<u>4,396,519</u>	<u>4,521,563</u>	<u>3,605,851</u>	<u>3,138,902</u>
Net Expense	(\$21,204,029)	(\$17,531,212)	(\$19,544,157)	(\$22,954,532)	(\$23,450,046)	\$ (23,688,600)	\$ (22,792,053)	\$ (22,740,416)	\$ (22,454,443)	\$ (24,092,762)
<b>General Revenues</b>										
Property Taxes Levied for:										
General Purposes	\$6,087,781	\$6,031,701	\$6,129,278	\$6,393,115	\$6,457,283	\$ 6,776,876	\$ 6,545,535	\$ 7,486,206	\$ 8,833,635	\$ 7,036,508
Debt Service	1,513,662	1,674,219	1,592,086	1,738,698	1,757,071	1,740,275	1,527,360	1,348,279	1,472,468	1,204,324
Permanent Improvement	-	-	-	112,081	214,656	232,892	211,255	224,108	259,814	210,427
Income Taxes Levied for										
General Purposes	-	-	616,390	2,921,039	2,814,600	2,900,690	2,438,661	2,594,243	2,534,540	2,770,012
Grants and Entitlements not										
Restricted to Specific Programs	9,805,541	10,579,473	12,071,717	12,172,806	12,324,708	12,645,945	11,900,756	11,606,019	11,438,492	12,122,593
Classroom Facilities Assistance Program	-	-	-	-	-	24,030,706	896	51,266	-	-
Investment Earnings	157,878	257,276	197,853	281,311	277,259	121,136	34,280	26,859	25,120	(4,688)
Miscellaneous	97,446	186,475	418,309	199,001	248,895	368,298	341,362	403,797	289,961	453,511
<i>Total General Revenues</i>	<u>17,662,308</u>	<u>18,729,144</u>	<u>21,025,633</u>	<u>23,818,051</u>	<u>24,094,472</u>	<u>48,816,818</u>	<u>23,000,105</u>	<u>23,740,777</u>	<u>24,854,030</u>	<u>23,792,687</u>
<i>Change in Net Position</i>	<u>(\$3,541,721)</u>	<u>\$1,197,932</u>	<u>\$1,481,476</u>	<u>\$863,519</u>	<u>\$644,426</u>	<u>\$ 25,128,218</u>	<u>\$ 208,052</u>	<u>\$ 1,000,361</u>	<u>\$ 2,399,587</u>	<u>\$ (300,075)</u>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,065	\$ 3,529	\$ 2,759
Restricted	-	-	-	-	-	-	-	285,493	-	-
Assigned	-	-	-	-	-	-	-	598,604	431,008	935,115
Unassigned	-	-	-	-	-	-	-	2,136,263	4,552,500	5,231,569
Reserved	831,368	1,045,944	1,060,106	795,274	1,041,917	875,229	1,154,703	-	-	-
Unreserved	343,880	444,271	907,321	1,493,602	1,413,686	2,211,236	1,355,457	-	-	-
<b>Total General Fund</b>	<b>1,175,248</b>	<b>1,490,215</b>	<b>1,967,427</b>	<b>2,288,876</b>	<b>2,455,603</b>	<b>3,086,465</b>	<b>2,510,160</b>	<b>3,023,425</b>	<b>4,987,037</b>	<b>6,169,443</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,231	\$ 11,025	\$ 8,689
Restricted	-	-	-	-	-	-	-	10,045,115	8,444,988	7,136,665
Committed	-	-	-	-	-	-	-	-	-	2,000,000
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(32,269)	(54,004)	(51,062)
Reserved	16,790,817	1,902,173	359,031	73,164	98,581	319,724	6,901,997	-	-	-
Unreserved, Undesignated, Reported in:										
Special Revenue Funds	117,796	149,684	171,853	199,540	245,360	347,028	509,324	-	-	-
Debt Service Funds	495,935	568,262	722,723	975,428	1,199,350	1,714,809	1,970,696	-	-	-
Capital Projects Funds	(13,322)	70,796	5,439	119,151	347,879	1,552,270	2,154,280	-	-	-
<b>Total All Other Governmental Funds</b>	<b>17,391,226</b>	<b>2,690,915</b>	<b>1,259,046</b>	<b>1,367,283</b>	<b>1,891,170</b>	<b>3,933,831</b>	<b>11,536,297</b>	<b>10,050,077</b>	<b>8,402,009</b>	<b>9,094,292</b>
<b>Total Governmental Funds</b>	<b>\$18,566,474</b>	<b>\$4,181,130</b>	<b>\$3,226,473</b>	<b>\$3,656,159</b>	<b>\$4,346,773</b>	<b>\$7,020,296</b>	<b>\$ 14,046,457</b>	<b>\$ 13,073,502</b>	<b>\$ 13,389,046</b>	<b>\$ 15,263,735</b>

Note: The School District adopted the fund balance reporting provisions of GASB No. 54 beginning July 1, 2010.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues</b>										
Income Taxes	\$0	\$0	\$490,254	\$ 2,589,139	\$ 2,861,441	\$ 2,917,782	\$ 2,375,539	\$ 2,740,228	\$ 2,659,996	\$ 2,767,809
Property and Other Local Taxes	7,434,249	7,715,893	7,910,405	8,238,574	8,200,063	8,669,179	8,290,021	8,769,088	9,638,126	9,897,505
Intergovernmental	10,678,042	11,981,021	13,308,769	13,495,938	13,620,674	15,911,324	23,544,169	26,962,568	14,378,205	13,676,770
Interest	145,602	267,450	199,955	265,026	278,655	128,325	39,631	29,208	25,120	(4,688)
Tuition and Fees	14,582	24,689	44,662	65,501	47,343	91,898	98,350	168,729	152,511	131,136
Extracurricular Activities	0	482,901	449,059	455,368	574,482	582,507	674,517	600,212	651,252	675,941
Charges for Services	660,983	815,683	843,410	878,028	889,701	876,546	856,244	808,958	819,749	765,557
Miscellaneous	618,042	189,704	490,180	333,382	305,207	354,711	344,599	446,263	289,961	468,101
<i>Total Revenues</i>	<u>19,551,500</u>	<u>21,477,341</u>	<u>23,736,694</u>	<u>26,320,956</u>	<u>26,777,566</u>	<u>29,532,272</u>	<u>36,223,070</u>	<u>40,525,254</u>	<u>28,614,920</u>	<u>28,378,131</u>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	9,172,667	8,944,567	9,339,630	10,972,805	10,938,234	11,093,744	11,371,731	11,474,365	11,301,198	11,164,838
Special education	1,427,586	1,386,340	1,538,621	1,764,474	1,828,241	2,044,809	2,000,992	1,858,736	1,804,043	1,596,697
Vocational/Other	369,905	255,637	285,497	258,676	224,071	401,083	613,747	794,252	784,868	873,337
Support Services:										
Pupil	715,688	778,124	821,071	814,796	993,799	923,006	1,070,762	1,054,805	893,991	815,353
Instructional Staff	848,899	817,505	1,175,382	1,293,856	1,420,677	1,426,226	1,561,106	1,520,598	1,374,028	1,471,784
Board of Education	14,942	14,896	21,658	14,304	27,103	19,757	22,390	20,266	21,793	30,201
Administration	1,536,924	1,677,051	1,750,074	1,718,729	1,879,562	1,903,872	1,954,414	1,885,350	1,959,531	2,006,602
Fiscal	473,391	502,712	511,533	515,893	642,145	701,065	715,941	724,974	660,933	651,722
Operation and Maintenance of Plant	1,181,408	1,360,566	1,722,497	1,903,710	1,931,543	1,926,178	1,873,019	1,846,098	1,792,949	2,001,108
Pupil Transportation	1,490,487	1,352,560	1,762,849	1,894,220	1,808,953	1,691,627	2,123,796	1,708,500	1,553,332	1,545,723
Central	12,000	12,000	12,000	-	32,014	16,462	12,157	9,100	7,200	7,482
Operation of Non-Instructional Services	257,835	253,049	197,473	185,510	147,978	200,297	634,922	597,558	173,921	154,958
Operation of Food Services	691,976	819,760	903,770	926,394	1,007,494	1,029,973	1,069,149	1,030,442	1,109,067	1,125,268
Extracurricular Activities	870,749	664,400	798,082	905,316	760,067	788,596	335,198	310,984	751,176	916,799
Capital Outlay (1)	8,942,226	15,997,523	2,067,162	931,748	890,594	1,037,976	2,150,955	14,995,249	2,371,432	1,487,224
Debt Service:										
Principal Retirement	692,000	814,000	790,000	836,000	1,005,492	765,929	823,767	1,798,803	1,074,577	1,313,301
Interest and Fiscal Charges	1,174,108	1,010,546	994,052	954,839	896,377	888,149	862,863	833,406	800,527	616,036
<i>Total Expenditures</i>	<u>29,872,791</u>	<u>36,661,236</u>	<u>24,691,351</u>	<u>25,891,270</u>	<u>26,434,344</u>	<u>26,858,749</u>	<u>29,196,909</u>	<u>42,463,486</u>	<u>28,434,566</u>	<u>27,778,433</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(10,321,291)</u>	<u>(15,183,895)</u>	<u>(954,657)</u>	<u>429,686</u>	<u>343,222</u>	<u>2,673,523</u>	<u>7,026,161</u>	<u>(1,938,232)</u>	<u>180,354</u>	<u>599,698</u>
<b>Other Financing Sources (Uses)</b>										
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-
Refund of Prior Year Expenditures	-	-	-	-	-	-	-	-	-	-
Refund of Prior Year Receipts	-	-	-	-	-	-	-	-	-	-
General Obligation Bonds Issued	-	-	-	-	-	-	-	-	-	-
Proceeds from Refunding Bonds Issued	-	-	-	9,415,000	-	-	-	-	6,690,000	-
Proceeds from Premium on Bonds Issued	-	-	-	581,988	-	-	-	-	427,034	-
Payment to Escrow Agent	-	-	-	(9,839,167)	-	-	-	-	(6,981,844)	-
Proceeds from Sale of Notes	-	-	-	-	-	-	-	-	-	-
Inception of Leases	1,251,000	-	-	-	347,392	-	-	965,277	-	1,274,991
Other Uses	-	-	-	(157,821)	-	-	-	-	-	-
Transfers In	-	-	-	-	-	11,365	-	-	-	3,000,000
Transfers Out	-	-	-	-	-	(11,365)	-	-	-	(3,000,000)
<i>Total Other Financing Sources (Uses)</i>	<u>1,251,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,392</u>	<u>-</u>	<u>-</u>	<u>965,277</u>	<u>135,190</u>	<u>1,274,991</u>
<i>Net Change in Fund Balances</i>	<u>(\$9,070,291)</u>	<u>(\$15,183,895)</u>	<u>(\$954,657)</u>	<u>\$429,686</u>	<u>\$690,614</u>	<u>\$2,673,523</u>	<u>\$7,026,161</u>	<u>(\$972,955)</u>	<u>\$315,544</u>	<u>\$1,874,689</u>
Debt Service as a Percentage of Noncapital Expenditures	9.8%	9.7%	8.6%	7.7%	8.0%	6.8%	6.2%	9.5%	7.2%	7.3%

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

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

Calendar Year	Real Property			Tangible Personal Property		Tangible Personal Property		Total		Total Direct Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	
	Residential/Agricultural	Commercial/Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
2003	\$260,116,830	\$15,547,470	\$787,612,286	\$8,984,089	\$10,209,192	\$9,592,910	\$38,371,640	\$294,241,299	\$836,193,118	46.62
2004	248,082,010	14,828,130	751,171,829	9,365,200	10,642,273	8,926,189	35,704,756	281,201,529	797,518,857	46.62
2005	285,784,110	16,135,620	862,627,800	8,516,760	9,678,136	8,156,222	32,624,888	318,592,712	904,930,824	46.62
2006	299,750,260	16,326,670	903,076,943	8,596,020	9,768,205	6,044,715	32,238,480	330,717,665	945,083,627	46.37
2007	306,635,710	16,878,350	924,325,886	7,823,600	8,890,455	4,920,678	26,243,616	336,258,338	959,459,956	40.37
2008	338,662,470	20,256,840	1,025,483,743	8,071,100	9,171,705	4,919,087	26,253,131	371,909,497	1,060,908,578	51.21
2009	327,048,680	20,007,460	991,588,971	8,526,190	9,688,852	-	-	355,582,330	1,001,277,823	50.03
2010	326,692,800	20,650,120	992,408,343	55,286,320	62,825,364	-	-	402,629,240	1,055,233,705	49.73
2011	323,894,200	19,728,340	981,778,686	53,164,800	60,414,545	-	-	396,787,340	1,042,193,230	49.73
2012	324,407,780	19,366,720	982,212,857	38,993,460	44,310,750	-	-	382,767,960	1,026,523,606	49.73

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

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

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

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

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Unvoted Millage</b>										
Operating	5.36	5.36	5.36	5.36	5.36	5.36	4.66	4.66	4.66	4.66
<b>Voted Millage - by levy</b>										
1976 Operating - continuing										
Residential/Agricultural Real	5.58	5.56	5.49	4.95	7.35	5.28	5.50	5.51	5.60	5.61
Commercial/Industrial and Public Utility Real	6.37	6.39	6.38	6.04	8.24	5.24	5.40	5.44	5.68	5.73
General Business and Public Utility Personal	19.52	19.52	19.52	19.52	19.52	19.52	19.52	19.52	19.52	19.52
1981 Operating - continuing										
Residential/Agricultural Real	2.90	2.89	2.90	2.57	3.82	2.57	2.68	2.69	2.73	2.74
Commercial/Industrial and Public Utility Real	3.31	3.32	3.31	3.13	4.28	2.72	2.80	2.82	2.94	2.97
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90
1987 Operating - continuing										
Residential/Agricultural Real	2.11	2.10	2.08	1.87	2.79	1.82	1.89	1.90	1.93	1.93
Commercial/Industrial and Public Utility Real	2.47	2.47	2.47	2.34	3.19	2.03	2.09	2.10	2.20	2.22
General Business and Public Utility Personal	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
1990 Operating - continuing										
Residential/Agricultural Real	1.81	1.80	1.78	1.60	2.38	1.55	1.61	1.62	1.65	1.65
Commercial/Industrial and Public Utility Real	2.21	2.22	2.21	2.09	2.86	1.82	1.89	1.88	1.97	1.99
General Business and Public Utility Personal	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
1995 Operating - continuing										
Residential/Agricultural Real	1.32	1.32	1.30	1.17	1.74	1.11	1.16	1.16	1.18	1.18
Commercial/Industrial and Public Utility Real	1.45	1.45	1.45	1.37	1.88	1.19	1.22	1.24	1.29	1.30
General Business and Public Utility Personal	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
1999 Operating - continuing										
Residential/Agricultural Real	3.61	3.60	3.55	3.20	0.00	3.00	3.13	3.14	3.19	3.19
Commercial/Industrial and Public Utility Real	3.70	3.71	3.70	3.51	0.00	3.04	3.14	3.16	3.30	3.33
General Business and Public Utility Personal	4.75	4.75	4.75	4.75	0.00	4.75	4.75	4.75	4.75	4.75
General Emergency	0.00	0.00	0.00	0.00	4.75	0.00	0.00	0.00	0.00	0.00
2002 Bond Levy (High School)	6.25	6.25	6.25	6.00	0.00	5.48	4.30	4.00	4.00	4.00
<b>Total voted millage by type of property</b>										
Residential/Agricultural Real	23.58	23.52	23.35	21.36	18.08	26.18	25.65	25.38	25.64	25.67
Commercial/Industrial and Public Utility Real	25.76	25.81	25.77	24.48	20.45	26.88	26.18	26.00	26.73	26.91
General Business and Public Utility Personal	46.62	46.62	46.62	46.37	40.37	51.21	50.03	49.73	49.73	49.73
<b>Overlapping Rates by Taxing District</b>										
Township										
Residential/Agricultural Real	6.11	6.08	6.34	6.00	5.33	6.20	6.31	6.32	6.43	6.44
Commercial/Industrial and Public Utility Real	6.19	6.21	6.48	6.23	5.46	6.02	6.12	6.12	6.30	6.33
General Business and Public Utility Personal	6.72	6.72	6.72	6.72	5.72	6.72	6.72	6.72	6.72	6.72
County										
Residential/Agricultural Real	6.40	7.33	7.94	8.40	6.28	8.55	8.88	8.95	9.08	6.09
Commercial/Industrial and Public Utility Real	7.10	7.88	8.38	9.00	6.75	8.65	8.97	9.21	9.54	9.55
General Business and Public Utility Personal	8.75	8.74	8.74	9.44	8.45	9.75	9.74	9.72	9.72	9.72
Vocational School	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93

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

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

Source: Butler County Auditor

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

Calendar Year	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy (2)
2003	\$6,262,051	\$6,195,706	98.94%	\$125,756	\$6,321,462	100.95%
2004	7,928,997	7,511,048	94.73%	307,057	7,818,105	98.60%
2005	8,519,603	8,084,647	94.89%	360,419	8,445,066	99.13%
2006	8,263,259	7,870,754	95.25%	285,468	8,156,222	98.70%
2007	9,249,118	8,690,381	93.96%	339,034	9,029,415	97.62%
2008	9,282,983	8,720,409	93.94%	436,319	9,156,728	98.64%
2009	9,825,245	9,488,255	96.57%	303,778	9,792,033	99.66%
2010	9,339,263	9,011,281	96.49%	248,064	9,259,345	99.14%
2011	11,577,769	10,670,255	92.16%	290,130	10,960,385	94.67%
2012	10,786,467	10,540,600	97.72%	326,933	10,867,533	100.75%

**Source:** Butler County Auditor

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) Total collections for certain years may exceed 100% of the current tax levy due to the collection of delinquent taxes from prior years. The County does not identify delinquent tax collections by tax year.

**Ross Local School District, Ohio**

*Principal Taxpayers*

*Real Estate Tax*

*2012 and 2003*

Name of Taxpayer	2012	
	Assessed Value	Percent of Real Property Assessed Value
Tributaries Land Company, LLC	\$1,910,480	0.50%
Ross Trails Inc	916,730	0.24%
STSM Properties	914,360	0.24%
Welch Real Estate Holdings, LLC	901,350	0.24%
American Aggregates Corp	743,000	0.19%
Summe Carl	346,600	0.09%
Joseph Burwinkel	326,970	0.09%
Engel Tonya	322,890	0.08%
Pyramid Hill	295,570	0.08%
Ronald Watson	273,830	0.07%
Totals	<u>\$6,951,780</u>	<u>1.82%</u>
Total Real Estate Assessed Valuation	<u>\$382,767,960</u>	

Name of Taxpayer	2003	
	Assessed Value	Percent of Real Property Assessed Value
Watson, Ronald	\$1,379,530	0.47%
Broshear Contractors	1,111,080	0.38%
Watson Gravel	1,006,450	0.34%
Texas Eastern	737,920	0.25%
Welch Sand & Gravel	730,840	0.25%
Cornelius, Daniel	637,930	0.22%
Burwinkel, Joseph	539,540	0.18%
Totals	<u>\$6,143,290</u>	<u>2.09%</u>
Total Assessed Valuation	<u>\$294,241,299</u>	

(1) The amounts presented represent the assessed values upon which 2012 and 2003 collections were based.

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

**Ross Local School District, Ohio**

*Principal Taxpayers*

*Public Utilities Tax*

*2012 and 2003 (1)*

Name of Taxpayer	2012	
	Assessed Value	Percent of Public Utility Assessed Value
Rockies Express Pipeline	\$29,002,660	54.55%
Duke Energy	4,438,700	8.35%
Butler Rural Electric	3,500,080	6.58%
Texas Eastern Transmission	867,980	1.63%
Dayton Power and Light	520,570	0.98%
Total	<u>\$38,329,990</u>	<u>72.09%</u>
Total Assessed Valuation	<u>\$53,164,800</u>	

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

(1) The amounts presented represent the assessed values upon which 2012 and 2003 collections were based.

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



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

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Fiscal Year	General Obligation Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2004	\$24,135,905	\$1,348,000	\$25,483,905	0.25%	\$76.57
2005	23,442,469	1,234,000	24,676,469	0.23%	74.15
2006	22,714,033	1,179,000	23,893,033	0.21%	67.31
2007	22,042,428	1,123,000	23,165,428	0.20%	65.26
2008	21,211,370	1,329,900	22,541,270	0.19%	63.09
2009	20,627,210	1,188,971	21,816,181	0.17%	60.47
2010	20,000,677	1,040,204	21,040,881	0.16%	57.93
2011	19,329,478	936,678	20,266,156	0.22%	55.05
2012	18,686,351	662,101	19,348,452	0.20%	52.29
2013	17,728,739	1,673,791	19,402,530	0.20%	52.36

Sources: Financial statements and Schedule of Demographic and Economic Statistics

**Ross Local School District, Ohio**  
*Ratios of Net Bonded Debt Outstanding*  
*Last Ten Fiscal Years*

Fiscal Year	Estimated Actual Value (1)	General Obligation Bonds (2)	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita (3)
2004	\$836,193,118	\$24,135,905	\$495,935	\$23,639,970	2.83%	\$71.03
2005	797,518,857	23,442,469	568,262	22,874,207	2.87%	68.73
2006	904,930,824	22,714,033	722,723	21,991,310	2.43%	61.95
2007	945,083,627	22,042,428	975,428	21,067,000	2.23%	59.34
2008	959,459,956	21,211,370	1,199,350	20,012,020	2.09%	56.01
2009	1,060,908,578	20,627,210	1,714,809	18,912,401	1.78%	52.42
2010	1,001,277,823	20,000,677	1,970,696	18,029,981	1.80%	49.64
2011	1,055,233,705	19,329,478	1,972,615	17,356,863	1.64%	47.15
2012	1,042,193,230	18,686,351	1,994,685	16,691,666	1.60%	45.11
2013	1,026,523,606	17,728,739	543,022	17,185,717	1.67%	46.37

Sources:

- (1) See Schedule of Assessed and Estimated Actual Value of Taxable Property
- (2) See Schedule of Ratios of Outstanding Debt By Type
- (3) See Schedule of Demographic and Economic Statistics

**Ross Local School District, Ohio**  
*Computation of Direct and Overlapping Governmental Activities Debt*  
*As of June 30, 2013*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Butler County	\$55,455,120	5.13%	\$2,844,848
Hamilton City	8,720,000	0.18%	15,696
Fairfield Township	4,580,000	0.14%	6,412
Butler Technology & Career Center	<u>3,000,000</u>	4.71%	<u>141,300</u>
Subtotal Overlapping Debt	71,755,120		3,008,256
District Direct Debt	<u>19,013,791</u>	100.00%	<u>19,013,791</u>
Total Direct and Overlapping Debt	<u><u>\$90,768,911</u></u>		<u><u>\$22,022,047</u></u>

Source: Ohio Municipal Advisory Council

- (1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2012 tax year.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Tax Valuation	\$294,241,299	\$281,201,529	\$318,592,712	\$ 330,717,665	\$ 336,258,338	\$ 371,909,497	\$ 355,582,330	\$ 402,629,240	\$ 396,787,340	\$ 382,767,960
Debt Limit - 9% of Taxable Valuation (1)	\$26,481,717	\$25,308,138	\$28,673,344	\$29,764,590	\$30,263,250	\$33,471,855	\$32,002,410	\$36,236,632	\$35,710,861	\$34,449,116
Amount of Debt Applicable to Debt Limit General Obligation Bonds Less Amount Available in Debt Service	24,300,000	23,600,000	22,865,000	22,097,868	21,261,397	20,671,554	20,039,878	19,363,266	18,634,905	17,679,440
Amount of Debt Subject to Limit	24,300,000	23,600,000	22,865,000	22,097,868	21,261,397	20,671,554	20,039,878	19,363,266	18,634,905	17,679,440
Legal Debt Margin	\$2,181,717	\$1,708,138	\$5,808,344	\$7,666,722	\$9,001,853	\$12,800,301	\$11,962,532	\$16,873,366	\$17,075,956	\$16,769,676
Legal Debt Margin as a Percentage of the Debt Limit	8.24%	6.75%	20.26%	25.76%	29.75%	38.24%	37.38%	46.56%	47.82%	48.68%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$294,241	\$281,202	\$318,593	\$330,718	\$336,258	\$371,909	\$355,582	\$402,629	\$396,787	\$382,768
Amount of Debt Subject to Limit	0	0	0	0	0	0	0	0	0	0
Unvoted Legal Debt Margin	\$294,241	\$281,202	\$318,593	\$330,718	\$336,258	\$371,909	\$355,582	\$402,629	\$396,787	\$382,768
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Source:** School District Financial Records

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

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

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

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

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2004	332,807	\$10,221,501,391	\$30,713	3.80%
2005	332,807	10,537,335,234	31,662	4.90%
2006	354,992	11,464,466,640	32,295	4.40%
2007	354,992	11,693,791,472	32,941	5.00%
2008	357,276	12,004,473,600	33,600	8.50%
2009	360,765	12,581,318,610	34,874	9.50%
2010	363,184	12,918,818,064	35,571	9.10%
2011	368,130	9,381,424,920	25,484	9.50%
2012	369,999	9,580,014,108	25,892	7.50%
2013	370,589	9,782,437,833	26,397	7.30%

**Sources:** (1) United States Census Bureau. Provided by County only  
(2) US Dept. of Commerce, Bureau of Economic Analysis.  
Information was available through 2005.  
Estimated increase of 2% for 2006 and 2010.  
For 2010 - 2013 U.S. Census data was used.  
(3) Ohio Dept. of Job and Family Services. Butler County Unemployment rate.

**Ross Local School District, Ohio**

*Principal Employers*

*Current Year and Nine Years Ago*

Employer	Nature of Business	2012		
		Number of Employees	Rank	Percentage of Total Employment
Miami University	Education	3,293	1	1.88%
Cincinnati Financial Corporation	Financial	2,789	2	1.59%
AK Steel	Steel Manufacturing	2,400	3	1.37%
GE Aviation	Aerospace	2,000	4	1.14%
Lakota Board of Education	Education	1,827	5	1.04%
Butler County Government	Government	1,717	6	0.98%
Ohio Casualty Insurance Group	Insurance	1,300	7	0.74%
Mercy Regional Hospital	Health Care	1,200	8	0.69%
Hamilton City Schools	Education	1,095	9	0.63%
Fort Hamilton Hospital	Healthcare	1,020	10	0.58%
Total		<u>18,641</u>		<u>10.65%</u>
Total Employment within the County		<u>174,900</u>		

Employer	Nature of Business	2003		
		Number of Employees	Rank	Percentage of Total Employment
Miami University	Education	4,200	1	3.08%
AK Steel	Steel Manufacturing	3,900	2	2.86%
Cincinnati Financial Group	Financial	2,861	3	2.10%
Butler County Government	Government	2,000	4	1.47%
Fairfield City School District	Education	1,740	5	1.28%
Fort Hamilton Hospital	Health Care	1,600	6	1.17%
Lakota Local School District	Education	1,600	7	1.17%
Middletown Regional Hospital	Health Care	1,470	8	1.08%
Mercy Regional Hospital	Health Care	1,407	9	1.03%
Ohio Casualty Insurance Group	Insurance	<u>1,356</u>	10	<u>0.99%</u>
Total		<u>22,134</u>		<u>16.22%</u>
Total Employment within the County		<u>136,387</u>		

Source: Butler County. Information only available on a calendar year basis.

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Regular Instruction</b>										
Elementary Classroom Teachers	50.00	51.00	51.00	50.00	48.00	53.00	52.50	51.50	41.00	48.50
Middle School Classroom Teachers	37.00	37.00	37.00	39.50	39.50	37.50	37.00	36.50	42.50	41.50
High School Classroom Teachers	48.00	48.00	50.00	51.00	51.00	42.00	43.00	44.00	43.50	45.00
<b>Special Instruction</b>										
Elementary Classroom Teachers	7.00	8.00	9.00	11.00	13.00	5.00	4.00	4.00	4.00	4.00
Gifted Education Teachers	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	-	-
Middle School Classroom Teachers	6.00	6.00	6.00	6.00	7.00	7.00	6.00	6.00	6.00	5.00
High School Classroom Teachers	4.00	5.00	5.00	5.25	6.50	8.00	7.00	6.00	6.00	5.00
<b>Vocational Instruction</b>										
High School Classroom Teachers	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50
<b>Pupil Support Services</b>										
Guidance Counselors	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	6.00	6.00
Librarians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Psychologists	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Speech and Language Pathologists	2.00	2.00	2.00	2.00	2.00	2.50	3.00	3.00	3.00	2.00
Nurse	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	
<b>Administrators</b>										
Elementary	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Middle School	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
High School	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>Operation of Plant</b>										
Custodians	12.00	13.00	14.00	14.00	14.00	14.00	12.00	12.00	12.00	12.00
Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Pupil Transportation</b>										
Bus Drivers	31.00	32.00	33.00	33.00	30.00	29.00	25.00	24.00	24.00	23.00
Bus Aides	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Van Drivers	0.00	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	2.00
<b>Food Service Program</b>										
Elementary Cooks	5.00	6.00	6.00	6.00	5.50	5.50	6.00	6.00	5.50	5.50
Middle School Cooks	5.00	6.00	6.00	6.00	5.50	5.50	5.50	5.50	5.50	4.50
High School Cooks	7.00	7.00	7.00	7.00	6.50	6.50	6.50	6.50	6.50	6.50

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

Source: School district records

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary Comparable Districts (3)	Statewide Average Salary (4)
2004	\$28,532	\$61,743	\$45,045	\$47,659
2005	28,532	61,743	46,963	49,438
2006	29,531	63,905	47,449	50,772
2007	30,860	66,781	48,835	53,536
2008	31,817	68,851	50,225	53,410
2009	32,772	70,918	51,191	54,656
2010	33,722	72,975	54,092	55,958
2011	33,722	72,975	54,741	56,715
2012	33,722	72,975	55,491	56,715
2013	33,722	72,975	57,759	56,037

Source: School District records

- (1) Starting teacher with no experience.
- (2) Teacher with a Masters degree and more than 30 year's experience.
- (3) Provided by the State Department of Education. Includes Sample1, Sample 2 and Sample3 City School Districts.
- (4) Provided by the State Department of Education.



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

<u>Fiscal Year</u>	<u>General Fund Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>
2004	\$17,030,320	2,738	\$6,220	3.36%	161	17.0
2005	16,383,648	2,882	5,685	-8.60%	165	17.5
2006	18,687,008	2,919	6,402	12.61%	166	17.6
2007	21,259,435	2,922	7,276	13.65%	166	17.6
2008	21,642,823	2,903	7,455	2.47%	168	17.3
2009	23,038,836	2,763	8,338	11.84%	157	17.6
2010	24,086,992	2,847	8,460	1.46%	155	18.4
2011	23,899,565	2,830	8,445	-0.18%	151	18.7
2012	20,010,254	2,773	7,216	-14.55%	144	19.3
2013	21,932,464	2,843	7,715	6.91%	150	19.0

Source: School District Records.

**Ross Local School District, Ohio**

*Building Statistics  
Last Ten Fiscal Years*

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>MORGAN ELEMENTARY</b>										
Constructed in 1982										
Total Building Square Footage	47,050	47,050	47,050	47,050	47,050	47,050	47,050	47,050	47,050	47,050
Enrollment Grades PK-5	451	439	487	488	461	386	394	470	470	470
Student Capacity	500	500	500	500	500	500	500	500	500	500
Regular Instruction Classrooms	24	23	22	21	20	22	22	22	22	22
Regular Instruction Teachers	24	23	22	22	20	22	22	22	22	22
Special Instruction Classrooms	2	3	4	4	6	2	2	2	2	2
Special Instruction Teachers	3	4	5	5	6	2	2	2	2	2
<b>ELDA ELEMENTARY</b>										
Constructed in 1962										
Total Building Square Footage	42,858	57,358	57,358	57,358	57,358	57,358	57,358	57,358	57,489	57,489
Enrollment Grades K-4	550	616	673	663	643	605	597	617	999	999
Student Capacity	500	575	575	575	575	575	575	575	575	575
Regular Instruction Classrooms	26	28	29	28	28	30	25	24	23	23
Regular Instruction Teachers	26	28	29	28	28	31	25	24	23	23
Special Instruction Classrooms	3	3	3	5	5	2	2	2	2	2
Special Instruction Teachers	4	4	4	7	7	3	3	3	2	2
<b>ROSS MIDDLE SCHOOL (RMS)</b>										
Constructed in 1969										
Total Building Square Footage*	79,363	79,363	101,279	101,279	101,279	101,279	101,279	101,279	110,738	110,738
Enrollment Grades 5-8	783	783	815	825	808	818	855	837	905	905
Student Capacity	800	800	750	750	750	750	750	750	875	875
Regular Instruction Classrooms	37	37	37	37	38	39	39	39	39	39
Regular Instruction Teachers	37	37	37	39.5	39.5	39.5	39.5	39.0	42.5	42.5
Special Instruction Classrooms	4	4	5	5	5	6	6	6	5	5
Special Instruction Teachers	6	6	6	6	8	7	7	7	6	6
<b>ROSS HIGH SCHOOL (RHS)</b>										
Constructed in 2005										
Total Building Square Footage**	101,279	101,279	180,080	180,080	180,080	180,080	180,080	180,080	180,080	180,080
Enrollment Grades 9-12	887	932	971	946	991	954	1,002	931	931	931
Student Capacity	750	750	920	920	920	920	920	920	920	920
Regular Instruction Classrooms	40	40	49	49	49	46	40	40	40	40
Regular Instruction Teachers	48	48	50	51	51	40	45	46	43.5	43.5
Special Instruction Classrooms	2	2	4	5	5	5	5	5	5	5
Special Instruction Teachers	4	5	5	6.25	6	6	7	6	6	6

\* RMS moved into its' current building in FY2006

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

Source: School District records.



# Dave Yost • Auditor of State

**ROSS LOCAL SCHOOL DISTRICT**

**BUTLER COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 8, 2014**