

ROSS LOCAL SCHOOL DISTRICT

Butler County, Ohio

Audit Reports Required by

Government Auditing Standards

June 30, 2002



**Auditor of State
Betty Montgomery**

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, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2001 to June 30, 2002. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

March 14, 2003

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ROSS LOCAL SCHOOL DISTRICT

Butler County, Ohio

Financial Statements

For the Year Ended June 30, 2002

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

Independent Auditors' Report on Compliance and on Internal Control over
Financial Reporting Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards

Board of Education
Ross Local School District
Butler County, Ohio

We have audited the financial statements of the Ross Local School District (the District) as of and for the year ended June 30, 2002 and have issued our report thereon dated December 12, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance which we have reported to the management of the District in a separate letter dated December 12, 2002.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted certain other matters involving the internal control over financial reporting which we have reported to the management of the District in a separate letter dated December 12, 2002.

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

Clark, Schaefer, Hackett PC.

Middletown, Ohio
December 12, 2002

Clark, Schaefer, Hackett & Co.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Education
Ross Local School District
Butler County, Ohio

Compliance

We have audited the compliance of Ross Local School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 Organization*. 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. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

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

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

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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

Clark, Schaefer, Hackett PC.

Middletown, Ohio
December 12, 2002

ROSS LOCAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2002

<u>Federal Pass Through Grantor Program Title</u>	<u>Federal CFDA#</u>	<u>Federal Receipts</u>	<u>Federal Disbursements</u>
<u>U.S. Department of Agriculture</u>			
<u>Passed Through Ohio Dept. of Education</u>			
In-Kind Commodities (a)	10.550	48,124	48,124
National School Lunch Program	10.555	<u>104,093</u>	<u>104,093</u>
Total Department of Agriculture Nutrition Cluster		<u>152,217</u>	<u>152,217</u>
<u>U.S. Department of Education</u>			
<u>Passed Through State Dept. of Education</u>			
Title I of ESEA	84.010	169,174	182,781
Title VI-B	84.027	186,437	161,744
Title VI-B Preschool	84.173	845	876
Drug Free Schools	84.186	9,885	7,604
Eisenhower Grant	84.281	11,478	10,476
Innovative Educ. Program Strategy	84.298	12,779	14,757
Class Size Reduction	84.340	55,026	54,652
School Renovation	84.352	<u>9,917</u>	<u>9,917</u>
Total Department of Education		<u>455,541</u>	<u>442,807</u>
Total Federal Awards		<u>607,758</u>	<u>595,024</u>

(a) This is an estimated value provided by the District for donated foods.

Schedule of Findings and Questioned Costs

OMB Circular A - 133

Ross Local School District

June 30, 2002

SUMMARY OF AUDITOR'S OPINIONS

(d)(1)(I)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported noncompliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Program Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under sec. .510?</i>	No

(d)(1)(vii)	<i>Major Programs</i>	Title I
(d)(1)(viii)	<i>Dollar Threshold: Type A\B programs?</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee</i>	Yes

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

NONE

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

NONE

ROSS LOCAL SCHOOL DISTRICT

Schedule of Prior Findings and Questioned Costs

June 30, 2002

Findings:

None

Questioned Costs:

None

Ross Local School District

Butler County, Ohio



Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2002



**Auditor of State
Betty Montgomery**

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, Hamilton County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2001 to June 30, 2002. 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.

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Betty Montgomery

BETTY MONTGOMERY
Auditor of State

March 14, 2003

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

of the

ROSS LOCAL SCHOOL DISTRICT

For the Fiscal Year Ended June 30, 2002

BOARD OF EDUCATION

Edward Bosse
Marcia Lang Canter
Richard Emery
Larry Stebbins
Edgar Teets

SUPERINTENDENT OF SCHOOLS

Dave McWilliams

**ISSUED BY
TREASURER'S OFFICE**

Tracy Jarvis,
Treasurer

ROSS LOCAL SCHOOL DISTRICT

WHERE KIDS ARE OUR BUSINESS

Introductory Section

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ROSS LOCAL SCHOOL DISTRICT
Comprehensive Annual Financial Report
For the Year Ended June 30, 2002

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Ross Local Schools

SUPERINTENDENT (513) 863-1253 / TREASURER (513) 863-1250

District Offices / 3371 Hamilton - Cleves Road • Hamilton, Ohio 45013

December 12, 2002

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Ross Local School District (District) for the fiscal year ended June 30, 2002. This report contains financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the District for the 2001-2002 fiscal year. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the District's continuing commitment to provide financial information to the citizens of the Ross Local School District.

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

This report has been divided into three sections:

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

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

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

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

v

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

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

ROSS MIDDLE SCHOOL
3371 Hamilton-Cleves Road
Hamilton, Ohio 45013
(513) 863-1251

ROSS SENIOR HIGH
3425 Hamilton-Cleves Road
Hamilton, Ohio 45013
(513) 863-1252

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

ECONOMIC CONDITION

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

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

THE DISTRICT AND ITS FACILITIES

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

The District had 2,546 students enrolled in the two elementary schools, middle school, and high school. In addition to the schools listed, the District maintained and operated a transportation facility, central office facility and several sport fields.

ORGANIZATION OF THE DISTRICT

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

The Board members, their terms and years on the Board as of June 30, 2002 are:

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Mr. Edgar Teets	1/1/2000 – 12/31/2003	12 – 1/2
Ms. Marcia Lang Canter	1/1/2000 – 12/31/2003	9
Mr. Richard Emery	1/1/2000 – 12/31/2003	8 – 1/2
Mr. Edward Bosse	1/1/2002 – 12/31/2005	21 – 1/2
Mr. Larry Stebbins	1/1/2002 – 12/31/2005	6 – 1/2

The Superintendent is the chief executive officer of the District and is responsible directly to the Board for all operations of the District. Dr. David R. McWilliams was

appointed Superintendent on September 19, 1994. Dr. McWilliams has a BA in Psychology from the University of Virginia, a ME and an Ed.D. in Education from the University of Pittsburgh.

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

EMPLOYEE RELATIONS

The District has 278 full and part-time employees. This number has increased slightly over the past few years as various programs and services have been expended to meet the changing needs of students and community. There is one organization representing the certificated employees. The District's classified and administrative employees are not currently represented.

The Ross Education Association (REA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. On September 1, 2001, the REA and the District entered into a new four-year collective bargaining agreement on language, salary and fringe benefit issues, which expires on August 31, 2004.

SERVICES PROVIDED

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

MAJOR INITIATIVES

Facility Program

After three years of planning and community involvement the Ross Local School District is ready to proceed with the implementation of the district's facility master plan. This plan is the result of the input of staff members and over 300 community members who helped in the development and evaluation of the proposed plan. The plan was then presented to and approved by the Ohio School Facility Commission.

This \$50,000,000 project will be implemented in two phases. The first phase will include the construction of a new 135,000 square foot high school and a 15,000 square foot addition to Elda Elementary School. The second phase will include the complete renovation of the current high school into a middle school and the renovation of both

Elda and Morgan Elementary Schools. If enrollment continues to increase as projected the second phase will also include the construction of a third elementary school.

Of the \$50,000,000 required to complete this project, the citizens of the Ross Local School District have already approved a bond issue that will generate \$24,900,000. At the same time the state has committed to funding the remainder (48%).

North Central Accreditation

It is common practice for school districts in Ohio and in other states to work through the North Central Accreditation Association (NCA) to have their respective high schools accredited by this national accreditation organization. The Ross Local School District has elected to pursue the accreditation of every building in the district, grades k-12. This decision was made because the NCA process provides for a performance based evaluation and planning system that will lead to a uniform and well articulated program of continuous improvement for every building in the district.

This process is outcome driven as opposed to being input or resource driven. This means that the evaluation of progress will be determined by monitoring measurable student outcomes rather than assessing the human and material resources available in a given building. As a result, this process will help ensure that the plans and activities associated with the district's continuous improvement plan will have a direct impact on student performance.

Alignment with State Standards

The students of the Ross Local School District have a history of strong performance as measured by state proficiency tests. In 2001 Ross became the first Butler County school district to earn an "Excellent" rating from the State of Ohio. This rating was based primarily on student performance on state proficiency tests.

This type of performance does not occur by chance. It is the result of planning and ongoing instructional intervention on the part of staff. With the passage of the Federal law, "No Child Left Behind," the district is faced with the need to evaluate our core instructional curriculum in light of these program requirements and the new academic standards developed by the State of Ohio.

During the course of the next 12-18 months the district will analyze current program goals and objectives in the areas of language arts, mathematics, science, and social studies. Staff members will then modify the scope and sequence of these content areas to ensure alignment with the state academic standards in these content areas.

Our goal, as always, will be to position our students so they have had an opportunity to receive timely instruction relative to the objectives that will be measured by new state assessment tools. Further, we will work to time this instruction so that appropriate

intervention can be provided for those students who do not demonstrate mastery of the test objectives prior to the administration of the state proficiency tests.

Reading Across the Curriculum

The teaching of reading has been an ongoing area of emphasis for the Ross Local School District. The need to develop basic reading skills on the part of all of our students is our top instruction priority. An evaluation of our success in this area reveals that Ross has been successful in developing basic reading skills on the part of a large percentage of our students. Both state proficiency tests and national achievement tests confirm that fact.

Our new challenge is to help our students utilize these basic skills more effectively in the various content areas. Hence, a district focus on "reading across the curriculum." We know that the skills needed to read a novel are different than those required to successfully glean information from a science textbook. Mathematics content requires different skills and reading techniques than those required to be successful when reading social studies materials.

As a result, the district is engaging in a series of in-service and staff development activities designed to help all teachers, not just reading teachers, understand what reading skills are critical to their respective content areas and to help those teachers become teachers of reading as well as content area specialists. The successful implementation of this staff development initiative will allow our students to take the basic reading skills they have been taught and combine them with the content reading skills we plan to emphasize. The marriage of these two skill sets will enable our students to maximize their acquisition of content and knowledge through the reading process and take their level of learning to new and higher levels.

FINANCIAL INFORMATION

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

Internal Controls

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse. These controls also ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting

principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Single Audit Act

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

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2002 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

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

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

General Governmental Functions

The General Fund is the general operating fund of the District, used to account for all revenues and expenditures not required to be accounted for in another fund.

The following schedule presents a summary of the General Fund revenues for the fiscal year ended June 30, 2002 with increases (decreases) from the fiscal year ended June 30, 2001:

<u>Revenue</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
Taxes	\$ 4,901,079	34.77%	(\$ 1,086,083)	(18.14%)
Tuition	15,240	.11	4,276	39.00
Investment Revenue	120,339	.85	(178,126)	(59.68)
Other Revenue	90,066	.64	(40,989)	(31.28)
Intergovernmental	<u>8,970,598</u>	<u>63.63</u>	<u>530,740</u>	<u>6.92</u>
Total	<u>\$14,097,322</u>	<u>100.00%</u>	<u>\$ (770,182)</u>	<u>(5.18%)</u>

Tax revenue decreased due to a timing difference in County collections. Actual taxes received in fiscal 2002 were \$5,517,000. This is consistent with prior year tax receipts of \$5,579,000.

The decrease in investment revenue reflects the overall market decline.

The following schedule presents a summary of General Fund expenditures for the fiscal year ended June 30, 2002 with increases (decreases) from the fiscal year ended June 30, 2001:

<u>Expenditure</u>	<u>2002 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
Instruction	\$ 8,969,317	59.25%	\$ 682,782	8.24%
Pupil Support	597,526	3.95	107,232	21.87
Instructional Staff	691,682	4.57	164,392	31.18
Board of Education	17,966	.12	(2,538)	(12.38)
Administration	1,694,240	11.19	373,552	28.28
Fiscal	398,545	2.63	37,683	10.44
Operations and Maintenance	1,023,005	6.76	90,587	9.72
Pupil Transportation	1,273,387	8.41	125,052	10.89
Extracurricular	334,517	2.21	47,584	16.58
Capital Outlay	<u>139,097</u>	<u>.92</u>	<u>(225,023)</u>	<u>(64.71)</u>
Total	<u>\$15,139,282</u>	<u>100.00%</u>	<u>\$ 1,371,303</u>	<u>9.96%</u>

General Fund expenditures increased by 9.96% in FY-2002 as compared to FY-2001.

The greatest dollar increase was in the area of instruction. The main cost associated with instruction is the salaries and fringe benefits of teachers providing direct instruction services to students.

General Fund Balance

The General Fund balance decreased by \$999,878 from fiscal year 2001. The General Fund total accumulated balance at June 30, 2002 of \$3,306,938 (GAAP basis) reflects the accumulated excess of revenue and other financing sources over expenditures and other financing uses that the District has experienced over the last several years.

The District is continually monitoring and evaluating the financial situation including various methods to reduce the deficit.

Special Revenue Funds

Special Revenue Funds account for certain revenue sources, primarily program grants and entitlements, restricted by law or other formal actions to expend for a specific purpose. For the fiscal year ended June 30, 2002, Special Revenue Funds had combined revenues of \$861,320 and expenditures of \$916,001. The overall fund balance for special revenue funds decreased by 36.32% to \$91,139.

Capital Projects Funds

Combined capital projects revenue was \$50,578 while combined expenditures were \$51,549 in FY02.

Trust and Agency Funds

Expendable and Nonexpendable Trust Funds of the District represent several scholarships and awards for students and, also, grants to help needy children purchase necessities (glasses, coats, shoes, medicines, etc.).

Agency funds are used to account for the Student Activity Fund. The Student Activity Fund represents a large variety of student groups from the high school and junior high schools.

Enterprise Funds

Enterprise funds are used to account for operations which are similar to activities found in the private sector. The District tracks the profit or loss of these operations. The enterprise operations had total net loss in fiscal 2002 of \$(28,729). This is an increase of \$15,893 in net loss from fiscal 2002.

Internal Service Funds

Internal service funds are used to account for the financing of services by one department to another department on a cost reimbursement basis. The internal service funds generated a net income of \$720 during fiscal 2002 as compared to fiscal 2001, which had a net income of \$723.

General Fixed Assets

The General Fixed Assets of the District are used to carry on the main educational and support functions of the District and are not financial resources available for expenditure. The total general fixed assets at June 30, 2002 were \$31,358,733. This is an increase of \$461,271 due to SchoolNet Plus computer purchases, school bus purchases and expenditures from our construction fund. These assets were accounted for at historical cost. Depreciation is not recognized on general fixed assets. For insurance purposes it has been actuarially estimated that the "replacement cost" of these general fixed assets would be in excess of \$129,000,000.

Debt Administration

As of June 30, 2002 the District had \$45,000 in energy conservation notes outstanding.

The overall direct debt limitation for the District is \$21,156,000. This represents 9% of the assessed valuation of the District. A separate debt limitation is calculated for energy conservation measures. This limitation is 0.9% of the assessed valuation of the District, or \$2,115,600. The District is well within its limitations on all types of debt issues currently outstanding. Details in arriving at the District's debt limitations can be found in the Statistical Section.

Risk Management

The District continues to protect its assets through a comprehensive insurance program. For the year, insurance coverage for property, liability, and vehicles was provided by commercial insurance carriers.

The District also provides health and life insurance to all eligible employees. Health insurance, including medical, dental, and vision coverage, is currently provided on a self-insurance basis. The coverage is administered by J F Molloy, which provides claims review and processing services. Life insurance coverage is provided by a commercial insurance carrier.

Cash Management

The District has an aggressive cash management program expediting the receipt of revenues and prudently investing available cash. Funds are invested in certificates of

deposit or in United States Government securities. Total interest earned during fiscal 2002 was \$135,755, an decrease of \$170,790 from fiscal 2001. *This increase was caused by higher investable balances.*

The District's investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. All investments are spread among available investment options to insure maximum interest rates. Deposits were either insured by federal depository insurance or collateralized. All collateral on deposits met minimum state requirements. Investments held by the District during the year and at June 30, 2002 are classified in the categories of lowest to middle credit risk as defined by the Governmental Accounting Standards Board (see Note 3 in the Notes to the Financial Statements for further explanation of risk categories).

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, 2001. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Independent Audit

State statutes require an annual audit by independent accountants for the State Auditor's Office. Clark, Schaefer, Hackett & Co. conducted the District's 2002 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-1333. The auditor's report on the general purpose 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. A special note of appreciation is extended to Mary Cole of Clark, Schaefer, Hackett & Co, for her individual efforts in helping us prepare our CAFR.

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,

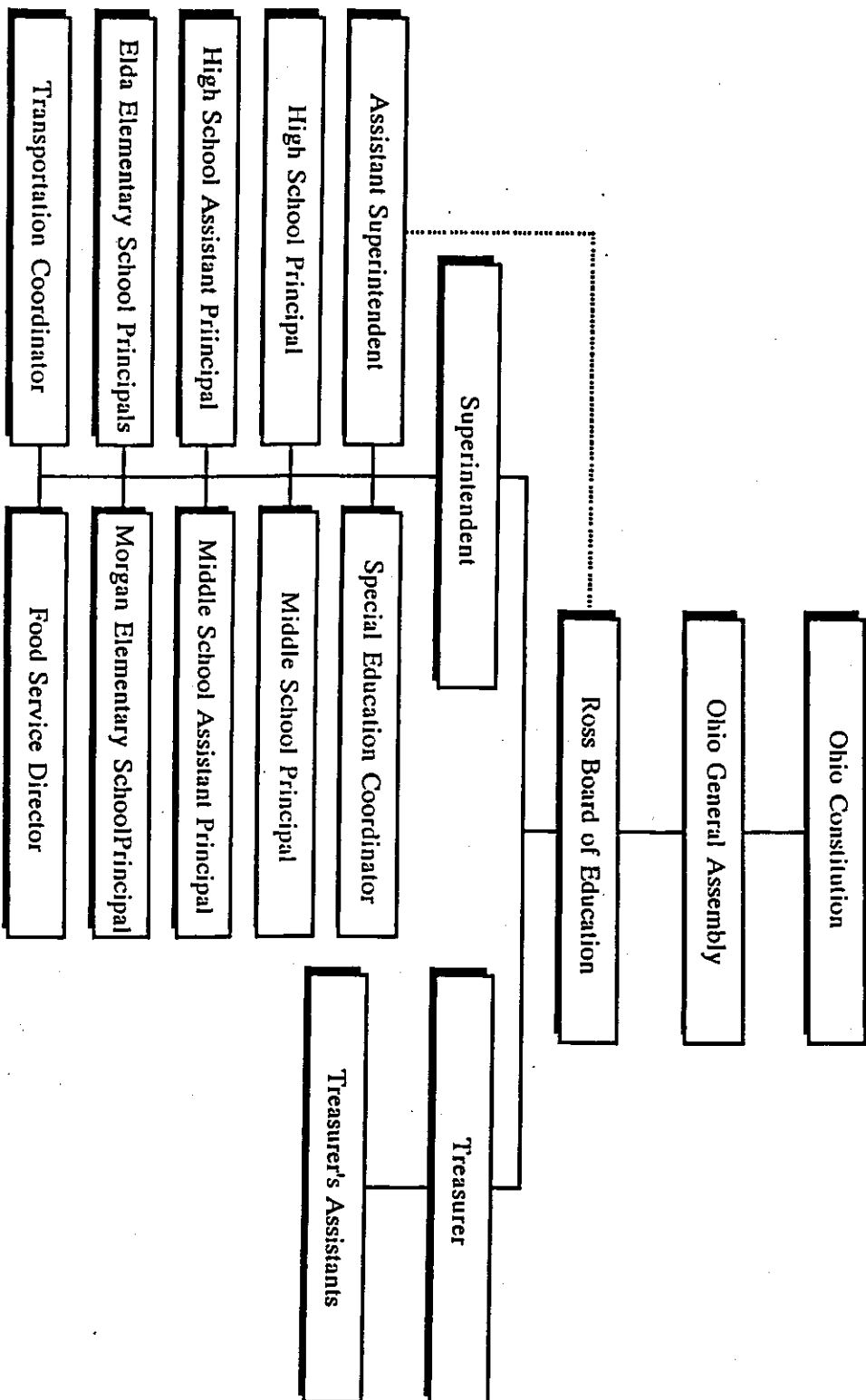


David R. McWilliams
Superintendent



Tracy A. Jarvis
Treasurer

Ross Local School District Organization Chart



Ross Local School District
Appointed Officials

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

Ross Local School District
Consultant and Advisors
As of June 30, 2002

Architect

Steed Hammond Paul
82 Williams Avenue
Hamilton, Ohio 45015

Independent Auditor

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

Legal Council

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

Official Depositories

Fifth Third Bank
4005 Hamilton Cleves Road
Hamilton, Ohio 45013

Bond Council

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

Investment Counselor

Seasongood & Mayer
414 Walnut Street
Cincinnati, Ohio 45202

Underwriter

Seasongood & Mayer
414 Walnut Street
Cincinnati, Ohio 45202

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

Health Insurance – 3rd Party Administrator

J F Molloy
PO Box 68947
Indianapolis, Indiana 46268

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ross Local
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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



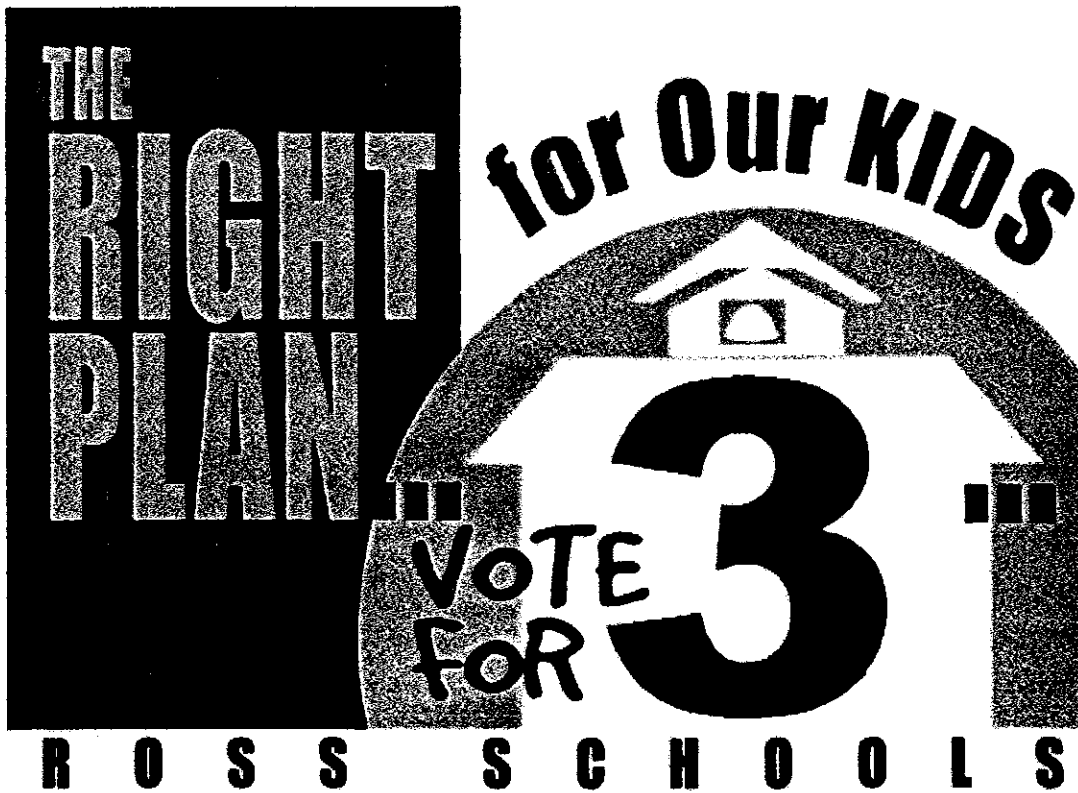
William Robert Vata
President

Jeffrey L. Essler
Executive Director

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Ross Local School District

Financial Section



Paid for by Ross Spirit Committee for Ross Schools, Bill Spade, Treasurer, Ross Spirit, P.O. Box 383, Ross, Ohio 45061

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Clark, Schaefer, Hackett & Co.

CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

Independent Auditors' Report

The Board of Education
Ross Local School District
Butler County

We have audited the accompanying general purpose financial statements of the Ross Local School District (the District) as of and for the year ended June 30, 2002 as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the District, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the accompanying table of contents and, therefore, express no opinion thereon.

CLARK, SCHAEFER, HACKETT & CO.

Clark, Schaefer, Hackett & Co.

Middletown, Ohio
December 12, 2002

General Purpose

Financial Statements

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**ROSS LOCAL SCHOOL DISTRICT
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2002**

GOVERNMENTAL FUND TYPES

	General Fund	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS:				
Assets:				
Equity in pooled cash and investments.....	\$4,225,082	173,725	0	0
Receivables (net of allowances for uncollectibles)				
Taxes - current.....	5,330,000	0	26,658	0
Taxes - delinquent.....	302,885	0	0	0
Accounts.....	8,684	697	0	0
Accrued interest.....	6,651	0	0	0
Intergovernmental - Federal.....	0	0	0	0
Prepayments.....	30,856	0	0	0
Materials and supplies inventory.....	2,115	0	0	0
Restricted Equity in Pooled Cash and Investments....	392,800	0	0	0
Property, plant and equipment (net of accumulated depreciation, where applicable).....	0	0	0	0
Other debits:				
Amount to be provided for retirement of General Long-term Obligations.....	0	0	0	0
Total assets and other debits.....	\$10,299,072	174,422	26,658	0

See accompanying notes to the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
196,204	7,652	115,037	0	0	4,717,700
0	0	0	0	0	5,356,658
0	0	0	0	0	302,885
48	0	0	0	0	9,429
0	0	0	0	0	6,651
14,150	0	0	0	0	14,150
0	709	0	0	0	31,565
22,482	0	0	0	0	24,597
0	0	0	0	0	392,800
51,654	0	0	31,358,733	0	31,410,387
0	0	0	0	939,569	939,569
284,538	8,361	115,037	31,358,733	939,569	43,206,390

- continued

ROSS LOCAL SCHOOL DISTRICT
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS - continued
JUNE 30, 2002

	GOVERNMENTAL FUND TYPES			
	General Fund	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable.....	\$60,911	9,764	0	0
Accrued wages and benefits.....	1,496,388	63,591	0	0
Compensated absences payable.....	142,414	9,928	0	0
Due to students.....	0	0	0	0
Pension obligation payable.....	0	0	0	0
Deferred revenue	5,292,421	0	26,658	0
General obligation bonds payable.....	0	0	0	0
Retirement incentive obligations.....	0	0	0	0
Total liabilities.....	6,992,134	83,283	26,658	0
Equity and other credits:				
Investment in general fixed assets.....	0	0	0	0
Retained earnings: unreserved.....	0	0	0	0
Fund Balances:				
Reserved-				
Reserved for encumbrances.....	197,954	37,469	0	0
Reserved for supplies inventory.....	2,115	0	0	0
Reserved for taxes.....	340,464	0	0	0
Reserved for prepayments.....	30,856	0	0	0
Reserved for budget stabilization.....	392,800	0	0	0
Unreserved-Undesignated.....	2,342,749	53,670	0	0
Total equity and other credits.....	3,306,938	91,139	0	0
Total liabilities, equity and other credits.....	\$10,299,072	174,422	26,658	0

See accompanying notes to the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
3,866	5,775	4,509	0	0	84,825
68,603	0	0	0	0	1,628,582
26,708	0	0	0	561,821	740,871
0	0	35,637	0	0	35,637
0	0	0	0	107,736	107,736
13,094	0	0	0	0	5,332,173
0	0	0	0	45,000	45,000
0	0	0	0	225,012	225,012
<u>112,271</u>	<u>5,775</u>	<u>40,146</u>	<u>0</u>	<u>939,569</u>	<u>8,199,836</u>
0	0	0	31,358,733	0	31,358,733
172,267	2,586	0	0	0	174,853
0	0	2,786	0	0	238,209
0	0	0	0	0	2,115
0	0	0	0	0	340,464
0	0	0	0	0	30,856
0	0	0	0	0	392,800
0	0	72,105	0	0	2,468,524
<u>172,267</u>	<u>2,586</u>	<u>74,891</u>	<u>31,358,733</u>	<u>0</u>	<u>35,006,554</u>
<u>284,538</u>	<u>8,361</u>	<u>115,037</u>	<u>31,358,733</u>	<u>939,569</u>	<u>43,206,390</u>

ROSS LOCAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2002

GOVERNMENTAL FUND TYPES

	General Fund	Special Revenue	Debt Service	Capital Projects
Revenues:				
From local sources:				
Taxes.....	\$4,901,079	0	43,315	0
Tuition.....	15,240	0	0	0
Earnings on investments.....	120,339	783	0	0
Other local revenues.....	90,066	220,984	0	0
Intergovernmental - State.....	8,970,598	184,012	0	50,578
Intergovernmental - Federal.....	0	455,541	0	0
Total revenues.....	14,097,322	861,320	43,315	50,578
Expenditures:				
Current:				
Instruction:				
Regular.....	7,894,428	152,030	0	51,549
Special.....	859,026	241,719	0	0
Vocational.....	1,616	0	0	0
Other.....	214,247	0	0	0
Support services:				
Pupil.....	597,526	17,694	0	0
Instructional staff.....	691,682	116,786	0	0
Board of Education.....	17,966	0	0	0
School administration.....	1,694,240	8,234	0	0
Fiscal.....	398,545	0	0	0
Operations and maintenance.....	1,023,005	0	0	0
Pupil transportation.....	1,273,387	0	0	0
Miscellaneous.....	0	23,021	0	0
Community services.....	0	153,473	0	0
Extracurricular activities.....	334,517	172,538	0	0
Capital outlay.....	139,097	30,506	0	0
Debt service:				
Principal retirement.....	0	0	40,000	0
Interest and fiscal charges.....	0	0	3,315	0
Total expenditures.....	15,139,282	916,001	43,315	51,549
Excess (deficiency) of revenues over (under) expenditures.....	(1,041,960)	(54,681)	0	(971)
Other financing sources (uses):				
Refund of prior year expenditures.....	44,455	45	0	0
Operating transfers in.....	0	3,503	0	0
Operating transfers (out).....	(2,653)	(850)	0	0
Proceeds of Capital Leases.....	0	0	0	0
Other Uses.....	0	0	0	0
Sale and loss of fixed assets.....	280	0	0	0
Total other financing sources (uses).....	42,082	2,698	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	(999,878)	(51,983)	0	(971)
Fund balance, July 1.....	4,309,040	143,122	0	971
Increase in reserve for inventory.....	(2,224)	0	0	0
Fund balance, June 30.....	\$3,306,938	91,139	0	0

See accompanying notes to the financial statements.

<u>FIDUCIARY FUND TYPE</u>	Totals (Memorandum Only)
Expendable Trust	
0	4,944,394
0	15,240
779	121,901
35,498	346,548
0	9,205,188
0	455,541
<u>36,277</u>	<u>15,088,812</u>
21,663	8,119,670
0	1,100,745
0	1,616
0	214,247
0	615,220
0	808,468
0	17,966
0	1,702,474
0	398,545
0	1,023,005
0	1,273,387
0	23,021
22,829	176,302
0	507,055
0	169,603
0	40,000
0	3,315
<u>44,492</u>	<u>16,194,639</u>
(8,215)	(1,105,827)
2,500	200
0	3,503
0	(3,503)
0	
0	
0	280
<u>2,500</u>	<u>47,280</u>
(5,715)	(1,058,547)
80,606	4,533,739
0	(2,224)
<u>74,891</u>	<u>3,472,968</u>

**ROSS LOCAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET-ACTUAL (NON-GAAP BUDGETARY BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR YEAR ENDED JUNE 30, 2002**

	General Fund			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
From local sources:						
Taxes.....	\$5,517,315	5,517,315	0	\$0	\$0	
Tuition.....	15,190	15,190	0	0	0	
Earnings on investments.....	131,027	131,027	0	783	783	0
Other local revenues.....	85,616	85,616	0	220,287	220,287	0
Intergovernmental - State.....	8,967,251	8,967,251	0	184,012	184,012	0
Intergovernmental - Federal.....	0	0	0	455,541	455,541	0
Total revenues.....	14,716,399	14,716,399	0	860,623	860,623	0
Expenditures:						
Current:						
Instruction:						
Regular.....	7,803,685	7,803,685	0	148,688	148,688	0
Special.....	841,907	841,907	0	242,050	242,050	0
Vocational.....	1,616	1,616	0	0	0	
Other.....	210,080	210,080	0	0	0	
Support services:						
Pupil.....	551,166	551,166	0	13,904	13,904	0
Instructional staff.....	654,345	654,345	0	115,531	115,531	0
Board of Education.....	18,036	18,036	0	0	0	
School administration.....	1,701,800	1,701,800	0	9,037	9,037	0
Fiscal.....	393,883	393,883	0	0	0	
Operations and maintenance.....	1,010,270	1,010,270	0	0	0	
Pupil transportation.....	1,267,939	1,267,939	0	0	0	
Central.....	0	0	0	23,021	23,021	0
Community services.....	0	0	0	149,847	149,847	0
Extracurricular activities.....	350,572	350,572	0	169,829	169,829	0
Capital outlay.....	142,633	142,633	0	30,506	30,506	0
Debt service:						
Principal retirement.....	0	0				0
Interest and fiscal charges.....	0	0				0
Total expenditures.....	14,947,932	14,947,932	0	902,413	902,413	0
Excess (deficiency) of revenues over (under) expenditures.....	(231,533)	(231,533)	0	(41,790)	(41,790)	0
Other financing sources (uses):						
Operating transfers in.....	0	0	0	3,503	3,503	0
Operating transfers (out).....	(2,653)	(2,653)	0	(850)	(850)	0
Advances in/(out).....	0	0	0	0	0	
Refund of prior year transactions	44,455	44,455	0	45	45	
Proceeds of sale of fixed assets.....	280	280	0	0	0	
Contingencies	0	0	0	0	0	
Total other financing sources (uses).....	42,082	42,082	0	2,698	2,698	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses.....	(189,451)	(189,451)	0	(39,092)	(39,092)	0
Fund balance, July 1.....	4,022,477	4,022,477	0	126,128	126,128	0
Prior year encumbrances appropriated.....	784,855	784,855	0	98,632	98,632	0
Fund balance, June 30.....	\$4,617,881	4,617,881	0	\$185,668	\$185,668	\$0

See accompanying notes to the financial statements.

Debt Service			Capital Projects			Total (Memorandum only)		
Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)	Budget Revised	Actual	Variance: Favorable (Unfavorable)
\$43,315	43,315	0	\$0	0	0	\$5,560,630	\$5,560,630	\$0
0	0	0	0	0	0	15,190	15,190	0
0	0	0	0	0	0	131,810	131,810	0
0	0	0	0	0	0	305,903	305,903	0
0	0	0	50,578	50,578	0	9,201,841	9,201,841	0
0	0	0	0	0	0	455,541	455,541	0
43,315	43,315	0	50,578	50,578	0	15,670,915	15,670,915	0
0	0	0	51,549	51,549	0	8,003,922	8,003,922	0
0	0	0	0	0	0	1,083,957	1,083,957	0
0	0	0	0	0	0	1,616	1,616	0
0	0	0	0	0	0	210,080	210,080	0
0	0	0	0	0	0	565,070	565,070	0
0	0	0	0	0	0	769,876	769,876	0
0	0	0	0	0	0	18,036	18,036	0
0	0	0	0	0	0	1,710,837	1,710,837	0
0	0	0	0	0	0	393,883	393,883	0
0	0	0	0	0	0	1,010,270	1,010,270	0
0	0	0	0	0	0	1,267,939	1,267,939	0
0	0	0	0	0	0	23,021	23,021	0
0	0	0	0	0	0	149,847	149,847	0
0	0	0	0	0	0	520,401	520,401	0
0	0	0	0	0	0	173,139	173,139	0
40,000	40,000	0	0	0	0	40,000	40,000	0
3,315	3,315	0	0	0	0	3,315	3,315	0
43,315	43,315	0	51,549	51,549	0	15,945,209	15,945,209	0
0	0	0	(971)	(971)	0	(274,294)	(274,294)	0
0	0	0	0	0	0	3,503	3,503	0
0	0	0	0	0	0	(3,503)	(3,503)	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	44,500	44,500	0
0	0	0	0	0	0	280	280	0
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	44,780	44,780	0
0	0	0	(971)	(971)	0	(229,514)	(229,514)	0
0	0	0	971	971	0	4,149,576	4,149,576	0
0	0	0	0	0	0	883,487	883,487	0
\$0	0	0	\$0	0	0	\$4,803,549	\$4,803,549	\$0

ROSS LOCAL SCHOOL DISTRICT
COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR YEAR ENDED JUNE 30, 2002

	PROPRIETARY		Total (Memorandum only)
	Enterprise	Internal Service	
Operating revenues:			
Tuition and fees.....	\$ 71,065	0	71,065
Sales/Charges for services.....	600,714	77,045	677,759
Total operating revenues.....	671,779	77,045	748,824
Operating expenses:			
Personal services.....	437,176	0	437,176
Contract services.....	29,671	0	29,671
Materials and supplies.....	401,718	5,775	407,493
Other operating expenses.....	1,472	70,556	72,028
Depreciation.....	7,548	0	7,548
Total operating expenses.....	877,585	76,331	953,916
Operating income (loss).....	(205,806)	714	(205,092)
Nonoperating revenues (expenses):			
Refund of prior year expenditure.....	11	6	17
Interest revenues.....	3,945	0	3,945
Operating grants.....	121,390	0	121,390
Commodities Used.....	51,731	0	51,731
Total nonoperating revenues (expenses).....	177,077	6	177,083
Net income (loss).....	(28,729)	720	(28,009)
Retained earnings at July 1.....	200,996	1,866	202,862
Retained earnings at June 30.....	\$ 172,267	2,586	174,853

See accompanying notes to the financial statements.

ROSS LOCAL SCHOOL DISTRICT
COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
FOR YEAR ENDED JUNE 30, 2002
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Enterprise	Internal Service	Total (Memorandum only)
Cash flows from operating activities:			
Cash received from sales/service charges.....	\$670,782	77,045	747,827
Cash received from other operations.....	1,024	\$0	1,024
Cash payments for personal services.....	(439,386)	0	(439,386)
Cash payments for contract services.....	(29,759)	0	(29,759)
Cash payments for supplies and materials.....	(341,590)	0	(341,590)
Cash payments for other expenses.....	(1,472)	(70,556)	(72,028)
Net cash provided by operating activities.....	(140,401)	6,489	(133,912)
Cash flows from noncapital investing activities:			
Cash received from interest.....	3,945	0	3,945
Net cash provided by noncapital investing activities.....	3,945	0	3,945
Cash flows from noncapital financing activities:			
Cash received from operating grants.....	107,251	0	107,251
Cash received from non-operating grants.....	0	6	6
Net cash provided by noncapital financing activities.....	107,251	6	107,251
Net increase (decrease) in cash and cash equivalents.....	(29,205)	6,495	(22,716)
Cash and cash equivalents at beginning of year.....	225,409	1,157	226,566
Cash and cash equivalents at end of year.....	\$196,204	7,652	203,850
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss).....	(\$205,806)	714	(205,092)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation.....	7,548	0	7,548
Changes in assets and liabilities:			
Supplies inventory.....	5,814	0	5,814
Commodities used.....	51,731	0	51,731
Capital Assets.....	(889)	0	(889)
Accounts receivable.....	27	0	27
Accounts payable.....	(220)	5,775	5,555
Accrued wages and benefits.....	5,651	0	5,651
Compensated absences payable.....	(7,863)	0	(7,863)
Deferred revenue.....	3,606	0	3,606
Net cash provided by operating activities.....	(140,401)	6,489	(133,912)

See accompanying notes to the financial statements.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

NOTE 1-DESCRIPTION OF THE DISTRICT

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

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation - Fund Accounting

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

Governmental Fund Types

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

General Fund - This fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

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

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

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

Proprietary Fund Types

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

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

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

Fiduciary Fund Types

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

Account Groups

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

General Fixed Assets Account Group

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

General Long-Term Debt Account Group

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

C. Basis of Accounting/Measurement Focus

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

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

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

Basis of Accounting: The modified accrual basis of accounting is followed for all governmental, expendable trust and agency funds. Revenue 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. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes,, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the fiscal year in which use is first

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

permitted, matching requirements, in which the District must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, accounts and grants.

The District reports deferred revenues on its combined balance sheet that arise when revenue does not meet both the measurable and available criteria recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenues removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30 that are intended to finance fiscal year 2003 operations and delinquent property taxes, whose availability is indeterminable have been recorded as deferred revenue.

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, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

The proprietary fund type and nonexpendable trust funds utilize the accrual basis of accounting for reporting purposes. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused commodities are reported as deferred revenue.

D. Budget and Budgetary Accounting

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than GAAP. The major difference between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

The actual results of operations, compared to the final appropriation, which includes amendments to the original appropriation, for each fund type by expenditure function and revenue by source are presented in the *Combined Statements of Revenues, Expenditures/Expenses and Changes in Retained Earnings/Fund Balances – Budget and Actual (Non-GAAP Budgetary Basis)*.

The District is required by State statute to adopt an annual appropriation budget for all fund types except agency funds. The specific timetable is as follows:

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

1. Prior to January 15 of the preceding fiscal year, the Treasurer submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board adopted budget is filed with the Butler County Budget Commission for tax rate determination.
3. Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the budget commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources (the Certificate). The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District's Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts set forth in the final amended certificate.
4. By July 1, the annual appropriation resolution is legally enacted by the Board at the fund and function level of expenditures, which are the legal level of budgetary control. (State statute permits a temporary appropriation to be effective until no later than October 1 of each year.) Resolution appropriations by fund must be within the estimated resources as certified by the Butler County Budget Commission and the total expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund must be approved by the Board.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. All departments/functions and funds completed year within the amount of their legally authorized appropriation.
7. Appropriation amounts are originally adopted, or as amended by the Board throughout the year by supplemental appropriation which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during the current fiscal year.
8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund, function and/or object level.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

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

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

	Governmental Funds			
	<u>General Fund</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Budget Basis	\$ (189,451)	\$(39,092)	\$0	\$(971)
Net Adjustment for Revenue Accruals	(619,011)	697	0	0
Net Adjustment for Expenditure Accruals	(29,530)	(109,825)	0	0
Net Adjustment for Other Sources (Uses)	(946,741)	0	0	0
Encumbrances	<u>784,855</u>	<u>96,237</u>	<u>0</u>	<u>0</u>
GAAP Basis	<u>\$(999,878)</u>	<u>\$(51,983)</u>	<u>\$0</u>	<u>\$(971)</u>

E. Cash and Investments

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

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

Interest earnings are allocated to the General Fund, Special Revenue Funds, Expendable Trust Funds and the Enterprise Fund based on average monthly cash balances. Interest income earned in fiscal year 2002 totaled \$125,846.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

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

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

F. Restricted Assets

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

G. Short-Term Interfund Receivables/Payables

During the course of operations, numerous short-term interfund loans are made. These short-term interfund loans are classified as interfund loans receivable or interfund loans payable on the balance sheet. The District had no interfund receivables and payables as of June 30, 2002.

H. Inventories

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

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

I. Fixed Assets and Depreciation

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

The District does not possess any infrastructure.

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

Machinery and equipment	10 years
Furniture and fixtures	10 years

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

J. Compensated Absences

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

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

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

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

Non-teaching District employees earn vacation leave at graduated rates based on length of service. The District accrues the vacation leave benefits as earned. Accrued vacation may be carried forward to the next fiscal year with Board of Education approval. At June 30, 2002 a liability of \$78,903 has been provided in the General Long Term Debt Account Group for earned, but unused vacation leave. Additionally, \$27,143 has been accrued and included as a current liability in the appropriate funds.

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

District employees earn sick leave which, if not taken, accumulates until retirement. Upon retirement, an employee is paid 26.5% of accumulated sick leave up to a maximum of 50 days, calculated at current wage rates.

A liability for earned but unused sick leave in the amount of \$121,774 has been accrued and included in the appropriate funds. A liability for earned but unused sick leave has been provided in the General Long-Term Debt Account Group in the amount of \$482,918 for those employees expected to become vested in the future. A liability for employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future has been provided as a current liability in the appropriate funds in the amount of \$30,133.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

K. Prepaids

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

L. Intergovernmental Revenues

In Governmental Funds, grants and entitlements are recorded as receivables and revenue when measurable and available. Grants for Proprietary Fund operations are recognized as revenue when measurable and earned.

Grants and entitlements amounted to approximately 33% of the District's operating revenue during the 2002 fiscal year.

M. Advances on Other Funds

Non-current portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources which are available for appropriation. At June 30, 2002, the District had no such advances.

N. Long-Term Obligations

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

O. Fund Equity

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

P. Interfund Transactions

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

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

Q. Financial Reporting for Proprietary and Similar Fund Types

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

R. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

S. Memorandum Only - Total Columns

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

NOTE 3-EQUITY IN POOLED CASH AND CASH EQUIVALENTS

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

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

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

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

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

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

1. United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);

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

During fiscal year 2002, all investments of the School District had a maturity of two years or less.

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

(A) DEPOSITS

At year end, the carrying amount of the District's pooled deposits was \$3,092,307 and the bank balance was \$3,113,792. Of the bank balance, \$100,000 was covered by federal depository insurance. Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 110% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

(B) INVESTMENTS

The District's investments are categorized to give an indication of the level of risk assumed by the entity at year-end (GASB Statement 3). Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the financial institution's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the financial institution or its trust department or agent, but not in the District's name.

Based on the above criteria, the District's investments at June 30, 2002 are classified in the table below:

	Category <u>1</u>	Category <u>2</u>	<u>Unclassified</u>	<u>Fair Value</u>
Fifth Third Government Money Market Fund	\$ -	-	506,838	506,838
Federal Home Loan Mortgage Federal National Mortgage Association (FNMA) Bonds	1,006,980	-	-	1,006,980
	<u>-</u>	<u>504,375</u>	<u>-</u>	<u>504,375</u>
Total	\$ <u>1,006,980</u>	<u>504,375</u>	<u>506,838</u>	<u>2,018,193</u>

NOTE 4-PROPERTY TAXES

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

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

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

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

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

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

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

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

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

The School District receives property taxes from Butler County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002 are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations.

The amount available as an advance at June 30 was \$340,464 for the General Fund. The amount is recognized as revenue in its respective fund.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

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

	<u>2nd Half 2001</u>	<u>1st Half 2002</u>
Real Property	\$ 211,676,960	\$ 217,059,670
Tangible Personal Property	8,738,086	9,238,487
Public Utility Personal Property	<u>12,015,310</u>	<u>8,768,710</u>
	<u>\$ 232,430,356</u>	<u>\$ 235,066,867</u>

NOTE 5-FIXED ASSETS

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

<u>Component</u>	<u>Balance June 30, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2002</u>
Land and Improvements	\$ 1,469,383	\$ 8,705	\$ 0	\$ 1,478,088
Buildings and Building Improvements	24,068,501	521,070	0	24,589,571
Furniture and Equipment	<u>5,359,578</u>	<u>125,065</u>	<u>(193,569)</u>	<u>5,291,074</u>
Total	<u>\$30,897,462</u>	<u>\$ 654,840</u>	<u>\$(193,569)</u>	<u>\$ 31,358,733</u>

A summary of the Proprietary Fund fixed assets at June 30, 2002 follows:

Furniture and Equipment	\$ 127,415
Less: Accumulated Depreciation	<u>(75,761)</u>
Net Fixed Assets – Proprietary Fund	<u>\$ 51,564</u>

NOTE 6-LONG-TERM OBLIGATIONS

Long-Term Obligations - At June 30, 2002, the following obligations are included in the General Long-Term Debt Account Group:

	<u>Balance At June 30, 2001</u>	<u>Additions/ (Deletions)</u>	<u>Balance At June 30, 2002</u>
Compensated Absences Liability	\$ 633,111	\$ (71,290)	\$ 561,821
Pension Obligation Payable	96,480	11,256	107,736
STRS Early Retirement Incentive (Includes Note 7 A & B)	224,256	756	225,012
School Energy Conservation Bonds	<u>85,000</u>	<u>(40,000)</u>	<u>45,000</u>
Total General Long-Term Debt	<u>\$ 1,038,847</u>	<u>(99,278)</u>	<u>\$ 939,569</u>

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

The District's legal debt margin was approximately \$21,156,021 at June 30, 2002. The School Energy Conservation Bonds were issued in October, 1996 for \$270,000. Principal payments are due annually with interest of 5.07% due semi-annually. The annual debt service requirements to maturity for the Bonds, including interest of \$2,167 are as follows:

<u>Fiscal</u> <u>Year Ending</u> <u>June 30</u>	<u>School Energy Conservation Bonds</u>
2003	26,657
2004	<u>20,510</u>
Total	\$ <u>47,167</u>

NOTE 7-EARLY RETIREMENT INCENTIVE PROGRAM

During fiscal year 2001, the District participated in the State Teacher Retirement System Early Retirement Incentive program for certificated staff. During fiscal year 2001, six (6) teachers who were eligible to participate, retired. The District purchased two years of service credit for eligible certificated employees. Principal obligations of the purchased credit are based upon individual age, length of service and salary at retirement.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	173,699	13,462	187,161

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

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

<u>Fiscal Year</u>	<u>Payment</u>
2003	\$ 37,851

NOTE 8-RECEIVABLES

Receivables at June 30, 2002 consisted of taxes, accounts receivable, accrued interest, and intergovernmental grants and entitlements (to the extent such grants and/or entitlements relate to the current fiscal year).

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

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

A summary of the principal items of receivables follows:

<u>General Fund</u>	<u>Amounts</u>
Taxes - Current	\$5,330,000
Taxes - Delinquent	\$ 302,885
Accounts & Accrued Interest	\$ 15,335
<u>Special Revenue Funds</u>	
Accounts	\$ 697
<u>Debt Service Fund</u>	
Taxes	\$ 26,658
<u>Enterprise Funds</u>	
Accounts	\$ 48
Intergovernmental	\$ 14,150

NOTE 9-OSBA WORKERS' COMP PROGRAM

OSBA GROUP RATING PROGRAM

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all districts in the GRP. Each participant pays its Workers' Compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of GatesMcDonald & Co. provides administrative, cost control and actuarial services to the GRP.

NOTE 10-EMPLOYEE RETIREMENT SYSTEMS

All District employees are covered by the state-wide School Employees Retirement System of Ohio (SERS) or the State Teachers Retirement System (STRS). District employees hired after April 1, 1986 are also currently covered under the Federal Social Security Act for the Medicare portion only. The

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

District's employer contributions to both systems are based on a percentage of employees salaries. State law requires the District to pay the employer share as determined by each Retirement System.

SCHOOL EMPLOYEES RETIREMENT SYSTEM

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credits to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9% of their annual covered salary and the District is required to contribute 14%. Their contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. A portion of the Ross Local School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The District considers all liabilities for the employer's share of pension payments to be payable from current available financial resources, and therefore they are considered a fund liability. The adequacy of the contribution rates is determined annually. The District's contributions to SERS for the year ended June 30, 2002, 2001, and 2000 were \$311,712, \$286,596, and \$277,628 respectively, equal to the required contributions for each year.

STATE TEACHERS RETIREMENT SYSTEM

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

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%, 9.5 percent was the portion used to fund pension obligations. The District considers all liabilities for the employer's share of pension payments to be payable from current available financial resources, and therefore they are considered a fund liability. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2002, 2001, and 2000 were \$1,119,791, \$1,039,890, and \$999,972, respectively, equal to the required contributions for each year.

POSTEMPLOYMENT BENEFITS

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly medicare premiums. Benefit

provisions and the obligation to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$156,771 during the 2002 fiscal year. As of July 1, 2001, eligible benefit recipients totaled 102,132. For the fiscal year ended June 30, 2001, net health care costs paid by STRS were \$369,354,000.

For SERS, coverage is available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium. For the fiscal year, employer contributions to fund health care benefits were 3.5 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, minimum pay was established at \$12,400. For the School District, this amount equaled \$14,242 during the 2002 fiscal year. The number of participants currently receiving health care benefits is 63,879. For the fiscal year ended June 30, 2002, the net healthcare costs paid by SERS were \$161,439,934.

NOTE 11-SEGMENT INFORMATION - ENTERPRISE FUNDS

The District maintains two Enterprise Funds to account for the operations of Food Service and Uniform Supplies. The table below summarizes the more significant financial data relating to the Enterprise Funds of the district for the year ended June 30, 2002.

	<u>Food Service</u>	<u>Uniform Supplies</u>	<u>Total</u>
Operating Revenues	\$ 599,690	\$ 72,089	\$671,779
Operating Expenses Before			
Depreciation	804,378	65,659	870,037
Depreciation	7,548	0	7,548
Operating Income (Loss)	(212,236)	6,430	(205,806)
Refund of Prior Year			
Expenditures	-	11	11
Interest Revenues	3,945	-	3,945
Operating Grants	121,295	95	121,390
Donated Commodities	51,731	-	51,731
Net Income (Loss)	(35,265)	6,536	(28,729)
Net Working Capital	96,799	23,814	120,613
Total Assets	256,858	27,680	284,538
Total Liabilities	108,405	3,866	112,271
Total Equity	148,453	23,814	172,267

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

NOTE 12-JOINTLY GOVERNED ORGANIZATION

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

NOTE 13-RISK MANAGEMENT

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

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

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

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

NOTE 14-CONTINGENT LIABILITIES

A. LITIGATION

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

B. FEDERAL AND STATE GRANTS

The District participates in several state and federally assisted grant programs. The federal grants have been audited in accordance with the Single Audit Act of 1996, Public Law 98-502. Provisions of the

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

Act allow federal agencies to conduct any additional audit work necessary to carry out their responsibilities under federal law or regulations, and to arrange for funding the cost of such additional audits. The state grants are subject to review and audit by the grantor agencies or their designee. Such federal or state audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant.

NOTE 15-STATE SCHOOL FUNDING DECISION

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001, the Court granted this request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

The School District is unable to determine what effect, if any, this decision and the reconsideration will have on its future State funding and on its financial operations.

NOTE 16-FUND BALANCE DEFICITS

Fund balances at June 30, 2002 included the following individual fund deficits (includes accrual entries):

Special Revenue Funds:

Title I	\$ (18,602)
Title VI	(2,073)
Drug Free School Grant	(38)
Jobs Education	(5,493)

The above funds have deficit fund balances due to the accrual of wages and fringe benefits; and also due to the timing of reimbursement for goods and/or services rendered.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 20, 2002

NOTE 17-STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2002 the reserve activity (cash-basis) was as follows:

	Textbooks	Capital Acquisition	Budget Stabilization	Totals
Set-aside cash balance as of June 30, 2001	\$ 0	0	392,800	392,800
Current year set-aside requirement	324,385	324,385	0	648,770
Current year offsets	0	0	0	0
Qualifying disbursements	<u>(324,385)</u>	<u>(324,385)</u>	<u>0</u>	<u>(648,770)</u>
Set-aside cash balance as of June 30, 2002	0	0	392,800	392,800
Amount restricted for bus purchases			<u>0</u>	<u>0</u>
Total restricted assets			\$ <u>392,800</u>	\$ <u>392,800</u>

Expenditures for textbooks and instructional materials during the year totaled \$500,557, which exceeded the amount required for the set-aside.

Expenditures for the Capital Acquisition activity during the year totaled \$671,788, which exceeded the amount required for the set-aside.

The budget stabilization fund is no longer required. However, the District has opted to leave this fund intact.

**Combining and Individual Fund and
Account Group Statements
And Schedules**

General Fund

The General Fund is used to account for all activities of the District not included in other specified funds. This includes, but is not limited to, general instruction, pupil services, operation and maintenance of buildings and grounds, pupil transportation, and the administration of District functions.

Since there is only one General Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

Special Revenue Funds

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

Public School Support Fund

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

Other Grants

A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

Athletic Fund

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

Auxiliary Service Fund

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

Management Information Systems

A fund provided for purchase of computer hardware and software or other cost associated with the implementation of the requirements of the management information system (Ohio Senate Bill 140).

School Net Professional Development

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

Ohio Reads Volunteer Grant

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

Miscellaneous State Grants

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

Economic Security Act

A fund provided for strengthening instruction in science, mathematics, modern foreign languages, English, arts and humanities, reading, history, geography, civics, economics, and industrial arts through acquisition of laboratory and other special equipment and materials and through minor remodeling.

Title VI-B

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

Title I

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

Title VI

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

Drug Free School Grant

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

Title VI-B Preschool

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

Jobs Education

A fund provided to assist students for the "modern" workplace.

ONENet

The ONENet grant program addresses the need to expand and improve the existing School District data network by providing a minimum network capacity to all schools, while expanding the ability of the network to support advanced voice, video and data applications.

**Ross Local School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2002**

	Public School Support	Other Grants	Athletic Fund	Auxiliary Service Fund	Management Information Systems
ASSETS:					
Equity in pooled cash and cash equivalents	\$ 17,958	-	55,943	36,873	6,216
Accounts receivable		-	697	-	-
Prepayments	-	-	-	-	-
Total assets	\$ 17,958	-	56,640	36,873	6,216
LIABILITIES:					
Accounts payable	\$ 4,493	-	3,543	449	-
Accrued wages and benefits	-	-	-	14,624	-
Compensated absences payable	-	-	-	6,503	-
Total liabilities	4,493	-	3,543	21,576	-
EQUITY:					
Fund balances:					
Reserved for encumbrances	5,526	-	26,090	1,199	114
Unreserved, undesignated	7,939	-	27,007	14,098	6,102
Total equity	13,465	-	53,097	15,297	6,216
Total liabilities and equity	\$ 17,958	-	56,640	36,873	6,216

School Net Professional Development	Ohio Reads Volunteer Grant	Miscellaneous State Grants	Economic Security Act	Title VI-B
3,347	-	2,608	2,004	35,102
-	-	-	-	-
-	-	-	-	-
<u>3,347</u>	<u>-</u>	<u>2,608</u>	<u>2,004</u>	<u>35,102</u>
-	-	-	414	865
-	-	-	-	12,512
-	-	-	-	-
-	-	-	<u>414</u>	<u>13,377</u>
-	-	2,608	415	1,517
<u>3,347</u>	<u>-</u>	<u>-</u>	<u>1,175</u>	<u>20,208</u>
<u>3,347</u>	<u>-</u>	<u>2,608</u>	<u>1,590</u>	<u>21,725</u>
<u>3,347</u>	<u>-</u>	<u>2,608</u>	<u>2,004</u>	<u>35,102</u>

Continued

**Ross Local School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2002 (Continued)**

	Title I	Title VI	Drug Free School Grant	Title VI-B Preschool	Jobs Education
ASSETS :					
Equity in pooled cash and cash equivalents	\$ 6,903	49	3,387	-	3,335
Accounts receivable	-	-	-	-	-
Prepayments	-	-	-	-	-
Total assets	\$ 6,903	49	3,387	-	3,335
LIABILITIES:					
Accounts payable	\$ -	-	-	-	-
Accrued wages and benefits	25,505	2,122	-	-	8,828
Compensated absences payable	-	-	3,425	-	-
Total liabilities	25,505	2,122	3,425	-	8,828
EQUITY:					
Fund balances:					
Reserved for encumbrances	-	-	-	-	-
Unreserved, undesignated	(18,602)	(2,073)	(38)	-	(5,493)
Total equity	(18,602)	(2,073)	(38)	-	(5,493)
Total liabilities and equity	\$ 6,903	49	3,387	-	3,335

One Net	Total
-	\$ 173,725
-	697
-	-
-	\$ 174,422

-	\$ 9,764
-	63,591
-	9,928
-	83,283

-	37,469
-	53,670
-	91,139
-	\$ 174,422

Ross Local School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	Public School Support	Other Grants	Athletic Fund	Auxiliary Service Fund	Management Information Systems
Revenues:					
From local sources:					
Earnings on investments	\$ -	-	-	783	-
Other local revenues	63,050	-	157,934	-	-
Intergovernmental-State	-	-	-	128,267	9,007
Intergovernmental-Federal	-	-	-	-	-
Total revenues	<u>63,050</u>	<u>-</u>	<u>157,934</u>	<u>129,050</u>	<u>9,007</u>
Expenditures:					
Current:					
Instruction:					
Regular	70,889	-	-	-	-
Special	-	-	-	-	-
Support services:					
Pupil	-	-	-	-	-
Instructional staff	-	-	-	-	6,452
School administration	-	-	-	-	-
Miscellaneous	-	-	-	-	2,021
Community services	-	-	-	132,171	-
Extracurricular activities	-	-	172,538	-	-
Capital outlay	-	-	30,506	-	-
Total expenditures	<u>70,889</u>	<u>-</u>	<u>203,044</u>	<u>132,171</u>	<u>8,473</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,839)</u>	<u>-</u>	<u>(45,110)</u>	<u>(3,121)</u>	<u>534</u>
Other financing sources (uses):					
Refund of prior year expenditure	-	-	45	-	-
Operating transfers in	-	-	3,503	-	-
Operating transfers out	-	-	(850)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>2,698</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<u>(7,839)</u>	<u>-</u>	<u>(42,412)</u>	<u>(3,121)</u>	<u>534</u>
Fund balance July 1, 2001	<u>21,302</u>	<u>-</u>	<u>95,509</u>	<u>18,268</u>	<u>5,682</u>
Fund balance June 30, 2002	<u>\$ 13,463</u>	<u>-</u>	<u>53,097</u>	<u>15,147</u>	<u>6,216</u>

<u>School Net Professional Development</u>	<u>Ohio Reads Volunteer Grant</u>	<u>Miscellaneous State Grants</u>	<u>Economic Security Act</u>	<u>Title VI-B</u>
-	-	-	-	-
-	-	-	-	-
4,142	19,000	2,596	-	-
-	-	-	11,478	186,437
<u>4,142</u>	<u>19,000</u>	<u>2,596</u>	<u>11,478</u>	<u>186,437</u>
-	24,220	-	-	-
-	-	-	-	51,387
-	-	-	-	6,665
4,795	-	-	10,890	80,716
-	-	2,810	-	5,424
-	-	-	-	-
-	-	-	-	18,410
-	-	-	-	-
<u>4,795</u>	<u>24,220</u>	<u>2,810</u>	<u>10,890</u>	<u>162,602</u>
<u>(653)</u>	<u>(5,220)</u>	<u>(214)</u>	<u>588</u>	<u>23,835</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
(653)	(5,220)	(214)	588	23,835
<u>4,000</u>	<u>5,220</u>	<u>2,822</u>	<u>1,002</u>	<u>(2,109)</u>
<u>3,347</u>	<u>-</u>	<u>2,608</u>	<u>1,590</u>	<u>21,726</u>

Continued

Ross Local School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2002 (Continued)

	Title I	Title VI	Drug Free School Grant	Title VI-B Preschool
Revenues:				
From local sources:				
Earnings on investments	\$ -	-	-	-
Other local revenues	-	-	-	-
Intergovernmental-State	-	-	-	-
Intergovernmental-Federal	169,174	12,779	9,885	845
Total revenues	<u>169,174</u>	<u>12,779</u>	<u>9,885</u>	<u>845</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	179,539	-	-	876
Support services:				
Pupil	-	-	11,029	-
Instructional staff	-	13,933	-	-
School administration	-	-	-	-
Miscellaneous	-	-	-	-
Community services	2,000	892	-	-
Extracurricular activities	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>181,539</u>	<u>14,825</u>	<u>11,029</u>	<u>876</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,365)</u>	<u>(2,046)</u>	<u>(1,144)</u>	<u>(31)</u>
Other financing sources (uses):				
Refund of prior year expenditure	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	<u>(12,365)</u>	<u>(2,046)</u>	<u>(1,144)</u>	<u>(31)</u>
Fund balance July 1, 2001	<u>(6,086)</u>	<u>(27)</u>	<u>1,106</u>	<u>31</u>
Fund balance June 30, 2002	<u>\$ (18,451)</u>	<u>(2,073)</u>	<u>(38)</u>	<u>-</u>

<u>Jobs Education</u>	<u>One Net</u>	<u>Total</u>
-	-	\$ 783
-	-	220,984
-	21,000	184,012
<u>64,943</u>	-	<u>455,541</u>
<u>64,943</u>	<u>21,000</u>	<u>861,320</u>
56,921	-	152,030
9,917	-	241,719
-	-	17,694
-	-	116,786
-	-	8,234
-	21,000	23,021
-	-	153,473
-	-	172,538
-	-	30,506
<u>66,838</u>	<u>21,000</u>	<u>916,001</u>
<u>(1,895)</u>	-	<u>(54,681)</u>
-	-	45
-	-	3,503
-	-	(850)
-	-	<u>2,698</u>
(1,895)	-	(51,983)
<u>(3,598)</u>	-	<u>143,122</u>
<u>(5,493)</u>	-	<u>\$ 91,139</u>

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 63,050	63,050	-
Expenditures:			
Current:			
Instruction:			
Regular	69,611	69,611	-
Special	-	-	-
Total expenditures	69,611	69,611	-
Deficiency of revenues under expenditures	(6,561)	(6,561)	-
Fund balance July 1, 2001	13,358	13,358	-
Prior year encumbrances appropriated	11,161	11,161	-
Fund balance June 30, 2002	\$ 17,958	17,958	-

**Ross Local School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Other Grants Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Expenditures:			
Current:			
Instruction:			
Regular	\$ 205	205	-
Total expenditures	<u>205</u>	<u>205</u>	<u>-</u>
Deficiency of revenues under expenditures	(205)	(205)	-
Fund balance July 1, 2001	-	-	-
Prior year encumbrances appropriated	<u>205</u>	<u>205</u>	<u>-</u>
Fund balance June 30, 2002	<u>\$ -</u>	<u>-</u>	<u>-</u>

Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Athletic Fund Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 157,237	157,237	-
Expenditures:			
Extracurricular activities	169,829	169,829	-
Capital outlay	30,506	30,506	-
Total expenditures	<u>200,335</u>	<u>200,335</u>	-
Deficiency of revenues under expenditures	(43,098)	(43,098)	-
Other financing sources (uses):			
Operating transfers in	3,503	3,503	-
Refund of prior year expenditures	45	45	-
Operating transfers out	(850)	(850)	-
Total other financing sources (uses)	<u>2,698</u>	<u>2,698</u>	-
Deficiency of revenues and other financing sources under expenditures and other uses	(40,400)	(40,400)	-
Fund balance July 1, 2001	39,341	39,341	-
Prior year encumbrances appropriated	<u>57,003</u>	<u>57,003</u>	-
Fund balance June 30, 2002	<u>\$ 55,944</u>	<u>55,944</u>	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Auxiliary Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 129,050	129,050	-
Expenditures:			
Community services	127,919	127,919	-
Total expenditures	127,919	127,919	-
Excess of revenues over expenditures	1,131	1,131	-
Fund balance July 1, 2001	19,462	19,462	-
Prior year encumbrances appropriated	20,895	20,895	-
Fund balance June 30, 2002	\$ 41,488	41,488	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Management Information Systems Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 9,007	9,007	-
Expenditures:			
Current:			
Support services:			
Instructional staff	6,688	6,688	-
Central	2,021	2,021	-
Total expenditures	8,709	8,709	-
Excess of revenues over expenditures	298	298	-
Fund balance July 1, 2001	5,529	5,529	-
Prior year encumbrances appropriated	26	26	-
Fund balance June 30, 2002	\$ 5,853	5,853	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
School Net Professional Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 4,142	4,142	-
Expenditures:			
Current:			
Support services:			
Instructional staff	4,795	4,795	-
Total expenditures	4,795	4,795	-
Deficiency of revenues under expenditures	(653)	(653)	-
Fund balance July 1, 2001	3,760	3,760	-
Prior year encumbrances appropriated	240	240	-
Fund balance June 30, 2002	\$ 3,347	3,347	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Ohio Reads Volunteer Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 19,000	19,000	-
Expenditures:			
Current:			
Instruction:			
Regular	24,220	24,220	-
Total expenditures	24,220	24,220	-
Deficiency of revenues under expenditures	(5,220)	(5,220)	-
Fund balance July 1, 2001	-	-	-
Prior year encumbrances appropriated	5,220	5,220	-
Fund balance June 30, 2002	\$ -	-	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 2,596	2,596	-
Expenditures:			
Current:			
Support services:			
School administration	2,810	2,810	-
Total expenditures	2,810	2,810	-
Deficiency of revenues under expenditures	(214)	(214)	-
Fund balance July 1, 2001	258	258	-
Prior year encumbrances appropriated	2,822	2,822	
Fund balance June 30, 2002	\$ 2,866	2,866	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Economic Security Act Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 11,478	11,478	-
Expenditures:			
Current:			
Support services:			
Instructional staff	10,476	10,476	-
Total expenditures	10,476	10,476	-
Excess of revenues over expenditures	1,002	1,002	-
Fund balance July 1, 2001	713	713	-
Fund balance June 30, 2002	\$ 1,715	1,715	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 186,437	186,437	-
Expenditures:			
Current:			
Instruction:			
Special	51,102	51,102	-
Support services:			
Pupil	6,300	6,300	-
Instructional staff	79,706	79,706	-
School administration	6,227	6,227	-
Community services	18,410	18,410	-
Total expenditures	161,745	161,745	-
Deficiency of revenues under expenditures	24,692	24,692	-
Fund balance July 1, 2001	11,222	11,222	-
Prior year encumbrances appropriated	60	60	-
Fund balance June 30, 2002	\$ 35,974	35,974	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 169,174	169,174	-
Expenditures:			
Current:			
Instruction:			
Special	180,155	180,155	-
Community services	2,626	2,626	-
Total expenditures	182,781	182,781	-
Deficiency of revenues under expenditures	(13,607)	(13,607)	-
Fund balance July 1, 2001	22,930	22,930	-
Fund balance June 30, 2002	\$ 9,323	9,323	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 12,779	12,779	-
Expenditures:			
Current:			
Support services:			
Instructional staff	13,866	13,866	-
Community services	892	892	-
Total expenditures	14,758	14,758	-
Excess of revenues over expenditures	(1,979)	(1,979)	-
Fund balance July 1, 2001	922	922	-
Fund balance June 30, 2002	\$ (1,057)	(1,057)	-

**Ross Local School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 Drug Free School Grant Special Revenue Fund
 For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 9,885	9,885	-
Expenditures:			
Current:			
Support services:			
Pupil	7,604	7,604	-
Total expenditures	7,604	7,604	-
Deficiency of revenues under expenditures	2,281	2,281	-
Fund balance July 1, 2001	3,791	3,791	-
Prior year encumbrances appropriated	1,000	1,000	-
Fund balance June 30, 2002	\$ 7,072	7,072	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 845	845	-
Expenditures:			
Current:			
Instruction:			
Special	876	876	-
Total expenditures	876	876	-
Deficiency of revenues under expenditures	(31)	(31)	-
Fund balance July 1, 2001	91	91	-
Fund balance June 30, 2002	\$ 60	60	-

Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Jobs Education Special Revenue Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 64,943	64,943	-
Expenditures:			
Current:			
Instruction:			
Regular	54,652	54,652	-
Special	9,917	9,917	-
Total expenditures	64,569	64,569	-
Deficiency of revenues under expenditures	374	374	-
Fund balance July 1, 2001	4,751	4,751	-
Fund balance June 30, 2002	\$ 5,125	5,125	-

**Ross Local School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
ONENet Special Revenue Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Total revenues	\$ 21,000	21,000	-
Expenditures:			
Current:			
Support services:			
Central	21,000	21,000	-
Total expenditures	21,000	21,000	-
Excess of revenues over expenditures	-	-	-
Fund balance July 1, 2001	-	-	-
Fund balance June 30, 2002	\$ -	-	-

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

Capital Projects Funds

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. The District's Capital Project Fund, School Net Plus, is used to account for additional funding targeted for the acquisition of computer workstations in grades K-4. Grant awards require an approved technology plan.

Since there is only one Capital Project Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

Enterprise Funds

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing similar goods or services primarily or solely to the general public be financed or recovered primarily through user charges. A description of the District's Enterprise Funds follows:

Food Service

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

Uniform School Supplies

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

**Ross Local School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2002**

	Food Service	Uniform School Supplies	Total
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 170,238	25,966	\$ 196,204
Accounts receivable	-	48	48
Intergovernmental-federal receivable	14,055	95	14,150
Materials and supplies inventory	20,911	1,571	22,482
Property, plant and equipment, net of accumulated depreciation)	<u>51,654</u>	<u>-</u>	<u>51,654</u>
Total assets	<u>\$ 256,858</u>	<u>27,680</u>	<u>\$ 284,538</u>
LIABILITIES:			
Accounts payable	\$ -	3,866	\$ 3,866
Accrued wages and benefits	68,603	-	68,603
Compensated absences payable	26,708	-	26,708
Deferred revenue	<u>13,094</u>	<u>-</u>	<u>13,094</u>
Total liabilities	<u>108,405</u>	<u>3,866</u>	<u>112,271</u>
EQUITY:			
Retained earnings:unreserved	<u>148,453</u>	<u>23,814</u>	<u>172,267</u>
Total equity	<u>148,453</u>	<u>23,814</u>	<u>172,267</u>
Total liabilities and equity	<u>\$ 256,858</u>	<u>27,680</u>	<u>\$ 284,538</u>

Ross Local School District
Combining Statement of Revenues, Expenses, and
Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 2002

	<u>Food Service</u>	<u>Uniform School Supply</u>	<u>Total</u>
Operating revenues:			
Tuition and fees	\$ -	71,065	\$ 71,065
Sales/charges for service	<u>599,690</u>	<u>1,024</u>	<u>600,714</u>
Total operating revenues	<u>599,690</u>	<u>72,089</u>	<u>671,779</u>
Operating expenses:			
Personal services	437,176	-	437,176
Contract services	29,671	-	29,671
Materials and supplies	336,059	65,659	401,718
Other operating expenses	1,472	-	1,472
Depreciation	<u>7,548</u>	<u>-</u>	<u>7,548</u>
Total operating expenses	<u>811,926</u>	<u>65,659</u>	<u>877,585</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(212,236)</u>	<u>6,430</u>	<u>(205,806)</u>
Nonoperating revenues:			
Refund of prior year expenditure	-	11	11
Interest revenues	3,945	-	3,945
Operating grants	121,295	95	121,390
Commodities used	<u>51,731</u>	<u>-</u>	<u>51,731</u>
Total nonoperating revenues	<u>176,971</u>	<u>106</u>	<u>177,077</u>
Net income (loss)	(35,265)	6,536	(28,729)
Retained earnings at July 1, 2001	<u>183,718</u>	<u>17,278</u>	<u>200,996</u>
Fund balance June 30, 2002	<u>\$ 148,453</u>	<u>23,814</u>	<u>\$ 172,267</u>

Ross Local School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supplies	Total
Cash flows from operating activities:			
Cash received from sales/service charges	\$ 599,690	71,092	\$ 670,782
Cash received from other operations	-	1,024	1,024
Cash payments for personal services	(439,386)	-	(439,386)
Cash payments for contract services	(29,759)	-	(29,759)
Cash payments for supplies and materials	(276,304)	(65,286)	(341,590)
Cash payments for other expenses	(1,472)	-	(1,472)
Net cash provided (used) by operating activities	<u>(147,231)</u>	<u>6,830</u>	<u>(140,401)</u>
Cash flows from noncapital investing activities:			
Cash received from interest	<u>3,945</u>	-	<u>3,945</u>
Net cash provided by noncapital investing activities	<u>3,945</u>	-	<u>3,945</u>
Cash flows from noncapital financing activities:			
Cash received from operating grants	<u>107,240</u>	<u>11</u>	<u>107,251</u>
Net cash provided by noncapital financing activities	<u>107,240</u>	<u>11</u>	<u>107,251</u>
Net increase (decrease) in cash and cash equivalents	(36,046)	6,841	(29,205)
Cash and cash equivalents - beginning of year	<u>206,284</u>	<u>19,125</u>	<u>225,409</u>
Cash and cash equivalents - end of year	<u>\$ 170,238</u>	<u>25,966</u>	<u>\$ 196,204</u>
Reconciliation of operating income to net cash provided (used) by operating activities			
Operating income (loss)	\$ (212,236)	6,430	\$ (205,806)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	7,548	-	7,548
Changes in assets and liabilities:			
Supplies inventory	6,000	(186)	5,814
Commodities used	51,731	-	51,731
Capital assets	(889)	-	(889)
Accounts receivable	-	27	27
Accounts payable	(779)	559	(220)
Accrued wages and benefits	5,651	-	5,651
Compensated absences payable	(7,863)	-	(7,863)
Deferred revenue	<u>3,606</u>	-	<u>3,606</u>
Net cash provided (used) by operating activities	<u>\$ (147,231)</u>	<u>6,830</u>	<u>\$ (140,401)</u>

Internal Service Fund

Internal Service Funds are used to account for the financing of services provided by one department or agency to another department or agency on a cost reimbursement basis. A description of the District's Internal Service Fund follows:

Special Rotary

The Special Rotary fund is used to account for all revenues and expenses related to field trips for the schools in the District.

Since there is only one Internal Service Fund and the level of budgetary control is not greater than that presented in the General Purpose Financial Statements, no additional financial statements are presented here.

Trust and Agency Funds

Trust Fund - Expendable Trust Fund

A fund used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Fund – Student Activity Fund

A fund used to account for the resources that belong to the various student groups in the District. The Fund accounts for sales and other revenue generating activities.

**Ross Local School District
Combining Balance Sheet
All Fiduciary Fund Types
June 30, 2002**

	<u>Expendable Trust</u>	<u>Student Activity Agency Fund</u>	<u>Total</u>
ASSETS:			
Equity in pooled cash and cash equivalents	\$ 75,656	39,381	\$ 115,037
Receivables (net of allowances for uncollectibles)			
Accounts	-	-	-
Intergovernmental	-	-	-
Total assets	<u>\$ 75,656</u>	<u>39,381</u>	<u>\$ 115,037</u>
LIABILITIES:			
Accounts payable	\$ 765	3,744	\$ 4,509
Due to students	-	35,637	35,637
Total liabilities	<u>765</u>	<u>39,381</u>	<u>40,146</u>
EQUITY:			
Fund balances:			
Reserved for encumbrances	2,786	-	2,786
Unreserved, undesignated	72,105	-	72,105
Total equity	<u>74,891</u>	<u>-</u>	<u>74,891</u>
Total liabilities and equity	<u>\$ 75,656</u>	<u>39,381</u>	<u>\$ 115,037</u>

**Ross Local School District
Combining Statement of Changes in
Assets and Liabilities
Student Activity Agency Fund
For the Fiscal Year Ended June 30, 2002**

	Beginning Balance July 1, 2001	Additions	Deductions	Ending Balance June 30, 2002
ASSETS:				
Equity in pooled cash and cash equivalents	\$ 58,355	67,308	86,282	\$ 39,381
Receivables (net of allowances for uncollectibles)				
Accounts	<u>140</u>	<u>-</u>	<u>140</u>	<u>-</u>
Total assets	<u>\$ 58,495</u>	<u>67,308</u>	<u>86,422</u>	<u>\$ 39,381</u>
 LIABILITIES:				
Accounts payable	\$ 1,105	2,639	-	\$ 3,744
Due to students	<u>57,390</u>	<u>-</u>	<u>21,753</u>	<u>35,637</u>
Total liabilities	<u>\$ 58,495</u>	<u>2,639</u>	<u>21,753</u>	<u>\$ 39,381</u>

General Fixed Asset Account Group

This group of accounts is used to account for all sites, buildings, equipment and vehicles not used in the operations of proprietary funds (the majority of the District's assets are reflected here).

**Ross Local School District
Schedule of General Fixed Assets
By Source
June 30, 2002**

General fixed assets:

Land and land improvements	\$ 1,478,088
Building and building improvements	24,589,571
Furniture and equipment	<u>5,291,074</u>
Total general fixed assets	<u>\$ 31,358,733</u>

Investment in general fixed assets by source:

General fund	\$ 30,078,442
Special revenue funds	581,602
Capital projects funds	<u>698,689</u>
Total general fixed assets	<u>\$ 31,358,733</u>

**Ross Local School District
Schedule of General Fixed Assets
By Function and Type
June 30, 2002**

<u>Function</u>	<u>Land and Land Improvements</u>	<u>Buildings and Building Improvements</u>	<u>Furniture Fixtures and Equipment</u>	<u>Total</u>
Regular instruction	\$ -	\$ 27,038	\$ 1,719,009	\$ 1,746,047
Special instruction	-	-	53,553	53,553
Support services - pupil	-	-	4,564	4,564
Support services - instr. staff	-	-	19,095	19,095
Support services - administration	-	29,957	184,404	214,361
Support services - fiscal	-	1,200	45,805	47,005
Operation and maintenance	-	138,116	154,615	292,731
Pupil transportation	609	3,882	1,959,640	1,964,131
Central	-	-	109,595	109,595
Food service	-	-	9,777	9,777
Community service	-	-	85,913	85,913
Extracurricular activities	6,321	-	75,535	81,856
Site improvements	1,029,437	177,887	4,065	1,211,389
Facilities acquisition/construction	182,853	2,221,487	454,714	2,859,054
Other *	<u>258,868</u>	<u>21,990,004</u>	<u>410,790</u>	<u>22,659,662</u>
	<u>\$ 1,478,088</u>	<u>\$ 24,589,571</u>	<u>\$ 5,291,074</u>	<u>\$ 31,358,733</u>

* Represents older assets for which function/activity data can not practically be obtained.

Ross Local School District
Schedule of Changes in General Fixed Assets
By Function
June 30, 2001

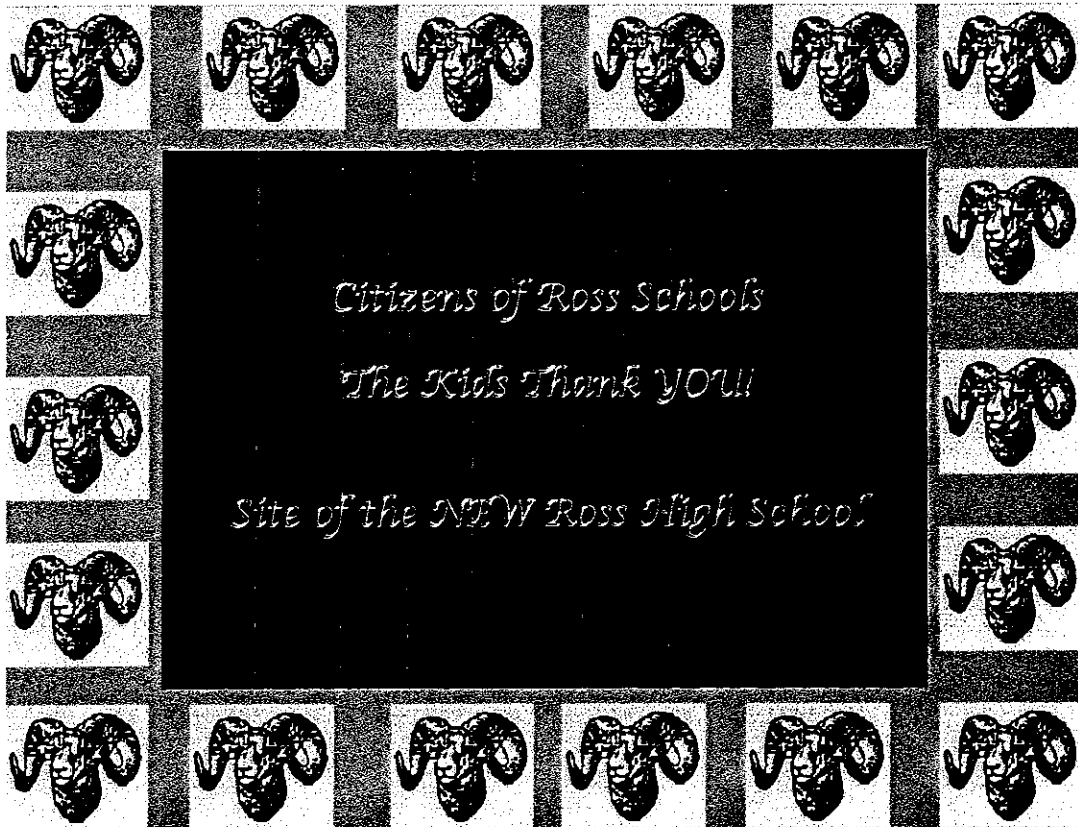
<u>Function</u>	<u>Balance July 1, 2001</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance June 30, 2002</u>
Regular instruction	\$ 1,578,084	\$ 167,963	\$ -	\$ 1,746,047
Special instruction	31,552	22,001	-	53,553
Support services - pupil	4,564	-	-	4,564
Support services - instr. staff	24,102	-	(5,007)	19,095
Support services - administration	183,490	32,170	(1,299)	214,361
Support services - fiscal	39,178	7,827	-	47,005
Operation and maintenance	273,258	19,473	-	292,731
Pupil transportation	1,927,576	85,144	(48,589)	1,964,131
Central	123,196	1,806	(15,407)	109,595
Food service	9,777	-	-	9,777
Community service	79,586	15,732	(9,405)	85,913
Extracurricular activities	57,626	25,002	(772)	81,856
Site improvements	1,187,016	24,373	-	1,211,389
Facilities acquisition/construction	2,605,705	253,349	-	2,859,054
Other *	<u>22,772,752</u>	<u>-</u>	<u>(113,090)</u>	<u>22,659,662</u>
	<u>\$ 30,897,462</u>	<u>\$ 654,840</u>	<u>\$ (193,569)</u>	<u>\$ 31,358,733</u>

* Represents older assets for which function/activity data can not practically be obtained.

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Ross Local School District

Statistical Section



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

	2002 Fiscal	2001 Fiscal	2000 Fiscal	1999 Fiscal	1998 Fiscal
Instruction	\$ 8,969,317	8,286,535	7,916,951	7,383,808	7,091,378
Pupil Support	597,526	490,294	499,469	463,760	436,490
Instructional Staff	691,682	527,290	515,914	479,804	438,208
Board of Education	17,966	20,504	16,278	15,833	27,671
Administration	1,694,240	1,320,688	1,264,469	1,177,328	1,211,454
Fiscal	398,545	360,862	343,735	342,863	332,641
Operations and Maintenance	1,023,005	932,418	906,094	889,695	894,584
Pupil Transportation	1,273,387	1,148,335	1,280,670	1,076,996	1,057,198
Miscellaneous	-	-	-	-	-
Extracurricular activities	334,517	286,933	256,020	242,016	225,832
Capital Outlay	139,097	394,120	256,638	136,571	275,383
Non-Instructional Services	-	-	157,105	153,685	44,080
Total Expenditures	<u>\$ 15,139,282</u>	<u>13,767,979</u>	<u>13,413,343</u>	<u>12,362,359</u>	<u>12,034,919</u>

Source: District records.

<u>1997</u> <u>Fiscal</u>	<u>1996</u> <u>Fiscal</u>	<u>1995</u> <u>Fiscal</u>	<u>1994</u> <u>Fiscal</u>	<u>1993</u> <u>Fiscal</u>
6,732,849	6,273,740	5,923,415	5,751,340	5,824,585
421,593	384,024	343,218	336,406	357,084
397,315	368,209	357,090	326,326	334,576
19,934	21,269	19,934	22,399	24,732
1,171,316	1,013,279	1,038,941	862,710	924,349
340,945	311,252	306,317	264,402	278,406
866,973	859,493	842,413	841,128	796,793
1,030,003	953,194	849,928	785,231	760,260
851	1,168	1,378	1,180	3,825
185,000	176,831	168,493	153,566	162,035
227,848	14,024	81,541	92,171	-
<u>54,592</u>	<u>66,891</u>	<u>52,944</u>	<u>58,347</u>	<u>54,186</u>
<u>11,449,219</u>	<u>10,443,374</u>	<u>9,985,612</u>	<u>9,495,206</u>	<u>9,520,831</u>

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

	<u>2002 Fiscal</u>	<u>2001 Fiscal</u>	<u>2000 Fiscal</u>	<u>1999 Fiscal</u>	<u>1998 Fiscal</u>
Taxes	\$ 4,901,079	5,987,162	5,415,742	5,217,795	5,088,667
Tuition	15,240	10,964	17,029	5,961	12,018
Earnings on Investments	120,339	298,465	244,395	197,012	176,073
Other Local Revenues	90,066	131,055	340,176	261,782	230,395
Intergovernmental	<u>8,970,598</u>	<u>8,439,858</u>	<u>7,998,297</u>	<u>7,794,931</u>	<u>7,031,261</u>
Total Revenues	<u>\$ 14,097,322</u>	<u>14,867,504</u>	<u>14,015,639</u>	<u>13,477,481</u>	<u>12,538,414</u>

Source: District records.

<u>1997</u> <u>Fiscal</u>	<u>1996</u> <u>Fiscal</u>	<u>1995</u> <u>Fiscal</u>	<u>1994</u> <u>Fiscal</u>	<u>1993</u> <u>Fiscal</u>
5,061,769	4,805,486	4,159,065	3,695,455	3,622,913
7,501	4,875	2,943	4,686	8,627
152,882	79,098	58,449	42,413	47,450
132,050	121,441	126,863	112,951	88,228
<u>6,738,308</u>	<u>6,320,497</u>	<u>5,580,587</u>	<u>5,511,264</u>	<u>5,457,971</u>
<u>12,092,510</u>	<u>11,331,397</u>	<u>9,927,907</u>	<u>9,366,769</u>	<u>9,225,189</u>

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

Year	Tax Levied (1)	Current Collection (2)	Percent Collected	Delinquent Collection	Total Tax Collection	Percent of Total Collections to Levy	Outstanding Delinquent Taxes (3)	Percent of Outstanding Delinquent Taxes to Tax Levied
2002	\$ 5,768,382	5,722,821	99.21%	155,314	5,878,135	101.90%	302,885	5.25%
2001	5,994,187	5,629,321	93.91%	166,376	5,795,697	96.69%	565,004	9.43%
2000	5,978,841	5,593,400	93.55%	112,471	5,705,871	95.43%	366,514	6.13%
1999	5,505,565	5,401,165	98.10%	167,019	5,568,184	101.14%	93,545	1.70%
1998	5,384,738	5,242,795	97.36%	139,579	5,382,374	99.96%	156,162	2.90%
1997	5,358,931	5,205,129	97.13%	166,919	5,372,048	100.24%	153,800	2.87%
1996	NA	NA	NA	NA	NA	NA	NA	NA
1995	NA	NA	NA	NA	NA	NA	NA	NA
1994	NA	NA	NA	NA	NA	NA	NA	NA
1993	NA	NA	NA	NA	NA	NA	NA	NA

Source: Butler County Auditor.

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

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

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Butler County	8.75	8.45	8.45	8.44	8.45	8.44	7.44	7.45	7.44	7.45
Ross Township	5.72	5.72	5.72	5.72	5.72	5.72	3.72	5.72	4.72	4.72
Butler County Joint Vocational School	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.94	1.97

Source: Butler County Auditor

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

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	\$ 217,059,670	620,170,486	9,238,487	36,953,948
2001	\$ 211,676,960	604,791,257	8,738,086	34,952,344
2000	207,818,580	593,767,371	7,835,089	31,340,356
1999	173,867,580	496,764,543	7,569,992	30,279,968
1998	169,523,550	484,353,000	6,927,607	27,710,428
1997	166,897,720	476,850,629	6,414,341	25,657,364
1996	NA	NA	NA	NA
1995	NA	NA	NA	NA
1994	NA	NA	NA	NA
1993	NA	NA	NA	NA

Source: Butler County Auditor.

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

NA Information not available from the County

Public Utilities Personal		Total		Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
8,768,710	9,964,443	235,066,867	667,088,877	35.24%
12,015,310	13,653,761	232,430,356	653,397,362	35.57%
12,960,720	14,728,091	228,614,389	639,835,818	35.73%
12,694,070	14,425,080	194,131,642	541,469,591	35.85%
12,679,920	14,409,000	189,131,077	526,472,428	35.92%
13,271,050	15,080,739	186,583,111	517,588,732	36.05%
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA

**ROSS LOCAL SCHOOL DISTRICT
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2002**

Assessed valuation of District	\$	<u>235,066,897</u>
Voted Debt Limit - 9% of Assessed Value	\$	21,156,021
Amount of Debt Applicable to Debt Limit:		
Net Bonded Debt		<u>-</u>
Voted Debt Margin	\$	<u>21,156,021</u>
Unvoted Debt Limit - .1% of Assessed Value	\$	235,067
Amount of Debt Applicable to Debt Limit:		<u>-</u>
Unvoted Debt Margin	\$	<u>235,067</u>

Source: County Auditor and School District Records

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

Note: Bonds issued for Energy Conservation Projects are excludable when calculating legal debt margin.

**ROSS LOCAL SCHOOL DISTRICT
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 JUNE 30, 2001**

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Direct:			
Ross Local School District:			
Energy Conservation Bond	\$ <u>45,000</u>	100.00%	<u>45,000</u>
Total Ross Local School District	\$ <u>45,000</u>		<u>45,000</u>
Overlapping:			
Butler County	\$ <u>15,060,000</u>	3.98%	<u>599,388</u>
Total Overlapping	\$ <u>15,060,000</u>		<u>599,388</u>
Total Direct and Overlapping	\$ <u>15,105,000</u>		<u>644,388</u>

Source: Butler County Auditor.

Overlapping governments with no outstanding debt are not reflected.

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

Year		Property Values (1)	Construction Values (2)	Bank Deposits (3)
2002	\$	235,066,867	4,308,690	1,136,994,000
2001		222,215,590	2,373,890	1,152,810,000
2000		218,357,230	3,669,590	913,169,000
1999		183,170,020	3,773,570	864,105,000
1998		178,856,290	2,968,200	815,435,000
1997		175,717,540	2,685,244	783,398,000
1996		154,772,930	4,294,130	800,556,000
1995		151,996,860	3,537,500	737,683,000
1994		NA	NA	711,686,000
1993		NA	NA	724,213,000
1992		NA	NA	904,381,000

(1) Source: Butler County Auditor.

(2) Source: Butler County Auditor.

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

**ROSS LOCAL SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS - REAL AND TANGIBLE PERSONAL PROPRTY
 JUNE 30, 2001**

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Assessed Value</u>
Cincinnati Gas & Electric	\$ 5,786,290	2.49%
Cincinnati Bell Telephone	1,802,070	0.78%
Butler Rural Electric	1,719,950	0.74%
Watson Ronnie	1,338,990	0.58%
Broshear Contractors	1,138,000	0.49%
Watson Gravel, Inc.	1,000,660	0.43%
Dayton Power and Light	811,520	0.35%
Cornelius Daniel	771,920	0.33%
Texas Eastern	761,970	0.33%
Hasselbrock Carl	558,280	0.24%

Source: Butler County Auditor.

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

<u>Fiscal Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership</u>	<u>General Fund Cost per Pupil (2)</u>
2002	\$ 15,139,282	2,546	5,946
2001	14,942,304	2,456	6,084
2000	14,350,931	2,479	5,789
1999	14,277,816	2,646	5,396
1998	13,867,150	2,654	5,225
1997	13,082,594	2,693	4,858
1996	11,383,218	2,709	4,202
1995	11,250,816	2,656	4,236
1994	10,925,091	2,637	4,143
1993	11,273,472	2,688	4,194

Source: District records.

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

(2) Certified by the Ohio Department of Education.

**ROSS LOCAL SCHOOL DISTRICT
 COST TO EDUCATE A 2002 GRADUATE
 ROSS LOCAL SCHOOL DISTRICT VS. STATE OF OHIO AVERAGE
 (1989 - 2001)**

<u>Fiscal Year</u>	<u>Grade</u>	<u>Ross Local School District Annual Per Pupil Cost</u>	<u>State of Ohio Average Cost Per Pupil</u>	<u>Comparison to State Average Cost</u>
2002	12	5,946	Not Available	
2001	11	6,084	7,639	(1,555)
2000	10	5,789	7,057	(1,268)
1999	9	5,396	6,642	(1,246)
1998	8	5,225	6,232	(1,007)
1997	7	4,858	5,939	(1,081)
1996	6	4,202	4,915	(713)
1995	5	4,236	4,758	(522)
1994	4	4,143	4,640	(497)
1993	3	4,194	4,437	(243)
1992	2	3,729	4,254	(525)
1991	1	3,524	4,159	(635)
1990	KDG(1)	<u>3,227</u>	<u>3,961</u>	<u>(734)</u>
		<u>54,607</u>	<u>64,633</u>	<u>(10,026)</u>

Source: District records.

Annual cost per pupil is General Fund, on cash basis

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

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

<u>School Year</u>	<u>Enrollment</u>	<u>Minority Percent</u>	<u>ADC Percent</u>	<u>Attendance Rate</u>
2001-2002	2546	0.78%	2.50%	96.20%
2000-2001	2456	0.78%	2.50%	96.20%
1999-2000	2479	0.93%	2.49%	94.90%
1998-1999	2646	1.02%	3.44%	95.50%
1997-1998	2654	1.28%	4.36%	95.38%
1996-1997	2693	1.23%	4.61%	94.73%
1995-1996	2709	1.10%	4.52%	94.87%
1994-1995	2656	1.15%	4.54%	94.61%
1993-1994	2637	0.38%	4.37%	94.83%
1992-1993	2688	0.37%	4.43%	94.15%
1991-1992	2632	0.65%	3.69%	95.14%

Source: District records.

**ROSS LOCAL SCHOOL DISTRICT
COMPARISON TO OTHER SCHOOL DISTRICTS
SELECTED STAFF DATA (1) (2)**

<u>District</u>	<u>County</u>	<u>ADM 1999-2000</u>	<u>1999-2000 Average Teacher Salary</u>	<u>1999-2000 Student Teacher Ratio</u>	<u>1999-2000 General Fund Cost per Pupil</u>
Ross Local School District	Butler	2,479	40,945	18.1	7,057
Madison Local School District	Butler	1,511	34,214	17.8	6,247
Tecumseh Local School District	Clark	3,690	40,056	17.8	6,410
Goshen Local School District	Clermont	2,514	37,775	20.1	5,732
Buckeye Valley local School District	Delaware	2,117	41,116	22.1	6,169
Madison Local School District	Lake	3,434	46,578	20.8	6,487
Southwest Licking Local School District	Licking	2,961	41,074	19.4	6,350
Firelans Local School District	Lorain	1,914	38,015	19.1	6,258
Keystone Local School District	Lorain	1,632	39,436	21.1	6,032
Midview Local School District	Lorain	3,092	39,820	19.8	6,429
Milton-Union Ex. Village	Miami	1,819	38,918	19.6	5,945
Valley View Local School District	Montgomery	1,863	40,423	18.9	6,583
East Muskingum Local School District	Muskingum	2,230	39,650	20.6	5,732
Genoa Area Local School District	Ottawa	1,629	37,556	20.3	6,575
Crestwood Local School District	Portage	2,743	40,367	23.2	6,233
Southeast Local School District	Portage	2,298	39,663	19.7	6,210
Louisville City School District	Stark	3,132	41,682	19.6	5,646
Northwest Local School District	Stark	2,394	41,468	19.2	5,717
Little Miami Local School District	Warren	2,564	39,724	19.2	6,101
Chippewa Local School District	Wayne	1,499	38,743	18.4	6,198
Ostego Local School District	Wood	1,640	38,352	18.8	6,394

Source: Ohio Department of Education Vital Statistics

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

(2) 1999-2000 School Year is the most recent for which cost per pupil figures are available for all districts.

**ROSS LOCAL SCHOOL DISTRICT
COMPARISON TO OTHER SCHOOL DISTRICTS
ECONOMIC INDICATORS (1) (2)**

District	County	ADM 1999-2000	Average Income	1999-2000 General Fund Revenue Per Pupil	Property Value Per Pupil
Ross Local School District	Butler	2,479	33,504	5,778	86,853
Madison Local School District	Butler	1,511	34,638	5,695	75,193
Tecumseh Local School District	Clark	3,690	29,411	6,195	64,161
Goshen Local School District	Clermont	2,514	29,825	6,379	60,170
Buckeye Valley local School District	Delaware	2,117	34,565	6,377	116,891
Madison Local School District	Lake	3,434	30,218	6,487	74,634
Southwest Licking Local School District	Licking	2,961	36,266	6,047	91,155
Firelans Local School District	Lorain	1,914	33,041	6,385	99,710
Keystone Local School District	Lorain	1,632	34,323	6,349	93,323
Midview Local School District	Lorain	3,092	33,066	6,116	92,873
Milton-Union Ex. Village	Miami	1,819	30,730	5,478	79,968
Valley View Local School District	Montgomery	1,863	33,143	6,237	81,371
East Muskingum Local School District	Muskingum	2,230	30,375	5,402	64,281
Genoa Area Local School District	Ottawa	1,629	32,501	6,072	76,450
Crestwood Local School District	Portage	2,743	31,248	5,522	78,783
Southeast Local School District	Portage	2,298	33,210	5,734	61,602
Louisville City School District	Stark	3,132	30,167	5,351	84,540
Northwest Local School District	Stark	2,394	32,950	5,555	81,540
Little Miami Local School District	Warren	2,564	35,527	5,615	111,789
Chippewa Local School District	Wayne	1,499	31,225	5,858	85,723
Ostego Local School District	Wood	1,640	32,265	6,300	83,811
State of Ohio Average		2,835	29,363	7,013	

Source: Ohio Department of Education Vital Statistics

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

(2) 1999-2000 School Year is the most recent for which cost per pupil figures are available for all districts.

**ROSS LOCAL SCHOOL DISTRICT
BOARD OWNED PROPERTY
JUNE 30, 2002**

Instructional Sites:					<u>Year Constructed</u>	<u>Capacity/ Square Ft.</u>	<u>Acreage</u>
Elda Elementary	3980 Hamilton Cleves Road	Hamilton	Ohio	45013	1963	42,751	10.0
Morgan Elementary	3427 Chapel Road	Hamilton	Ohio	45013	1982	47,050	13.0
Ross Middle School	3371 Hamilton Cleves Road	Hamilton	Ohio	45013	1938	77,363	17.0
Ross High School	3425 Hamilton Cleves Road	Hamilton	Ohio	45013	1967	101,278	37.0
Administrative and Service Sites							
Administrative Offices	3371 Hamilton Cleves Road	Hamilton	Ohio	45013	1938	2,000	-
Transportation Department		Hamilton	Ohio	45013		6,000	3.5

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

**ROSS LOCAL SCHOOL DISTRICT
 DIRECTORY OF EDUCATIONAL SERVICES
 JUNE 30, 2002**

Instructional Sites:

Elda Elementary	Principal	Mr. Michael Teufel	(513)738-1972
Morgan Elementary	Principal	Mr. Tom Perry	(513)738-1986
Ross Middle School	Principal	Mr. Clint Moore	(513)863-1251
Ross High School	Principal	Mr. Greg Young	(513)863-1252

Administrative and Service Sites

Administrative Offices	Superintendent	Mr. David McWilliams	(513)863-1253
	Treasurer	Mrs. Tracy Jarvis	(513)863-1250
	Asst. Superintendent	Mr. Joel Fink	(513)863-1253
Transportation Department	Director of Transportation	Mr. Ron Mandery	(513)738-2900

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



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

ROSS LOCAL SCHOOL DISTRICT

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 27, 2003**