

ROSS LOCAL SCHOOL DISTRICT

Single Audit Reports
Year Ended June 30, 2008





Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Ross Local School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 9, 2009

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Ross Local School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

<u>Federal Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture:</u>				
(Passed through Ohio Department of Education)				
Food Donation	N/A	10.550	\$ 58,799	58,799
Nutrition Cluster:				
National School Breakfast Program	05PU-2008	10.553	9,824	9,824
National School Lunch Program	LLP4-2008	10.555	<u>183,588</u>	<u>183,588</u>
Total U.S. Department of Agriculture			<u>252,211</u>	<u>252,211</u>
<u>U.S. Department of Education:</u>				
(Passed through Ohio Department of Education)				
Special Education Cluster:				
Title VI - B Grant	6BSF-2007	84.027	45,462	44,820
Title VI - B Grant	6BSF-2008	84.027	589,922	563,242
Parent Mentor Program	2008	84.027	15,544	21,594
Preschool Grant	PGS1/PGD6-2007	84.173	731	731
Preschool Grant	PGS1/PGD7-2008	84.173	<u>2,768</u>	<u>2,768</u>
Total Special Education Cluster			<u>654,427</u>	<u>633,155</u>
Grants to Local Education Agencies (ESEA Title I)	C1S1-2008	84.010	103,599	106,657
Innovative Education Program Strategy - Title VI	C2S1-2008	84.298	4,205	6,776
Improving Teacher Quality State Grants	TRS1-2007	84.367	5,532	2,879
Improving Teacher Quality State Grants	TRS1-2008	84.367	80,213	83,783
Safe and Drug Free Schools	DRS1-2007	84.186	654	654
Safe and Drug Free Schools	DRS1-2008	84.186	6,404	6,404
Technology Literacy Challenge Fund Grant	TJS1-2007	84.318	76	76
Technology Literacy Challenge Fund Grant	TJS1-2008	84.318	<u>891</u>	<u>891</u>
Total U.S. Department of Education			<u>856,001</u>	<u>841,275</u>
<u>Office of Library Services:</u>				
Museum and Library Services Act	2007	45.310	14	4,143
Museum and Library Services Act	2008	45.310	<u>18,500</u>	-
			<u>18,514</u>	<u>4,143</u>
Total Federal Awards			<u>\$ 1,126,726</u>	<u>1,097,629</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - MATCHING REQUIREMENTS

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

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

To the Board of Education
Ross Local School District:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ross Local School District (the School District) as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 10, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2008-1 and 2008-2.

We noted certain matters that we reported to management of the School District in a separate letter dated December 10, 2008.

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

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

Clark, Schaefer, Hackett & Co.

Middletown, Ohio
December 10, 2008

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

To the Board of Education
Ross Local School District:

Compliance

We have audited the compliance of Ross Local School District (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

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Internal Control over Compliance

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

A control deficiency in the School District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the School District's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2008-3 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the School District's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

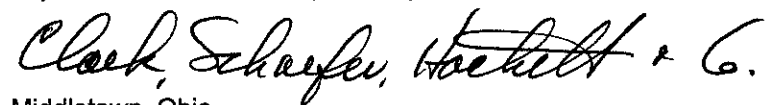
The School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the School District's response and, accordingly, we express no opinion on it.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of and for the year ended June 30, 2008, and have issued our report thereon dated December 10, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Middletown, Ohio
December 10, 2008

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Section II - Financial Statement Findings

2008-1 Expenditures and Appropriations

Per Ohio Revised Code Section 5705.41(B), no subdivision is to expend money unless it has been appropriated. During our budgetary testing, we noted ten instances as of January 31, 2008 in which year to date expenditures in various funds exceeded appropriations for that fund.

Managements' response: *Management concurs with the finding and realizes it was caused by a timing issue with the close out process of the School District. Management will correct this oversight for the future. Procedures to correct this issue were implemented in February 2008.*

2008-2 Expenditures and Appropriations

Per Ohio Revised Code Section 5705.39, appropriations from each fund should not exceed estimated resources. During our budgetary testing, we noted four non-grants funds as of January 31, 2008 in which appropriations exceeded estimated resources.

Managements' response: *Management concurs with the finding and realizes it was caused by a timing issue with the close out process of the School District. Management will correct this oversight for the future. Procedures to correct this issue were implemented in February 2008.*

Section III - Federal Award Findings and Questioned Costs

2008-3 Schedule of Expenditures of Federal Awards

In accordance with the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, management is responsible for identifying all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity. The School District's schedule of expenditure of federal awards was not complete as a program was omitted and program expenditures were not accurate for other programs. The omitted program was subsequently added to the schedule and expenditures corrected. In addition to our opinions on the School District's financial statements, we are also required to express an "in relation to" opinion on the schedule of expenditures of federal awards. We were only able to express an unqualified opinion after correcting the School District's schedule of expenditures of federal awards. We recommend the School District review fiscal year activity to ensure that all federal programs have been accounted for accurately on the schedule.

Management response: *The Schedule of Expenditures of Federal Awards is supplementary to the financial statements and is not a required part of the basic financial statements per OMB Circular A-133. Although the schedule did exclude one program it is important to note that the financial statements upon which the auditor's opinion is rendered were complete and accurate. In the future, the schedule will include all federal program activity.*

Ross Local School District
Schedule of Prior Audit Findings
Year Ended June 30, 2008

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



At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training and experience are well-suited for each client's purpose and goals. We are committed to providing insightful and customized service — from efficient compliance to sophisticated consulting — to help each client prosper today and plan for future success.

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

Comprehensive
Annual
Financial
Report

For the Fiscal Year Ended
June 30, 2008

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**

of the

ROSS LOCAL SCHOOL DISTRICT,

BUTLER COUNTY, OHIO

For the Fiscal Year Ended June 30, 2008

BOARD OF EDUCATION

Edward Bosse
David Brown
Richard Emery
Glenda Holt
Dick Ballard
Steve Stitsinger

SUPERINTENDENT OF SCHOOLS

M. Todd Yohey

**ISSUED BY
TREASURER'S OFFICE**

Chris Poetter,
Treasurer

Introductory Section

ROSS LOCAL SCHOOL DISTRICT, OHIO
Comprehensive Annual Financial Report
For the Year Ended June 30, 2008

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Ross Local School District

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TREASURER (513) 863-1250

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ROSS MIDDLE SCHOOL

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ELDA ELEMENTARY

3980 Hamilton-Cleves Rd.
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MORGAN ELEMENTARY

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(513) 738-1986

December 10, 2008

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, 2008. 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 2007-2008 fiscal year. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the District's continuing commitment to provide financial information to the citizens of the Ross Local School District.

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

This report has been divided into three sections:

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

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

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

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

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

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

ECONOMIC CONDITION

The 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 2,871 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, 2008 are:

<u>Board Member</u>	<u>Term</u>
Mr. David Brown	10/19/2006 – 12/31/2011
Mr. Steve Stitsinger	07/18/2007 – 12/31/2011
Mr. Richard Emery	01/01/2004 – 12/31/2007
Mr. Dick Ballard	01/01/2008 – 12/31/2011
Mr. Edward Bosse	01/01/1983 – 12/31/2009
Mr. Glenda Holt	01/01/2006 – 12/31/2009

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

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

EMPLOYEE RELATIONS

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

The Ross Education Association (REA), an affiliate of the Ohio Education Association (OEA), represents all certificated employees of the District. On January 22, 2008 (effective September 1, 2007), the REA and the District entered into a new three-year collective bargaining agreement on language, salary and fringe benefit issues, which expires on August 31, 2010.

SERVICES PROVIDED

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

MAJOR INITIATIVES

Connecting the Past with Our Future

In celebration of our Ross Alumni Association we selected "Connecting the Past with Our Future" as our district theme for 2007-2008. Students and staff celebrated our rich history and traditional values while connecting them with the future of our community.

Academic Performance

2007-2008 was another banner school year for our district. Student achievement increased as we obtained the state's highest rating of Excellent with Distinction on the state report card. In addition, we earned our highest score yet on the performance index scale as more students performed in the accelerated and advanced ranges on the state's standardized tests. Here are a few academic highlights from 2007-2008:

District Highlights

- Our student attendance rate was 96.1%.
- Our performance index score for the district was 100.8.
- Our value added score for the district shows that our students made at least one year's worth of progress from the previous year.
- 53% of all students performed in the accelerated or advanced range.

Ross High School Highlights

- Ohio Graduation Test results show our high school students scoring above 98% in reading, writing, and math.
- The high school performance index score was 101.4 and met Adequate Yearly Progress (AYP).
- Our high school students had a 96% attendance rate.
- 59% of the high school students performed in the accelerated or advanced range.

Ross Middle School Highlights

- Our 5th grade students met state indicators in science and social studies. These were two areas that were missed last school year.
- Our 6th grade students scored a 97.4% on the math achievement test. Only six students did not pass the 6th grade test.
- The middle school performance index score was 99.8 and met AYP.
- 51% of the middle school students performed in the accelerated or advanced range.

Elda Elementary Highlights

- Elda students met all indicators on the state tests.
- Elda students had a 96.5% attendance rate.
- Elda's performance index score was 100.3 and met AYP.
- 45% of Elda's students performed in the accelerated or advanced range.

Morgan Elementary Highlights

- Morgan students met all indicators on the state tests.
- Our 5th grade students scored a 95.9% on the science achievement test.
- Morgan students had a 96.8% attendance rate.
- Morgan's performance index score was 103.1 and met AYP. This is the highest performance index score ever earned by a Ross school.
- 57% of Morgan students performed in the accelerated or advanced range.

Several other honors highlighted the 2007-2008 school year. *Cincy* magazine named the Ross Local School District one of the top 20 districts in an eight-county area. This is the second year in a row that we have earned this distinction. Ross High School was featured as a "Cool School" on Cincinnati's TV Channel 5 and Elda Elementary became the second school in the district to earn the State Superintendent's School of Distinction award. Our school district also hosted visiting school administrators from Brazil who were very impressed with our teaching strategies and our focus on student achievement.

FINANCIAL INFORMATION

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

Internal Controls

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

from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Single Audit Act

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

As part of the District's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The results of the District's single audit for the fiscal year ended June 30, 2008 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

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

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

OTHER INFORMATION

GFOA Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Ross Local School District for its comprehensive annual financial report for the fiscal year ended June 30, 2007. 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 2008 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-1333. The auditor's report on the basic financial statements and combining and individual fund statements is included in the financial section of this report.

Acknowledgements


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

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

Sincerely,



M. Todd Yohney
Superintendent



Christine Cook Poetter
Treasurer

Ross Local School District
Appointed Officials
June 30, 2008

Official

Title

Mr. M. Todd Yohey

Superintendent

Mrs. Christine Cook Poetter

Treasurer

Mr. Greg Young

Assistant Superintendent

Mr. Ronald Mandery

Director of Transportation

Ms. Dorothy Schmidt

Coordinator of Food Services

Ross Local School District
Consultant and Advisors
As of June 30, 2008

Architect

Steed Hammond Paul
82 Williams Avenue
Hamilton, Ohio 45015

Independent Auditor

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

Legal Council

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

Official Depositories

Fifth Third Bank
4005 Hamilton Cleves Road
Hamilton, Ohio 45013

Health Insurance – 3rd Party Administrator

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

Bond Council

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

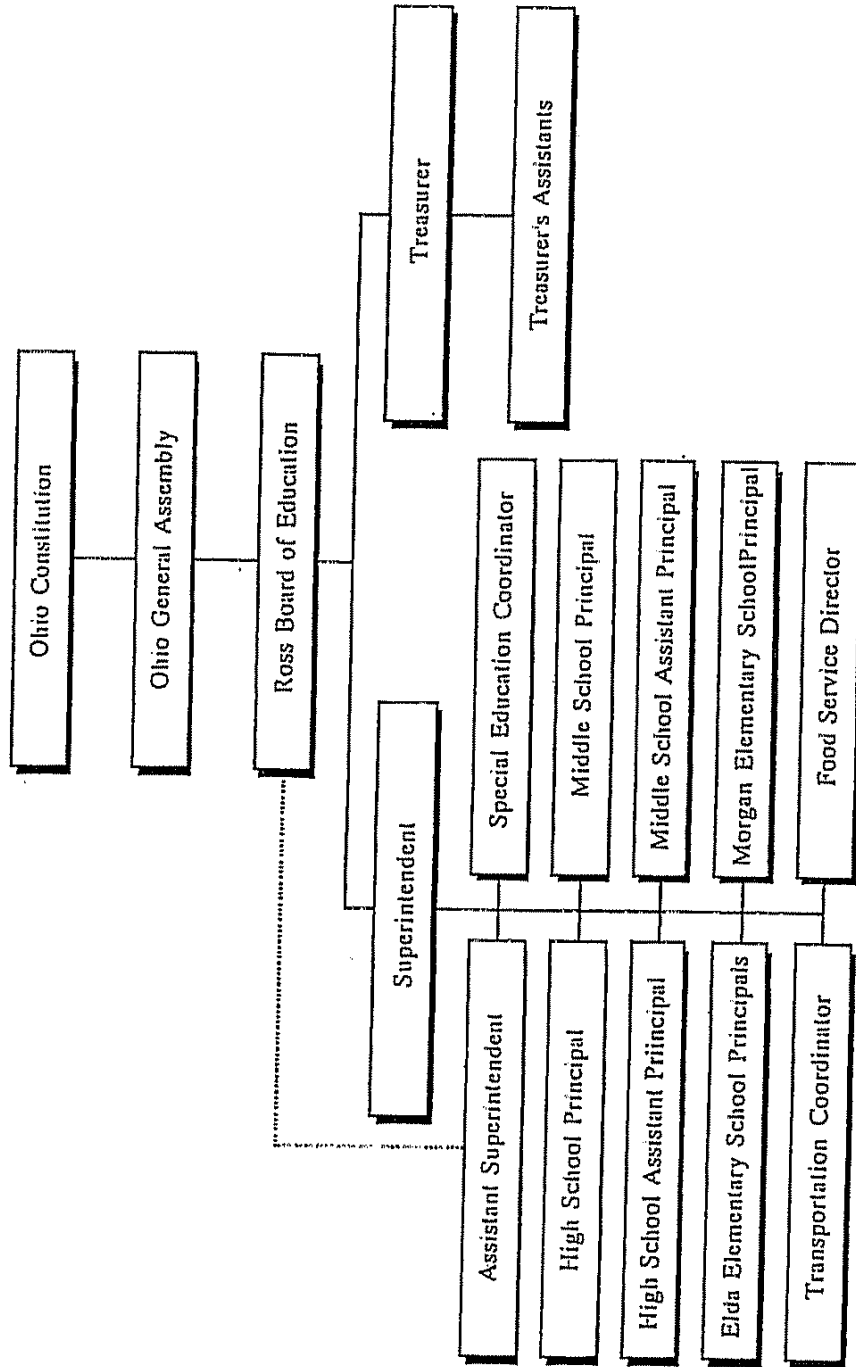
Investment Counselor

RBC
414 Walnut Street, Suite 300
Cincinnati, Ohio 45202

Underwriter

RBC
414 Walnut Street, Suite 300
Cincinnati, Ohio 45202

Ross Local School District Organization Chart



Financial Section

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Ross Local School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross Local School District (the "School District") as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on the financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross Local School District as of June 30, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2008 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing* and should be considered in assessing the results of our audit.

160 north breiel blvd.
middletown, oh 45042

www.cshco.com
p. 513.424.5000
f. 513.422.7882

The management's discussion and analysis and the budgetary information on pages 3 through 10 and 41 and 42, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Clark, Schaefer, Hutchell & Co.

Middletown, Ohio
December 10, 2008

ROSS LOCAL SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the Ross Local School District for the year ended June 30, 2008. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

Financial Highlights

Major financial highlights for fiscal year 2008 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$17.4 million. Of this amount, \$2.3 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets increased by \$644,000.
- ✓ The School District had \$26.3 million in expenses related to governmental activities; only \$2.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$24.1 million, made up primarily of property and income taxes and State Foundation payments, were adequate to provide for these programs.
- ✓ The General Fund balance increased by \$167,000 from \$2.3 million at June 30, 2007 to \$2.5 million at June 30, 2008.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

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

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

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

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

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

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

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

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

ROSS LOCAL SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A. Net assets at year-end

The following table presents a condensed summary of the School District's overall financial position at June 30, 2008 and 2007:

	Governmental Activities 2008	Governmental Activities 2007
Current and other assets	\$ 18,314,245	16,511,813
Capital assets	35,755,191	36,398,841
Total assets	<u>54,069,436</u>	<u>52,910,654</u>
Long-term liabilities	23,726,604	24,200,860
Other liabilities	12,895,519	11,906,907
Total liabilities	<u>36,622,123</u>	<u>36,107,767</u>
Net assets:		
Invested in capital assets, net of debt	13,365,318	13,233,413
Restricted:		
For capital purposes	362,187	123,598
For debt service	1,305,606	976,969
For other purposes	102,723	69,386
Unrestricted	2,311,479	2,399,521
Total net assets	<u>\$ 17,447,313</u>	<u>16,802,887</u>

The largest portion of the School District's net assets reflects its investment in capital assets, less any related debt to acquire those assets that is still outstanding. The School District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The balance of unrestricted net assets of \$2,311,479 may be used to meet the government's ongoing obligations to citizens and creditors.

The \$1.8 million increase in current and other assets is due mainly to the increase in taxes receivable over FY07. The County Auditor reappraised assessed values and the increase in the receivable is reflected for FY08. A corresponding liability is recorded as unearned revenue, an "other liability" account.

ROSS LOCAL SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

B. Governmental Activities during fiscal year 2008

The following table presents a condensed summary of the School District's activities during fiscal year 2008 and fiscal year 2007 and the resulting change in net assets:

	Governmental Activities 2008	Governmental Activities 2007
Revenues:		
Program revenues:		
Charges for sales and services	\$ 1,537,571	1,533,278
Operating grants and contributions	1,305,228	1,306,060
Total program revenues	2,842,799	2,839,338
General revenues:		
Property and Income Taxes	11,243,610	11,164,933
Grants and entitlements	12,324,708	12,172,806
Investment earnings	277,259	281,311
Miscellaneous	248,895	199,001
Total general revenues	24,094,472	23,818,051
Total Revenues	26,937,271	26,657,389
Expenses:		
Instruction	13,190,982	13,364,855
Support Services:		
Pupil	1,028,579	818,693
Instructional Staff	1,432,129	1,302,590
Board of Education	51,828	14,304
Administration	1,922,777	1,756,814
Fiscal	668,717	525,050
Operation of maintenance and plant	2,828,484	2,628,197
Pupil transportation	2,097,136	2,192,810
Central	33,898	10,058
Non-instructional services	1,096,123	1,287,341
Interest on long-term debt	928,810	965,394
Food services	1,013,382	927,764
Total expenses	26,292,845	25,793,870
Change in net assets	\$ 644,426	863,519

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

Of the total governmental activities revenues of \$26,937,271, \$2,842,799(11%) is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, 47% (\$11,243,610) comes from property tax levies and income taxes and 51% (\$12,324,708) is from state funding. The School District's operations are reliant upon its property tax levy, income tax and the state's foundation program.

Governmental Activities

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately \$2,842,799 of the cost of the general government programs was recouped in program revenues. Instruction costs were \$13,190,982 but program revenue contributed to fund 3% of those costs. Thus, general revenues of \$12,812,749 were used to support the remainder of the instruction costs.

The School District's governmental activities net assets increased by \$644,426. This increase is the result of the District's careful budgeting. Slight increases of revenue were able to cover the increase in costs.

	<u>Total Cost of Services</u>	<u>Program Revenue</u>	<u>Revenues as a % of Total Costs</u>	<u>Net Cost of Services</u>
Instruction	\$ 13,190,982	378,233	3%	12,812,749
Support Services	10,063,548	721,229	7%	9,342,319
Non-instructional services	1,096,123	726,862	66%	369,261
Food service	1,013,382	1,016,475	100%	(3,093)
Interest on long-term debt	<u>928,810</u>	<u>-</u>	<u>0%</u>	<u>928,810</u>
Total	\$ <u>26,292,845</u>	<u>2,842,799</u>	<u>11%</u>	<u>23,450,046</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS

Governmental funds

The School District has two major governmental funds: the General Fund and the Debt Service Fund. Assets of these funds comprise \$16,930,715 (94%) of the total \$18,088,994 governmental funds assets.

General Fund: Fund balance at June 30, 2008 was \$2,455,603, including \$1,413,686 of unreserved balance, which represents 11% of expenditures for fiscal year 2008. The primary reason for the increase in fund balance is due to the District budgeting carefully in anticipation of future increased costs.

ROSS LOCAL SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

Debt Service Fund: The fund balance at June 30, 2008 was \$1,231,884, which will be used for future principal and interest payments on long-term debt. Current year change in fund balance was \$224,097. The cause of the increase relates to the decrease in interest payments related to the school improvement bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2008, the School District had \$35,755,191 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total decrease in the School District's investment in capital assets for the current fiscal year was \$643,650. See Note 8 to the financial statements for more detail.

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

			<u>Governmental Activities</u>
Land	\$	1,262,525	
Land improvements		1,141,271	
Building and improvements		31,945,980	
Furniture and equipment		933,640	
Vehicles		471,775	
			<u>35,755,191</u>

ROSS LOCAL SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

Debt

In March 2003, the Board issued bonds in the amount of \$24,900,000 to build a new high school and additions to Elda Elementary. A portion of these bonds were advance refunded during fiscal year 2007. Principal of \$840,000 was retired during fiscal year 2008.

The District issued \$9,415,000 in fiscal year 2007 for the partial advance refunding of \$9,415,000 of general obligation bonds issued in 2003. These bonds include current interest serial bonds that will mature in 2028; two issues of current interest term bonds that mature in 2020 and 2025; and capital appreciation bonds that will mature in 2015. Principal of \$25,000 was retired during fiscal year 2008.

The District entered into a lease agreement in June 2004 in the amount of \$1,251,000. The lease relates to additional improvements and equipment for the new high school. The principal payment of \$45,000 was made in fiscal 2008, as well as related interest of \$47,447.

In August, 2007 the District entered into a lease agreement of \$115,500 to purchase eight copiers. The agreement is for 60 months, to be paid monthly, with a final maturity in 2012. The debt will be paid from the General Fund.

In August, 2007 the District entered into a lease-purchase agreement of \$231,892 to purchase computers and related equipment. The agreement is for three years, to be paid annually, with a maturity in 2010.

See Notes 9 and 10 to the financial statements.

ECONOMIC FACTORS

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

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

ROSS LOCAL SCHOOL DISTRICT, OHIO
Management's Discussion and Analysis
Year Ended June 30, 2008
Unaudited

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

REQUESTS FOR ADDITIONAL INFORMATION

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

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ROSS LOCAL SCHOOL DISTRICT, OHIO

Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments	\$ 5,007,238
Receivables:	
Property taxes	10,927,546
Income taxes	1,645,981
Intergovernmental	62,062
Interest	37,090
Supplies inventory	5,432
Restricted cash	392,800
Deferred charges	236,096
Nondepreciable capital assets	1,262,525
Depreciable capital assets, net	<u>34,492,666</u>
Total assets	<u>54,069,436</u>
Liabilities:	
Accounts payable	54,873
Accrued wages and benefits	1,912,999
Due to other governments	23,203
Pension obligation payable	516,043
Matured compensated absences payable	18,525
Retirement incentive obligation	25,606
Interest payable	69,624
Unearned revenue	10,274,646
Noncurrent liabilities:	
Due within one year	1,278,849
Due within more than one year	<u>22,447,755</u>
Total liabilities	<u>36,622,123</u>
Net Assets:	
Invested in capital assets, net of related debt	13,365,318
Restricted for:	
Capital projects	362,187
Debt service	1,305,606
Other Purpose	495,523
Unrestricted	<u>1,918,679</u>
Total net assets	<u>\$ 17,447,313</u>

See accompanying notes to the basic financial statements.

ROSS LOCAL SCHOOL DISTRICT, OHIO

Statement of Activities
Year Ended June 30, 2008

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 11,085,096	183,828	84,107	\$ (10,817,161)
Special education	1,881,815	-	110,298	(1,771,517)
Adult/continuing	1,173	-	-	(1,173)
Other	222,898	-	-	(222,898)
Support services:				
Pupil	1,028,579	-	6,405	(1,022,174)
Instructional staff	1,432,129	-	695,655	(736,474)
Board of Education	51,828	-	-	(51,828)
Administration	1,922,777	-	7,169	(1,915,608)
Fiscal	668,717	-	-	(668,717)
Operation and maintenance of plant	2,828,484	-	-	(2,828,484)
Pupil transportation	2,097,136	-	-	(2,097,136)
Central	33,898	-	12,000	(21,898)
Non-instructional services:				
Extracurricular activities	904,121	574,182	-	(329,939)
Community service	192,002	-	152,680	(39,322)
Food service	1,013,382	779,561	236,914	3,093
Interest on long-term debt	928,810	-	-	(928,810)
Total Governmental Activities	<u>26,292,845</u>	<u>1,537,571</u>	<u>1,305,228</u>	<u>(23,450,046)</u>

General Revenues:

Property taxes, levied for general purposes	6,457,283
Property taxes, levied for debt services	1,757,071
Property taxes, levied for permanent improvement	214,656
Income taxes	2,814,600
Grants and entitlements not restricted to specific programs	12,324,708
Investment earnings	277,259
Miscellaneous	248,895
Total general revenues	<u>24,094,472</u>
Change in net assets	644,426
Net assets beginning of year	<u>16,802,887</u>
Net assets end of year	\$ <u><u>17,447,313</u></u>

See accompanying notes to the basic financial statements.

ROSS LOCAL SCHOOL DISTRICT, OHIO

Balance Sheet
 Governmental Funds
 June 30, 2008

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 2,955,019	1,199,350	852,869	5,007,238
Restricted cash	392,800	-	-	392,800
Receivables:				
Property Taxes	8,910,599	1,777,593	239,354	10,927,546
Income Taxes	1,645,981	-	-	1,645,981
Intergovernmental	-	-	62,062	62,062
Interest	37,090	-	-	37,090
Interfund receivable	10,845	-	-	10,845
Supplies inventory	1,438	-	3,994	5,432
Total assets	<u>13,953,772</u>	<u>2,976,943</u>	<u>1,158,279</u>	<u>18,088,994</u>
Liabilities:				
Accounts payable	24,717	-	30,156	54,873
Accrued wages and benefits	1,776,644	-	136,355	1,912,999
Pension obligation payable	460,797	-	55,246	516,043
Matured compensated absences payable	14,765	-	3,760	18,525
Retirement incentive obligation	25,606	-	-	25,606
Due to other governments	21,742	-	1,461	23,203
Interfund payable	-	-	10,845	10,845
Unearned revenue	9,173,898	1,745,059	261,170	11,180,127
Total liabilities	<u>11,498,169</u>	<u>1,745,059</u>	<u>498,993</u>	<u>13,742,221</u>
Fund Balances:				
Reserved for:				
Encumbrances	484,594	-	57,672	542,266
Budget stabilization	392,800	-	-	392,800
Property taxes	163,085	32,534	4,381	200,000
Supplies inventory	1,438	-	3,994	5,432
Unreserved, reported in:				
General Fund	1,413,686	-	-	1,413,686
Special Revenue Funds	-	-	245,360	245,360
Debt Service Fund	-	1,199,350	-	1,199,350
Capital Projects Funds	-	-	347,879	347,879
Total fund balances	<u>2,455,603</u>	<u>1,231,884</u>	<u>659,286</u>	<u>4,346,773</u>
Total liabilities and fund balances	<u>\$ 13,953,772</u>	<u>2,976,943</u>	<u>1,158,279</u>	<u>18,088,994</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2008

Total Governmental Fund Balances		\$ 4,346,773
Amounts reported for governmental activities in the statement of net assets are different because:		
Deferred charges in governmental activities are not financial resources and therefore are not reported in the funds.		236,096
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds.		905,481
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		35,755,191
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(1,087,065)	
Early retirement incentive	(98,269)	
Interest payable	(69,624)	
Bonds payable	(21,261,397)	
Discount on bond issue	79,601	
Premium on bond issue	(540,102)	
Deferred amount on refunding	510,528	
Capital lease obligations	<u>(1,329,900)</u>	
Total		<u>(23,796,228)</u>
Net Assets of Governmental Activities		\$ <u>17,447,313</u>

ROSS LOCAL SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2008

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 6,269,203	1,723,664	207,196	8,200,063
Income taxes	2,861,441	-	-	2,861,441
Tuition and fees	47,343	-	-	47,343
Interest	276,142	-	2,513	278,655
Extracurricular	65,085	-	509,097	574,182
Charges for services	-	-	889,701	889,701
Intergovernmental	12,052,457	239,758	1,328,459	13,620,674
Other local revenues	<u>237,879</u>	<u>-</u>	<u>67,628</u>	<u>305,507</u>
Total revenues	<u>21,809,550</u>	<u>1,963,422</u>	<u>3,004,594</u>	<u>26,777,566</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,490,052	-	448,182	10,938,234
Special education	1,621,553	-	206,688	1,828,241
Other instruction	224,071	-	-	224,071
Support services:				
Pupil	853,409	-	140,390	993,799
Instructional staff	1,015,897	-	404,780	1,420,677
Board of Education	27,103	-	-	27,103
Administration	1,825,278	19,247	35,037	1,879,562
Fiscal	629,112	10,534	2,499	642,145
Operation and maintenance of plant	1,931,543	-	-	1,931,543
Pupil transportation	1,808,953	-	-	1,808,953
Central	8,014	-	24,000	32,014
Non-instructional services:				
Extracurricular activities	472,311	-	287,756	760,067
Community service	-	-	147,978	147,978
Food service	-	-	1,007,494	1,007,494
Capital outlay	890,594	-	-	890,594
Debt Service:				
Principal	140,492	865,000	-	1,005,492
Interest and fiscal charges	<u>51,833</u>	<u>844,544</u>	<u>-</u>	<u>896,377</u>
Total expenditures	<u>21,990,215</u>	<u>1,739,325</u>	<u>2,704,804</u>	<u>26,434,344</u>
Excess of revenues over (under) expenditures	<u>(180,665)</u>	<u>224,097</u>	<u>299,790</u>	<u>343,222</u>
Other financing sources (uses):				
Inception of capital leases	<u>347,392</u>	<u>-</u>	<u>-</u>	<u>347,392</u>
Total other financing sources:	<u>347,392</u>	<u>-</u>	<u>-</u>	<u>347,392</u>
Net change in fund balance	166,727	224,097	299,790	690,614
Fund balance, beginning of year	<u>2,288,876</u>	<u>1,007,787</u>	<u>359,496</u>	<u>3,656,159</u>
Fund balance, end of year	\$ <u>2,455,603</u>	<u>1,231,884</u>	<u>659,286</u>	<u>4,346,773</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds \$ 690,614

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is
allocated over their estimated useful lives as depreciation expense.

Capital outlay	774,925
Depreciation expense	(1,388,308)

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

Discount from sale of bonds	(6,862)
Premium on sale of bonds	26,454
Deferred amount on refunding	(25,005)
Bond issuance costs	(14,901)

Repayment of bond and lease principal is an expenditure in the governmental funds, but the
repayment reduces long-term liabilities in the statement of net assets. 1,005,492

Accretion on capital appreciation bonds is recorded each year as interest in the
statement of net assets (28,529)

In the statement of activities, interest is accrued on outstanding bonds, whereas
in governmental funds, an interest expenditure is reported when due. 1,509

Some expenses reported in the statement of activities, such as compensated
absences do not require the use of current financial resources and
therefore are not reported as expenditures in governmental funds. (203,276)

Losses on the sale of capital assets are reported on the statement of activities
and not as expenses of the governmental funds. (30,267)

Revenues in the Statement of Activities that do not provide current financial
resources are not reported as revenues in the funds 189,972

Inception of capital lease is reported as an other financing source in the
governmental funds, but is eliminated in the statement of activities
and recorded as a liability on the statement of net assets. (347,392)

Change in Net Assets of Governmental Activities \$ 644,426

ROSS LOCAL SCHOOL DISTRICT, OHIO

Statement of Net Assets

Fiduciary Funds

June 30, 2008

		Private- Purpose Trust	Agency Funds
ASSETS			
Equity in pooled cash and investments	\$	<u>2,057</u>	<u>45,976</u>
Total assets		<u><u>2,057</u></u>	<u><u>45,976</u></u>
LIABILITIES			
Due to student groups		<u>-</u>	<u>45,976</u>
Total liabilities		<u>-</u>	<u>45,976</u>
NET ASSETS			
Held in trust	\$	<u><u>2,057</u></u>	<u><u>-</u></u>

See accompanying notes to the basic financial statements.

ROSS LOCAL SCHOOL DISTRICT, OHIO

Statement of Changes in Net Assets

Fiduciary Funds

Year Ended June 30, 2008

	<u>Private- Purpose Trust</u>
Additions:	
Interest	\$ <u>5</u>
Total additions	<u>5</u>
 Change in net assets	 5
 Net assets, beginning of year	 <u>2,052</u>
Net assets, end of year	\$ <u><u>2,057</u></u>

See accompanying notes to the basic financial statements.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1-DESCRIPTION OF THE DISTRICT

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

NOTE 2-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Jointly Governed Organization: The District participates in two jointly governed organizations. These jointly governed organizations are described in Note 16.

B. Basis of Presentation

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

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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

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

C. Fund Accounting

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

Governmental Funds

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

The following are the District's major governmental funds:

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

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

D. Basis of Accounting

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

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

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

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

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

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Deferred Revenue – Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2008 that are intended to finance fiscal year 2009 operations have been recorded as deferred revenue. On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

E. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During fiscal year 2008, the District's investments were limited to US Money Markets and US Agency securities.

The Governmental Accounting Standards Board Statement No. 31 (GASB 31), "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," requires that investments, with certain exceptions, be recorded at their fair value and that changes in the fair value are reported in the operations statements. The District recorded investments held at June 30, 2008 at fair value.

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

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

F. Restricted Assets

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

G. Inventories

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

H. Capital Assets

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

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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

I. Compensated Absences

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

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

J. Accrued Liabilities and Long-Term Obligations

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

K. Net Assets

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

L. Fund Balance Reserves

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

M. Estimates

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

NOTE 3-DEFICIT FUND BALANCES

At June 30, 2008, the following funds had a deficit fund balance:

IDEA	\$33,901
Title I	\$10,428
Improving Teacher Quality	\$9,309

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

NOTE 4-EQUITY IN POOLED CASH AND INVESTMENTS

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

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

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

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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

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

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 District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

(A) DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a custodial credit risk policy. At year-end, \$3,192,151 of the District's bank balance of \$3,292,151 was exposed to custodial credit risk since it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

(B) INVESTMENTS

The District's investments at June 30, 2008 are as summarized as follows:

	Fair Value	Average Maturity (Years)
	<u> </u>	<u> </u>
Federal Home Loan Bank	\$ 1,473,756	0.04
Federal Home Loan Mortgage Corp.	477,812	0.66
Fed. National Mortgage Assoc.	221,107	0.07
U.S. Money Market Funds	<u>27,496</u>	n/a
	<u>\$ 2,200,171</u>	

Credit Risk

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

Custodial Credit Risk

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

Interest Rate Risk

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Concentration of Credit Risk

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

<u>Investments</u>	<u>Percent</u>
Federal Home Loan Bank	66.98%
Federal Home Loan Mortgage Corp.	21.72%
Fed. National Mortgage Assoc.	10.05%

NOTE 5-PROPERTY TAXES

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

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

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

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

The District receives property taxes from Butler County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available for advance can vary based on the date the tax bills are sent.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2008. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amounts available as advances in the General Fund, Debt Service Fund and Other Governmental Funds at June 30, 2008 were \$163,085, \$32,534 and \$4,381, respectively.

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

	<u>2007 Second- Half Collections</u>		<u>2008 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 316,076,930	95.57%	\$ 323,514,060	96.21%
Personal Property	<u>14,640,735</u>	4.43%	<u>12,744,278</u>	3.79%
Total Assessed Value	\$ <u>330,717,665</u>	100.00%	\$ <u>336,258,338</u>	100.00%
Tax rate per \$1,000 of assessed valuation		\$53.66		\$53.66

NOTE 6-INTERFUND TRANSACTIONS

On the fund financial statements, the General Fund has a receivable of \$10,845 that consists of amounts due from non-major governmental funds. This interfund loan was made to provide operating capital. These amounts are eliminated in the governmental activities column of the statement of net assets.

NOTE 7-INCOME TAX

The District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The voted levy is for a continuous term. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 8-CAPITAL ASSETS

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

	Balance <u>7/1/07</u>	Additions	Disposals	Balance <u>6/30/08</u>
Nondepreciable Capital Assets				
Land	\$ 1,262,525	\$ -	\$ -	\$ 1,262,525
Subtotal	<u>1,262,525</u>	<u>-</u>	<u>-</u>	<u>1,262,525</u>
Depreciable:				
Land improvements	2,106,503	6,595	-	2,113,098
Buildings and improvements	48,917,608	409,035	-	49,326,643
Furniture and equipment	1,303,382	359,295	(139,432)	1,523,245
Vehicles	<u>2,516,348</u>	<u>-</u>	<u>(49,391)</u>	<u>2,466,957</u>
Subtotal	<u>54,843,841</u>	<u>774,925</u>	<u>(188,823)</u>	<u>55,429,943</u>
Totals at cost	<u>56,106,366</u>	<u>774,925</u>	<u>(188,823)</u>	<u>56,692,468</u>
Less accumulated depreciation:				
Land improvements	874,722	97,105	-	971,827
Buildings and improvements	16,403,247	977,416	-	17,380,663
Furniture and equipment	508,140	190,630	(109,165)	589,605
Vehicles	<u>1,921,416</u>	<u>123,157</u>	<u>(49,391)</u>	<u>1,995,182</u>
Total accumulated depreciation	<u>19,707,525</u>	<u>1,388,308</u>	<u>(158,556)</u>	<u>20,937,277</u>
Capital assets, net	\$ <u>36,398,841</u>	\$ <u>(613,383)</u>	\$ <u>(30,267)</u>	\$ <u>35,755,191</u>

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

Depreciation expense was charged as follows:

Instruction:	
Regular	\$ 437,190
Special	15,477
Pupil	1,087
Instructional staff	3,017
School administration	26,058
Fiscal	5,781
Operation and maintenance of plant	411,001
Pupil transportation	287,046
Central	9,898
Community service	24,653
Extracurricular activities	<u>167,100</u>
Total depreciation expense	\$ <u><u>1,388,308</u></u>

NOTE 9-LONG-TERM OBLIGATIONS

Long-Term Obligations – The changes in the District’s long-term obligations during fiscal year 2008 were as follows:

	Principal Outstanding 07/01/07	Additions	Reductions	Principal Outstanding 06/30/08	Amounts Due in One Year
<i>Governmental Activities:</i>					
2003 School Improvement Bonds 2.0-4.5%	\$ 12,670,000	\$ -	\$ (840,000)	\$ 11,830,000	\$ 585,000
Discount on Issue	(86,463)	-	6,862	(79,601)	-
2006 Refunding Bonds					
Current Interest Serial Bonds 3.55-4.375%	7,585,000	-	(25,000)	7,560,000	40,000
Capital Appreciation Bonds 4.0%	122,868	28,529	-	151,397	-
Current Interest Term Bonds 4.0%	130,000	-	-	130,000	-
Current Interest Term Bonds 4.25%	1,590,000	-	-	1,590,000	-
Deferred Amounts:					
Add: Bond premium	566,556	-	(26,454)	540,102	-
Less: Deferred amount on refunding	(535,533)	-	25,005	(510,528)	-
Capital Lease Obligation	1,123,000	347,392	(140,492)	1,329,900	140,929
STRS Early Retirement Incentive	73,977	65,326	(41,034)	98,269	-
Compensated Absences Liability	<u>961,455</u>	<u>642,080</u>	<u>(516,470)</u>	<u>1,087,065</u>	<u>512,920</u>
Total	\$ <u><u>24,200,860</u></u>	\$ <u><u>1,083,327</u></u>	\$ <u><u>(1,557,583)</u></u>	\$ <u><u>23,726,604</u></u>	\$ <u><u>1,278,849</u></u>

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

The District issued \$9,415,000 in Refunding Bonds in fiscal year 2007 that mature in fiscal year 2028, for the partial advance refunding of \$9,415,000 of general obligation bonds issued in 2003. These bonds include current interest serial bonds that will mature in 2028; two issues of current interest term bonds that mature in 2020 and 2025; and capital appreciation bonds that will mature in 2015. The maturity amount of the capital appreciation bonds is \$725,000. For fiscal year 2008, \$28,529 was accreted for a total bond value of \$151,397.

All general obligation debt is supported by the full faith and credit of the District. The School Improvement and Refunding Bonds are paid from the Debt Service Fund. The Capital Leases are paid from the General Fund.

Principal and interest requirements to retire the District’s long-term general obligation bonds outstanding at June 30, 2008 are shown in the table below. The capital appreciation bonds are included at the full maturity value reported in the principal column.

Fiscal Year Ending June 30,	Principal Due	Interest Due	Total FY Payments
2009	\$ 625,000	835,490	1,460,490
2010	675,000	819,950	1,494,950
2011	730,000	800,570	1,530,570
2012	800,000	777,580	1,577,580
2013	865,000	751,243	1,616,243
2014-2018	3,135,000	4,791,166	7,926,166
2019-2023	5,180,000	2,880,351	8,060,351
2024-2028	7,855,000	1,507,002	9,362,002
2029	1,970,000	86,188	2,056,188
Total	\$ 21,835,000	13,249,540	35,084,540

NOTE 10 – CAPITAL LEASES – LESSEE DISCLOSURE

During the current and previous fiscal years, the District entered into lease agreements for the acquisition of equipment and improvements related to the construction of the new high school and for the purchase of computers and copiers. The terms of each agreement provide options to purchase the equipment. These leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, “Accounting for Leases”, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. In August, 2007 the District entered into two lease agreements. One was for the acquisition of computers and related equipment for \$231,892. This agreement is to be paid over a three year period annually with no interest and will mature in 2010. The other lease is for eight copiers in the amount of \$115,500 to be paid over five years on a monthly basis and will mature in 2012.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The following is a schedule of the future minimum lease payments for the capital leases, and the present value of the future minimum lease payments at June 30, 2008:

Year Ending June 30		
2009	\$	200,364
2010		200,335
2011		1,029,541
2012		26,796
2013		<u>8,932</u>
Total Future Minimum Lease Payments		1,465,968
Less: Amount Representing Interest		<u>136,068</u>
Present Value of Future Minimum Lease Payments	\$	<u><u>1,329,900</u></u>

NOTE 11-OPERATING LEASE – LESSEE DISCLOSURE

On August 1, 2007 the District entered into a two year operating lease agreement with M.B.A. Holdings Company to lease the bus garage. The future minimum rental payments is \$40,440 and is payable monthly at \$3,370. For fiscal year 2008, the District’s rental costs were \$40,440.

NOTE 12-OTHER EMPLOYEE BENEFITS

Accumulated Unpaid Vacation

District classified employees earn vacation leave at varying rates based upon negotiated agreements and State laws. In the case of death or retirement, an employee (or his estate) is paid for his unused vacation leave. The total obligation for vacation accrual, for the District as a whole, as of June 30, 2008 was \$164,598.

Accumulated Unpaid Sick Leave

District employees may accumulate sick leave. Upon retirement, payment is made for 26.5% of the total unused sick leave balance up to a maximum of fifty days for certified and classified employees. The total obligation for sick leave accrual, for the District as a whole, as of June 30, 2008 was \$922,467.

Early Retirement Incentive

During fiscal year 2008, the District participated in the State Teacher Retirement System Early Retirement Incentive program for certificated staff. During fiscal year 2008, eleven teachers were eligible to participate, but none were eligible to retire. The District purchased two years of service credit for eligible certificated employees in fiscal 2008. Principal obligations of the purchased credit are based upon individual age, length of service and salary at retirement. Future principal and interest requirements to pay the early retirement incentive debt obligation to the State Teachers Retirement System in fiscal year 2009, 2010 and 2011 totaled \$25,606, \$62,143 and \$36,126 respectively.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 13-OSBA WORKERS' COMP PROGRAM

OSBA GROUP RATING PROGRAM

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

NOTE 14-DEFINED BENEFIT PENSION PLANS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

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

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14% of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2007, 10.58% of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established, and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The District's required contributions to SERS for the fiscal years ended June 30, 2008, 2007, and 2006 were \$413,127, \$390,091 and \$364,373 respectively; 50% has been contributed for 2008 and 100% for fiscal years 2007 and 2006.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

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 credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a stand-alone financial report that may be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling toll-free 1-888-227-7877 or by visiting the STRS Ohio web site at www.strsoh.org.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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

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

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

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS Ohio for the years ended June 30, 2008, 2007, and 2006 were \$1,527,875, \$1,442,088 and \$1,298,331 respectively; 83% has been contributed for 2008 and 100% for fiscal years 2007 and 2006.

SOCIAL SECURITY SYSTEM

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

NOTE 15-POSTEMPLOYMENT BENEFITS

SCHOOL EMPLOYEES RETIREMENT SYSTEM

In addition to a cost-sharing multiple-employer defined benefit pension plan, SERS administers two postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2007 was \$93.50; SERS' reimbursement to retirees was \$45.40.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2007, the actuarially required allocation was .68%. The Ross Local School District required contribution for the year ended June 30, 2008 was \$20,000.

Health Care Plan

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 401(h). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2007, the health care allocation was 3.32%. The actuarially required contribution (ARC), as of the December 31, 2006 annual valuation, was 11.50% of covered payroll. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The Ross Local School District contributions for the years ended June 30, 2008, 2007, and 2006 were \$158,813, \$136,284 and \$144,471, respectively.

An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For the fiscal year 2008, the minimum compensation level was established at \$35,800.

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

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Forms and Publications*.

STATE TEACHERS RETIREMENT SYSTEM OF OHIO

All STRS Ohio retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care cost in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contribution rate, 1% of covered payroll was allocated to post-employment health care. The Ross Local School District contributions for the years ended June 30, 2008, 2007, and 2006 were \$109,134, \$103,006 and \$92,738, respectively. The 14% employer contribution rate is the maximum rate established under Ohio law.

NOTE 16-JOINTLY GOVERNED ORGANIZATIONS

SOUTHWEST OHIO COMPUTER ASSOCIATION

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

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

BUTLER COUNTY TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS

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

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

NOTE 17-RISK MANAGEMENT

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

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

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

NOTE 18-CONTINGENCIES

A. LITIGATION

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

B. FEDERAL AND STATE GRANTS

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2008.

ROSS LOCAL SCHOOL DISTRICT
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 19-STATUTORY RESERVES

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

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

		Textbooks	Capital Improvements	Budget Stabilization
Set-aside balance as of June 30, 2007	\$	(216,292)	-	392,800
Current year set-aside requirement		416,651	416,651	-
Less qualifying disbursements		(249,829)	(542,671)	-
Set-aside balance as of June 30, 2008	\$	<u>(49,470)</u>	<u>-</u>	<u>392,800</u>

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

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

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2008, the District implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement addresses how state and local governments should account and disclose their costs and obligations related to postemployment healthcare and other non-pension benefits. The implementation had no effect to the District’s financial statement amounts.

NOTE 21 – SUBSEQUENT EVENT

On November 4, 2008 the District renewed the .75% income tax levy. This levy is for a continuous term.

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Required Supplementary Information

ROSS LOCAL SCHOOL DISTRICT, OHIO
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	\$ 6,176,938	\$ 6,251,778	\$ 6,251,778	\$ -
Income taxes	2,647,259	3,001,063	3,001,063	-
Tuition and fees	52,639	47,343	47,343	-
Interest	260,484	273,054	273,054	-
Intergovernmental	11,319,230	12,052,457	12,052,457	-
Other local revenues	213,124	232,542	232,542	-
Total revenues	<u>20,669,674</u>	<u>21,858,237</u>	<u>21,858,237</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,084,115	10,700,095	10,700,095	-
Special education	1,346,756	1,606,715	1,606,715	-
Other instruction	50,084	234,221	234,221	-
Support services:				
Pupil	694,164	841,671	841,671	-
Instructional staff	738,587	1,020,842	1,020,842	-
Board of Education	26,990	36,103	36,103	-
Administration	1,655,800	1,829,413	1,829,413	-
Fiscal	592,821	660,738	660,738	-
Operation and maintenance of plant	1,970,354	2,004,157	2,004,157	-
Pupil transportation	1,574,815	1,850,913	1,850,913	-
Non-instructional services:				
Extracurricular activities	400,336	445,452	445,452	-
Capital outlay	474,731	724,522	724,522	-
Repayment of debt	110,000	92,447	92,447	-
Total expenditures	<u>19,719,553</u>	<u>22,047,289</u>	<u>22,047,289</u>	<u>-</u>
Excess of revenues over expenditures	950,121	(189,052)	(189,052)	-
Other financing sources (uses):				
Proceeds from sale of assets	-	1,600	1,600	-
Advances in	-	56,142	56,142	-
Refund of prior year expenditures	-	42,477	42,477	-
Refund of prior year receipts	-	(8,014)	(8,014)	-
Advances out	(54,000)	(66,345)	(66,345)	-
Total other financing sources (uses):	<u>(54,000)</u>	<u>25,860</u>	<u>25,860</u>	<u>-</u>
Net change in fund balance	896,121	(163,192)	(163,192)	-
Fund balance, beginning of year	2,686,789	2,686,789	2,686,789	
Prior year encumbrances appropriated	285,983	285,983	285,983	
Fund balance, end of year	<u>\$ 3,868,893</u>	<u>\$ 2,809,580</u>	<u>\$ 2,809,580</u>	

See accompanying notes to required supplemental information.

ROSS LOCAL SCHOOL DISTRICT, OHIO
Notes to Required Supplementary Information
June 30, 2008

NOTE A-BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

Change in Fund Balance (GAAP Basis)	\$	166,727
Increase/(Decrease)		
Due to revenues		48,687
Due to expenditures		452,237
Due to other financing source and uses		(321,532)
Due to encumbrances		<u>(509,311)</u>
Change in fund balance (Budgetary Basis)	\$	<u>(163,192)</u>

Supplemental Section:
Combining Statements and
Individual Fund Schedules

Non-Major Governmental Funds

Non-Major Special Revenue Funds

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

Public School Support Fund

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

Other Grant Fund

This fund accounts for various local grants

Athletic Fund

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

Auxiliary Service Fund

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

Entry Year Teaching Program

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

Management Information Systems

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

ONENet

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

School Net Professional Development

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

Ohio Reads Grant

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

Miscellaneous State Grants

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

IDEA-B Grant

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.

Improving Teacher Quality

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

Miscellaneous Federal Grants

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

Special Revenue Fund

This fund accounts for various local grants and contributions.

Food Service

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

Uniform School Supplies

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

Non-Major Capital Projects Fund

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

Permanent improvement fund

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

SchoolNet Fund

This fund accounts for state grants for capital assets.

Major Governmental Funds

Major Governmental Funds

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

Debt Service Fund

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

ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 504,990	\$ 347,879	\$ 852,869
Net receivables:			
Taxes	-	239,354	239,354
Intergovernmental	62,062	-	62,062
Supplies and inventory	3,994	-	3,994
Total assets	<u>571,046</u>	<u>587,233</u>	<u>1,158,279</u>
Liabilities:			
Accounts payable	30,156	-	30,156
Accrued wages and benefits	136,355	-	136,355
Pension obligation payable	55,246	-	55,246
Compensated absences payable	3,760	-	3,760
Due to other governments	1,461	-	1,461
Interfund payable	10,845	-	10,845
Unearned revenue	26,197	234,973	261,170
Total liabilities	<u>264,020</u>	<u>234,973</u>	<u>498,993</u>
Fund Balances:			
Reserved for:			
Encumbrances	57,672	-	57,672
Supplies inventory	3,994	-	3,994
Property taxes	-	4,381	4,381
Unreserved, reported in:			
Special Revenue Funds	245,360	-	245,360
Capital Projects Funds	-	347,879	347,879
Total fund balances	<u>307,026</u>	<u>352,260</u>	<u>659,286</u>
Total liabilities and fund balances	<u>\$ 571,046</u>	<u>\$ 587,233</u>	<u>\$ 1,158,279</u>

ROSS LOCAL SCHOOL DISTRICT, OHIO

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

Nonmajor Governmental Funds

Year Ended June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Property taxes	\$ -	\$ 207,196	\$ 207,196
Extracurricular	509,097	-	509,097
Charges for services	889,701	-	889,701
Interest	2,513	-	2,513
Intergovernmental	1,299,966	28,493	1,328,459
Other Local Revenues	<u>67,628</u>	<u>-</u>	<u>67,628</u>
Total revenues	<u>2,768,905</u>	<u>235,689</u>	<u>3,004,594</u>
Expenditures:			
Current:			
Instruction:			
Regular	447,142	1,040	448,182
Special	206,688	-	206,688
Support services:			
Pupil	140,390	-	140,390
Instructional staff	404,780	-	404,780
School administration	34,016	1,021	35,037
Fiscal	-	2,499	2,499
Central	24,000	-	24,000
Non-instructional services:			
Community services	147,978	-	147,978
Extracurricular activities	287,756	-	287,756
Food services	<u>1,007,494</u>	<u>-</u>	<u>1,007,494</u>
Total expenditures	<u>2,700,244</u>	<u>4,560</u>	<u>2,704,804</u>
Net change in fund balances	68,661	231,129	299,790
Fund balance, beginning of year	<u>238,365</u>	<u>121,131</u>	<u>359,496</u>
Fund balance, end of year	<u>\$ 307,026</u>	<u>\$ 352,260</u>	<u>\$ 659,286</u>

ROSS LOCAL SCHOOL DISTRICT, OHIO
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2008

	<u>Public School Support</u>	<u>Other Local Grant</u>	<u>Athletic</u>	<u>Auxiliary Service</u>
Assets:				
Equity in pooled cash and investments	\$ 53,051	\$ 3,499	\$ 93,042	\$ 77,123
Net receivables:				
Intergovernmental	-	-	-	-
Supplies and inventory	-	-	-	-
Total assets	<u>53,051</u>	<u>3,499</u>	<u>93,042</u>	<u>77,123</u>
Liabilities:				
Accounts payable	5,968	-	5,368	12,765
Accrued wages and benefits	-	-	-	10,241
Pension obligation payable	-	-	-	2,746
Compensated absences payable	-	-	-	-
Due to other governments	-	-	-	123
Interfund payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>5,968</u>	<u>-</u>	<u>5,368</u>	<u>25,875</u>
Fund Balances:				
Fund Balances				
Reserved for:				
Encumbrances	8,649	2,763	7,493	4,603
Supplies inventory	-	-	-	-
Unreserved-undesignated	<u>38,434</u>	<u>736</u>	<u>80,181</u>	<u>46,645</u>
Total fund balances	<u>47,083</u>	<u>3,499</u>	<u>87,674</u>	<u>51,248</u>
Total liabilities and fund balances	<u>\$ 53,051</u>	<u>\$ 3,499</u>	<u>\$ 93,042</u>	<u>\$ 77,123</u>

<u>Entry Year Teaching Program</u>	<u>Management Information Systems</u>	<u>SchoolNet Professional Development</u>	<u>Misc. State Grants</u>
\$ 4,000	\$ 1,548	\$ 1,383	\$ 1,921
-	-	-	-
-	-	-	-
<u>4,000</u>	<u>1,548</u>	<u>1,383</u>	<u>1,921</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	501	-
-	-	-	-
<u>4,000</u>	<u>1,548</u>	<u>882</u>	<u>1,921</u>
<u>4,000</u>	<u>1,548</u>	<u>1,383</u>	<u>1,921</u>
<u>\$ 4,000</u>	<u>\$ 1,548</u>	<u>\$ 1,383</u>	<u>\$ 1,921</u>

ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2008

	<u>IDEA-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Improving Teacher Quality</u>
Assets:				
Equity in pooled cash and investments	\$ 26,681	\$ -	\$ -	\$ 164
Net receivables:				
Intergovernmental	39,717	3,931	2,571	3,894
Supplies and inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>66,398</u>	<u>3,931</u>	<u>2,571</u>	<u>4,058</u>
Liabilities:				
Accounts payable	-	-	-	-
Accrued wages and benefits	57,154	11,952	-	13,229
Pension obligation payable	19,713	183	-	-
Compensated absences payable	-	-	-	-
Due to other governments	634	-	-	138
Interfund payable	-	2,224	2,571	-
Unearned revenue	<u>22,798</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>100,299</u>	<u>14,359</u>	<u>2,571</u>	<u>13,367</u>
Fund Balances:				
Fund Balances				
Reserved for:				
Encumbrances	19,424	-	-	-
Supplies inventory	-	-	-	-
Unreserved-undesignated	<u>(53,325)</u>	<u>(10,428)</u>	<u>-</u>	<u>(9,309)</u>
Total fund balances	<u>(33,901)</u>	<u>(10,428)</u>	<u>-</u>	<u>(9,309)</u>
Total liabilities and fund balances	<u>\$ 66,398</u>	<u>\$ 3,931</u>	<u>\$ 2,571</u>	<u>\$ 4,058</u>

<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>TOTAL</u>
\$ 18,500	\$ 92,433	\$ 117,020	\$ 14,625	\$ 504,990
11,949	-	-	-	62,062
<u>-</u>	<u>-</u>	<u>3,231</u>	<u>763</u>	<u>3,994</u>
<u>30,449</u>	<u>92,433</u>	<u>120,251</u>	<u>15,388</u>	<u>571,046</u>
4,574	391	-	1,090	30,156
-	-	43,779	-	136,355
-	-	32,604	-	55,246
-	-	3,760	-	3,760
-	-	566	-	1,461
6,050	-	-	-	10,845
<u>3,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,197</u>
<u>14,023</u>	<u>391</u>	<u>80,709</u>	<u>1,090</u>	<u>264,020</u>
2,201	4,202	7,282	554	57,672
-	-	3,231	763	3,994
<u>14,225</u>	<u>87,840</u>	<u>29,029</u>	<u>12,981</u>	<u>245,360</u>
<u>16,426</u>	<u>92,042</u>	<u>39,542</u>	<u>14,298</u>	<u>307,026</u>
<u>\$ 30,449</u>	<u>\$ 92,433</u>	<u>\$ 120,251</u>	<u>\$ 15,388</u>	<u>\$ 571,046</u>

ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended June 30, 2008

	Public School Support	Other Local Grant	Athletic	Auxiliary Service
Revenues:				
Extracurricular activities	\$ 188,177	\$ -	\$ 320,920	\$ -
Charges for services	-	-	-	-
Interest	-	-	-	846
Intergovernmental	-	-	-	152,680
Other local revenues	-	10,138	93	-
Total revenues	<u>188,177</u>	<u>10,138</u>	<u>321,013</u>	<u>153,526</u>
Expenditures:				
Current:				
Instruction:				
Regular	162,762	6,460	-	-
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	18,600	-	-	-
School administration	-	-	-	-
Central	-	-	-	-
Community services	-	-	-	106,840
Non-instructional services:				
Extracurricular activities	-	-	287,756	-
Food services	-	-	-	-
Total expenditures	<u>181,362</u>	<u>6,460</u>	<u>287,756</u>	<u>106,840</u>
Net change in fund balances	6,815	3,678	33,257	46,686
Fund balance, beginning of year	<u>40,268</u>	<u>(179)</u>	<u>54,417</u>	<u>4,562</u>
Fund balance, end of year	<u>\$ 47,083</u>	<u>\$ 3,499</u>	<u>\$ 87,674</u>	<u>\$ 51,248</u>

<u>Entry Year</u> <u>Teaching</u> <u>Program</u>	<u>Management</u> <u>Information</u> <u>Systems</u>	<u>ONENet</u>	<u>SchoolNet</u> <u>Professional</u> <u>Development</u>	<u>Ohio</u> <u>Reads</u> <u>Grant</u>	<u>Misc.</u> <u>State</u> <u>Grants</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
4,000	9,295	12,000	2,970	-	16,191
-	-	-	-	-	-
<u>4,000</u>	<u>9,295</u>	<u>12,000</u>	<u>2,970</u>	<u>-</u>	<u>16,191</u>
-	-	-	-	2,000	20,678
-	-	-	-	-	-
-	-	-	-	-	-
-	26,526	-	1,587	-	848
-	-	-	-	-	-
-	-	24,000	-	-	-
-	-	-	-	-	3,845
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>26,526</u>	<u>24,000</u>	<u>1,587</u>	<u>2,000</u>	<u>25,371</u>
4,000	(17,231)	(12,000)	1,383	(2,000)	(9,180)
-	18,779	12,000	-	2,000	11,101
<u>\$ 4,000</u>	<u>\$ 1,548</u>	<u>\$ -</u>	<u>\$ 1,383</u>	<u>\$ -</u>	<u>\$ 1,921</u>

ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year Ended June 30, 2008

	<u>IDEA-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>
Revenues:				
Extracurricular activities	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest	-	-	-	-
Intergovernmental	613,332	107,530	6,776	6,405
Miscellaneous	-	-	-	-
Total revenues	<u>613,332</u>	<u>107,530</u>	<u>6,776</u>	<u>6,405</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	86,774	116,415	-	-
Support services:				
Pupil	133,331	-	-	7,059
Instructional staff	320,185	-	6,484	-
School administration	34,016	-	-	-
Central	-	-	-	-
Community services	38,392	220	109	-
Non-instructional services:				
Extracurricular activities	-	-	-	-
Food services	-	-	-	-
Total expenditures	<u>612,698</u>	<u>116,635</u>	<u>6,593</u>	<u>7,059</u>
Net change in fund balances	634	(9,105)	183	(654)
Fund balance, beginning of year	<u>(34,535)</u>	<u>(1,323)</u>	<u>(183)</u>	<u>654</u>
Fund balance, end of year	<u>\$ (33,901)</u>	<u>\$ (10,428)</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Title VI-B Preschool</u>	<u>Improving Teacher Quality</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 509,097
-	-	-	-	779,561	110,140	889,701
-	-	-	152	1,515	-	2,513
2,768	85,530	43,575	-	236,914	-	1,299,966
-	-	-	57,397	-	-	67,628
<u>2,768</u>	<u>85,530</u>	<u>43,575</u>	<u>57,549</u>	<u>1,017,990</u>	<u>110,140</u>	<u>2,768,905</u>
-	89,448	651	50,428	-	114,715	447,142
3,499	-	-	-	-	-	206,688
-	-	-	-	-	-	140,390
-	-	30,550	-	-	-	404,780
-	-	-	-	-	-	34,016
-	-	-	-	-	-	24,000
-	-	(1,428)	-	-	-	147,978
-	-	-	-	-	-	287,756
-	-	-	-	1,007,494	-	1,007,494
<u>3,499</u>	<u>89,448</u>	<u>29,773</u>	<u>50,428</u>	<u>1,007,494</u>	<u>114,715</u>	<u>2,700,244</u>
(731)	(3,918)	13,802	7,121	10,496	(4,575)	68,661
<u>731</u>	<u>(5,391)</u>	<u>2,624</u>	<u>84,921</u>	<u>29,046</u>	<u>18,873</u>	<u>238,365</u>
<u>\$ -</u>	<u>\$ (9,309)</u>	<u>\$ 16,426</u>	<u>\$ 92,042</u>	<u>\$ 39,542</u>	<u>\$ 14,298</u>	<u>\$ 307,026</u>

ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2008

	Permanent Improvement Fund	School Net Fund	Total
Assets:			
Equity in pooled cash and investments	\$ 347,879	\$ -	\$ 347,879
Net receivables:			
Taxes	<u>239,354</u>	<u>-</u>	<u>239,354</u>
Total assets	<u><u>587,233</u></u>	<u><u>-</u></u>	<u><u>587,233</u></u>
Liabilities:			
Unearned revenue	<u>234,973</u>	<u>-</u>	<u>234,973</u>
Total liabilities	<u>234,973</u>	<u>-</u>	<u>234,973</u>
Fund Balances:			
Fund Balances			
Reserved for:			
Encumbrances	-		
Property taxes	4,381	-	4,381
Unreserved-undesignated	<u>347,879</u>	<u>-</u>	<u>347,879</u>
Total fund balances	<u>352,260</u>	<u>-</u>	<u>352,260</u>
Total liabilities and fund balances	<u><u>\$ 587,233</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 587,233</u></u>

ROSS LOCAL SCHOOL DISTRICT, OHIO
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2008

	Permanent Improvement Fund	SchoolNet Fund	Total
Revenues:			
Property Taxes	\$ 207,196	\$ -	\$ 207,196
Intergovernmental	28,493	-	28,493
Total revenues	<u>235,689</u>	<u>-</u>	<u>235,689</u>
Expenditures:			
Current:			
Instruction:			
Regular	-	1,040	1,040
Support Services:			
Administration	1,021	-	1,021
Fiscal	2,499	-	2,499
Total expenditures	<u>3,520</u>	<u>1,040</u>	<u>4,560</u>
Net change in fund balance	232,169	(1,040)	231,129
Fund balance, beginning of year	<u>120,091</u>	<u>1,040</u>	<u>121,131</u>
Fund balance, end of year	<u>\$ 352,260</u>	<u>\$ -</u>	<u>\$ 352,260</u>

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Public School Support Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 188,177	188,177	-
Expenditures:			
Current:			
Instruction:			
Regular	171,490	171,490	-
Support Services:			
Instructional staff	13,173	13,173	-
Total expenditures	<u>184,663</u>	<u>184,663</u>	<u>-</u>
Net change in fund balance	3,514	3,514	-
Fund balance, beginning of year	34,155	34,155	
Prior year encumbrances appropriated	6,112	6,112	
Fund balance, end of year	<u>\$ 43,781</u>	<u>43,781</u>	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Other Local Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 10,138	10,138	-
Expenditures:			
Current:			
Instruction:			
Regular	10,423	10,423	-
Total expenditures	<u>10,423</u>	<u>10,423</u>	<u>-</u>
Net change in fund balance	(285)	(285)	-
Fund balance, beginning of year	(179)	(179)	
Prior year encumbrances appropriated	1,200	1,200	
Fund balance, end of year	<u>\$ 736</u>	<u>736</u>	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Athletic Fund Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 321,013	321,013	-
Expenditures:			
Extracurricular activities	298,944	298,944	-
Total expenditures	298,944	298,944	-
Net change in fund balance	22,069	22,069	-
Fund balance, beginning of year	43,583	43,583	
Prior year encumbrances appropriated	14,879	14,879	
Fund balance, end of year	\$ 80,531	80,531	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Auxiliary Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 153,526	153,526	-
Expenditures:			
Community services	115,816	115,816	-
Total expenditures	115,816	115,816	-
Net change in fund balance	37,710	37,710	-
Fund balance, beginning of year	10,326	10,326	
Prior year encumbrances appropriated	11,719	11,719	
Fund balance, end of year	\$ 59,755	59,755	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Entry Year Teaching Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 4,000	4,000	-
Expenditures:			
Current:			
Instruction:			
Regular	-	-	-
Total expenditures	-	-	-
Net change in fund balance	4,000	4,000	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ 4,000	4,000	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Management Information Systems Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 9,295	9,295	-
Expenditures:			
Current:			
Support services:			
Instructional staff	26,526	26,526	-
Total expenditures	26,526	26,526	-
Net change in fund balance	(17,231)	(17,231)	-
Fund balance, beginning of year	18,779	18,779	
Fund balance, end of year	\$ 1,548	1,548	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
ONENet Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 12,000	12,000	-
Expenditures:			
Current:			
Support services:			
Central	24,000	24,000	-
Total expenditures	24,000	24,000	-
Net change in fund balance	(12,000)	(12,000)	-
Fund balance, beginning of year	12,000	12,000	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
School Net Professional Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 2,970	2,970	-
Expenditures:			
Current:			
Support services:			
Instructional staff	2,088	2,088	-
Total expenditures	2,088	2,088	-
Net change in fund balance	882	882	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ 882	882	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Ohio Reads Volunteer Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

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

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous State Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 18,191	18,191	-
Expenditures:			
Current:			
Instruction:			
Regular	20,678	20,678	
Support services:			
Instructional staff	4,693	4,693	-
Total expenditures	<u>25,371</u>	<u>25,371</u>	<u>-</u>
Net change in fund balance	(7,180)	(7,180)	-
Fund balance, beginning of year	9,100	9,100	
Fund balance, end of year	<u>\$ 1,920</u>	<u>1,920</u>	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI-B Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 635,385	635,385	-
Expenditures:			
Current:			
Instruction:			
Special	83,493	83,493	-
Support services:			
Pupil	149,255	149,255	-
Instructional staff	313,172	313,172	-
School administration	37,516	37,516	-
Pupil Transportation	1,789	1,789	-
Community services	42,261	42,261	-
Total expenditures	627,486	627,486	-
Excess of revenues over expenditures	7,899	7,899	-
Other Financing Sources (Uses):			
Advances Out	(642)	(642)	-
Total other financing sources (uses)	(642)	(642)	-
Net change in fund balance	7,257	7,257	
Fund balance, beginning of year	(6,712)	(6,712)	
Prior year encumbrances appropriated	6,712	6,712	
Fund balance, end of year	\$ 7,257	7,257	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title I Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 103,599	103,599	-
Expenditures:			
Current:			
Instruction:			
Special	105,823	105,823	-
Total expenditures	105,823	105,823	-
Excess of revenues over expenditures	(2,224)	(2,224)	
Other Financing Sources (Uses):			
Transfers-in	835	835	-
Advances-in	2,224	2,224	-
Transfers-out	(835)	(835)	-
Total other financing sources (uses)	2,224	2,224	-
Net change in fund balance	-	-	
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Title VI Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 4,205	4,205	-
Expenditures:			
Current:			
Support services:			
Instructional staff	6,484	6,484	-
Community services	292	292	-
Total expenditures	<u>6,776</u>	<u>6,776</u>	<u>-</u>
Excess of revenues over expenditures	(2,571)	(2,571)	
Other Financing Sources (Uses):			
Advances-in	<u>2,571</u>	<u>2,571</u>	<u>-</u>
Total other financing sources (uses)	<u>2,571</u>	<u>2,571</u>	<u>-</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	<u>\$ -</u>	<u>-</u>	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Drug Free School Grant Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 7,059	7,059	-
Expenditures:			
Current:			
Support services:			
Pupil	7,059	7,059	-
Total expenditures	7,059	7,059	-
Net change in fund balance	-	-	-
Fund balance, beginning of year	-	-	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Preschool Development Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 3,499	3,499	-
Expenditures:			
Current:			
Instruction:			
Special	3,499	3,499	-
Support services:			
Instructional staff	-	-	-
Total expenditures	3,499	3,499	-
Net change in fund balance	-	-	
Fund balance, beginning of year	-	-	
Prior Year Encumbrances Appropriated	-	-	
Fund balance, end of year	\$ -	-	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Improving Teacher Quality Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ <u>85,745</u>	<u>85,745</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular	<u>86,662</u>	<u>86,662</u>	<u>-</u>
Total expenditures	<u>86,662</u>	<u>86,662</u>	<u>-</u>
Excess of revenues over expenditures	(917)	(917)	
Other Financing Sources (Uses):			
Transfers-in	3,734	3,734	-
Transfers-out	<u>(3,734)</u>	<u>(3,734)</u>	<u>-</u>
Total other financing sources (uses)	-	-	-
Net change in fund balance	(917)	(917)	
Fund balance, beginning of year	<u>1,081</u>	<u>1,081</u>	
Fund balance, end of year	<u>\$ 164</u>	<u>164</u>	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Miscellaneous Federal Grants Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 35,025	35,025	-
Expenditures:			
Current:			
Instruction:			
Regular	652	652	-
Support services:			
Instructional staff	32,667	32,667	-
Community services	159	159	-
Total expenditures	33,478	33,478	-
Excess of revenues over expenditures	1,547	1,547	-
Other Financing Sources (Uses):			
Advances-in	6,050	6,050	-
Total other financing sources (uses)	6,050	6,050	-
Net change in fund balance	7,597	7,597	
Fund balance, beginning of year	(35)	(35)	
Prior Year Encumbrances Appropriated	4,163	4,163	
Fund balance, end of year	\$ 11,725	11,725	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	Budget	Actual	Variance From Final Budget
Revenues:			
Total revenues	\$ 57,479	57,479	-
Expenditures:			
Current:			
Instruction:			
Regular	41,992	41,992	-
Support			
Instructional staff	39	39	-
Pupil Transportation	-	-	-
Community services	13,000	13,000	-
Total expenditures	55,031	55,031	-
Net change in fund balance	2,448	2,448	-
Fund balance, beginning of year	87,449	87,449	
Prior Year Encumbrances Appropriated	-	-	
Fund balance, end of year	\$ 89,897	89,897	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Food Service Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 979,034	979,034	-
Expenditures:			
Current:			
Food services	946,022	946,022	-
Total expenditures	946,022	946,022	-
Excess of revenues over expenditures	33,012	33,012	-
Fund balance, beginning of year	73,959	73,959	
Prior Year Encumbrances Appropriated	2,767	2,767	
Fund balance, end of year	\$ 109,738	109,738	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Uniform School Supplies Special Revenue Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Final Budget</u>
Revenues:			
Total revenues	\$ 110,140	110,140	-
Expenditures:			
Current:			
Supplies and materials	118,815	118,815	-
Total expenditures	<u>118,815</u>	<u>118,815</u>	<u>-</u>
Excess of revenues over expenditures	(8,675)	(8,675)	-
Other Financing Sources (Uses):			
Advances in	55,500	55,500	-
Advances out	<u>(55,500)</u>	<u>(55,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(8,675)	(8,675)	
Fund balance, beginning of year	17,254	17,254	
Prior Year Encumbrances	4,402	4,402	
Fund balance, end of year	<u>\$ 12,981</u>	<u>12,981</u>	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Debt Service Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance With Budget
Revenues:			
Taxes	\$ 1,723,489	1,723,489	-
Intergovernmental	239,758	239,758	-
Other local revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>1,963,247</u>	<u>1,963,247</u>	<u>-</u>
Expenditures:			
Current:			
Support services:			
Administration	19,247	19,247	-
Fiscal	10,534	10,534	-
Repayment of debt	<u>1,709,544</u>	<u>1,709,544</u>	<u>-</u>
Total expenditures	<u>1,739,325</u>	<u>1,739,325</u>	<u>-</u>
Net change in fund balance	<u>223,922</u>	<u>223,922</u>	<u>-</u>
Fund balance, beginning of year	<u>975,428</u>	<u>975,428</u>	
Fund balance end of year	\$ <u><u>1,199,350</u></u>	<u><u>1,199,350</u></u>	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
Permanent Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance With <u>Budget</u>
Revenues:			
Taxes	\$ 204,795	204,795	-
Intergovernmental	<u>28,493</u>	<u>28,493</u>	-
Total revenues	<u>233,288</u>	<u>233,288</u>	-
Expenditures:			
Current:			
Instruction:			
Administration	1,021	1,021	-
Fiscal	<u>2,499</u>	<u>2,499</u>	-
Total expenditures	<u>3,520</u>	<u>3,520</u>	-
Net change in fund balance	229,768	229,768	-
Fund balance, beginning of year	118,111	118,111	
Prior year encumbrances appropriated	<u>-</u>	<u>-</u>	
Fund balance, end of year	<u>\$ 347,879</u>	<u>347,879</u>	

Ross Local School District, Ohio
Schedule of Revenues, Expenditures and
Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
SchoolNet Capital Projects Fund
For the Fiscal Year Ended June 30, 2008

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

ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Fund

Year Ended June 30, 2008

	<u>Beginning Balance 7/1/2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance 6/30/2008</u>
Assets:				
Equity in pooled cash and investments	\$ 54,596	\$ 65,536	\$ 74,156	\$ 45,976
Total assets	<u>54,596</u>			<u>45,976</u>
Liabilities:				
Due to student groups	<u>54,596</u>	<u>65,536</u>	<u>74,156</u>	<u>45,976</u>
Total liabilities	<u>\$ 54,596</u>			<u>\$ 45,976</u>

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Statistical Section

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	82-89
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax (and the income tax).	90-97
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	91-101
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	102-103
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	104-107

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

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

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

<u>2007</u>	<u>2008</u>
\$13,233,413	\$ 13,365,318
123,598	362,187
976,969	1,305,606
69,386	495,523
<u>2,399,521</u>	<u>1,918,679</u>
<u><u>\$16,802,887</u></u>	<u><u>\$17,447,313</u></u>

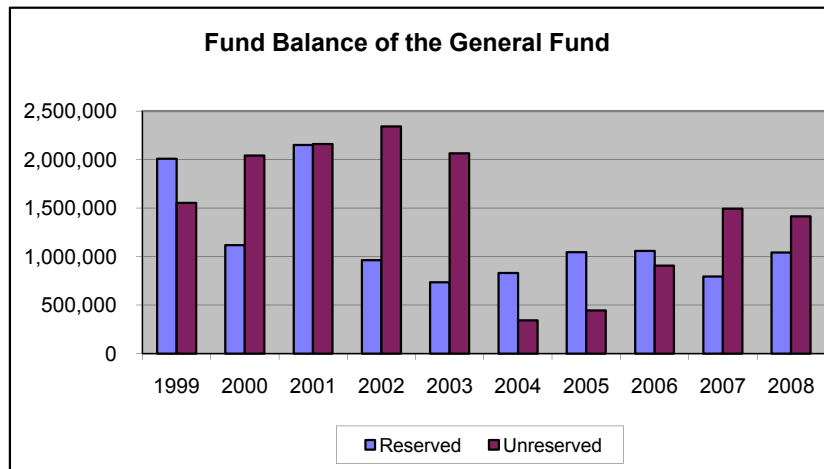
Ross Local School District, Ohio
Changes in Net Assets of Governmental Activities
Last Six Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006
Expenses				
Regular Instruction	\$9,692,617	\$9,124,245	\$8,836,363	\$8,762,193
Special Instruction	1,207,179	1,388,504	1,386,822	1,555,089
Adult/Continuing	668	738	3,987	78,155
Other	241,184	369,167	251,650	207,342
Pupil Support	686,447	655,851	770,183	823,651
Instructional Staff Support	895,705	848,876	816,001	1,182,254
Board of Education	79,646	121,801	74,268	83,630
Administration	1,623,461	1,600,221	1,653,472	1,795,625
Fiscal	437,782	503,934	496,548	518,893
Operation and Maintenance of Plant	1,082,967	3,941,084	1,721,084	2,134,602
Pupil Transportation	1,580,526	1,600,836	1,506,050	2,021,368
Central	25,554	21,432	17,620	21,697
Operation of Food Services	380,579	674,840	819,760	906,186
Extracurricular Activities	681,046	823,930	722,467	900,778
Community Service	211,974	323,704	185,543	223,040
Interest and Fiscal Charges	155,152	1,185,372	997,146	1,006,783
<i>Total Expenses</i>	<u>18,982,487</u>	<u>23,184,535</u>	<u>20,258,964</u>	<u>22,221,286</u>
Program Revenues				
Charges for Services				
Regular Instruction	\$72,316	\$169,109	\$157,486	\$179,873
Adult/Continuing	6,787	14,432	24,689	44,662
Operation of Food Service	563,645	584,106	658,197	735,407
Extracurricular Activities	323,723	340,358	482,901	449,059
Operating Grants and Contributions				
Regular Instruction	210,935	118,459	141,275	130,975
Special Instruction	196,399	144,022	345,522	112,843
Adult/Continuing	27,455	-	-	-
Pupil Support	292,693	9,651	8,242	8,212
Staff Support	27,237	331,528	557,028	699,852
Administration	0	2,585	2,612	-
Central	14,000	-	-	12,000
Community Service	-	151,813	148,246	136,352
Operation of Food Service	113,317	114,443	177,614	167,894
Capital Grants and Contributions				
Regular Instruction	1,200	-	23,940	-
<i>Total Program Revenues</i>	<u>1,849,707</u>	<u>1,980,506</u>	<u>2,727,752</u>	<u>2,677,129</u>
Net Expense	<u>(\$17,132,780)</u>	<u>(\$21,204,029)</u>	<u>(\$17,531,212)</u>	<u>(\$19,544,157)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	\$5,533,862	\$6,087,781	\$6,031,701	\$6,129,278
Debt Service	752,270	1,513,662	1,674,219	1,592,086
Permanent Improvement	-	-	-	-
Income Taxes Levied for				
General Purposes	-	-	-	616,390
Grants and Entitlements not				
Restricted to Specific Programs	9,368,561	9,805,541	10,579,473	12,071,717
Investment Earnings	391,607	157,878	257,276	197,853
Miscellaneous	595,628	97,446	186,475	418,309
<i>Total General Revenues</i>	<u>16,641,928</u>	<u>17,662,308</u>	<u>18,729,144</u>	<u>21,025,633</u>
<i>Change in Net Assets</i>	<u>(\$490,852)</u>	<u>(\$3,541,721)</u>	<u>\$1,197,932</u>	<u>\$1,481,476</u>

2007	2008
\$11,323,356	\$11,085,096
1,782,823	1,881,815
1,837	1,173
256,839	222,898
818,693	1,028,579
1,302,590	1,432,129
14,304	51,828
1,756,814	1,922,777
525,050	668,717
2,628,197	2,828,484
2,192,810	2,097,136
10,058	33,898
927,764	1,013,382
1,075,040	904,121
212,301	192,002
965,394	928,810
<u>25,793,870</u>	<u>26,292,845</u>
\$309,079	\$183,828
-	-
769,131	779,561
455,068	574,182
86,065	84,107
97,997	110,298
-	-
6,542	6,405
706,481	695,655
20,003	7,169
37,088	12,000
135,828	152,680
216,056	236,914
-	-
<u>2,839,338</u>	<u>2,842,799</u>
<u>(\$22,954,532)</u>	<u>(\$23,450,046)</u>
\$6,393,115	\$6,457,283
1,738,698	1,757,071
112,081	214,656
2,921,039	2,814,600
12,172,806	12,324,708
281,311	277,259
199,001	248,895
<u>23,818,051</u>	<u>24,094,472</u>
<u>\$863,519</u>	<u>\$644,426</u>

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

	1999	2000	2001	2002	2003
General Fund					
Reserved	\$2,009,384	\$1,118,636	\$2,149,715	\$964,189	\$735,413
Unreserved	1,554,390	2,042,124	2,159,325	2,342,749	2,066,171
<i>Total General Fund</i>	<u>3,563,774</u>	<u>3,160,760</u>	<u>4,309,040</u>	<u>3,306,938</u>	<u>2,801,584</u>
All Other Governmental Funds					
Reserved	31,125	61,894	99,754	40,255	2,411,660
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	154,801	424,711	125,655	125,775	184,153
Debt Service Funds	0	0	0	0	514,201
Capital Projects Funds	29,105	54,585	0	0	21,725,167
<i>Total All Other Governmental Funds</i>	<u>215,031</u>	<u>541,190</u>	<u>225,409</u>	<u>166,030</u>	<u>24,835,181</u>
<i>Total Governmental Funds</i>	<u><u>\$3,778,805</u></u>	<u><u>\$3,701,950</u></u>	<u><u>\$4,534,449</u></u>	<u><u>\$3,472,968</u></u>	<u><u>\$27,636,765</u></u>



2004	2005	2006	2007	2008
\$831,368	\$1,045,944	\$1,060,106	\$795,274	\$1,041,917
343,880	444,271	907,321	1,493,602	1,413,686
-	-			
1,175,248	1,490,215	1,967,427	2,288,876	2,455,603
16,790,817	1,902,173	359,031	73,164	98,581
117,796	149,684	171,853	199,540	245,360
495,935	568,262	722,723	975,428	1,199,350
(13,322)	70,796	5,439	119,151	347,879
17,391,226	2,690,915	1,259,046	1,367,283	1,891,170
<u>\$18,566,474</u>	<u>\$4,181,130</u>	<u>\$3,226,473</u>	<u>\$3,656,159</u>	<u>\$4,346,773</u>

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

	1999	2000	2001	2002	2003
Revenues					
Income Taxes	\$0	\$0	\$0	\$0	\$0
Property and Other Local Taxes	6,342,423	4,497,388	6,037,633	4,944,394	6,035,378
Intergovernmental	8,589,378	8,766,434	9,011,143	9,660,729	10,251,797
Interest	193,477	262,620	303,562	121,901	391,607
Tuition and Fees	5,961	17,029	10,964	15,240	6,787
Extracurricular Activities	0	0	0	0	0
Charges for Services	0	0	0	0	635,961
Miscellaneous	372,768	558,349	446,045	346,548	861,822
<i>Total Revenues</i>	<u>15,504,007</u>	<u>14,101,820</u>	<u>15,809,347</u>	<u>15,088,812</u>	<u>18,183,352</u>
Expenditures					
Current:					
Instruction:					
Regular	7,082,950	7,208,134	7,561,229	8,119,670	8,525,675
Special	853,178	955,993	1,012,529	1,100,745	1,184,654
Vocational/Other	176,403	194,296	217,725	215,863	241,853
Support Services:					
Pupil	480,032	542,971	530,581	615,220	602,431
Instructional Staff	557,377	623,128	649,209	808,468	822,481
Board of Education	15,232	16,161	20,504	17,966	23,077
Administration	1,196,186	1,301,671	1,329,262	1,702,474	1,580,671
Fiscal	346,482	344,509	360,862	398,545	426,270
Operation and Maintenance of Plant	883,962	922,694	932,418	1,023,005	1,044,205
Pupil Transportation	1,096,225	1,277,144	1,148,335	1,273,387	1,423,347
Central	0	0	0	0	14,610
Operation of Non-Instructional Services	139,651	140,888	140,302	199,323	224,832
Operation of Food Services	0	0	0	0	745,936
Extracurricular Activities	415,515	388,307	518,834	507,055	702,341
Capital Outlay	269,752	95,405	510,637	169,603	862,707
Debt Service:					
Principal Retirement	50,000	113,243	45,000	40,000	24,943,904
Interest and Fiscal Charges	10,143	14,954	5,471	3,315	227,689
<i>Total Expenditures</i>	<u>13,573,088</u>	<u>14,139,498</u>	<u>14,982,898</u>	<u>16,194,639</u>	<u>43,596,683</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,930,919</u>	<u>(37,678)</u>	<u>826,449</u>	<u>(1,105,827)</u>	<u>(25,413,331)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	2,721	135	3,415	280	0
Refund of Prior Year Expenditures	2,762	61,946	44,711	47,000	0
Refund of Prior Year Receipts	0	0	0	0	0
General Obligation Bonds Issued	0	0	0	0	24,537,173
Proceeds from Refunding Bonds Issued	0	0	0	0	0
Proceeds from Premium on Bonds Issued	0	0	0	0	0
Payment to Escrow Agent	0	0	0	0	0
Proceeds from Sale of Notes	0	0	0	0	24,918,904
Inception of Capital Lease	140,000	(140,000)	0	0	0
Other Uses	(10,627)	0	0	0	0
Transfers In	126,307	108,599	5,093	3,503	6,578
Transfers Out	(14,569)	(110,160)	(5,093)	(3,503)	(6,578)
<i>Total Other Financing Sources (Uses)</i>	<u>246,594</u>	<u>(79,480)</u>	<u>48,126</u>	<u>47,280</u>	<u>49,456,077</u>
<i>Net Change in Fund Balances</i>	<u>\$2,177,513</u>	<u>(\$117,158)</u>	<u>\$874,575</u>	<u>(\$1,058,547)</u>	<u>\$24,042,746</u>
Debt Service as a Percentage of Noncapital Expenditures	0.5%	0.9%	0.3%	0.3%	143.3%

2004	2005	2006	2007	2008
\$0	\$0	\$ 490,254	\$ 2,589,139	\$ 2,861,441
7,434,249	7,715,893	7,910,405	8,238,574	8,200,063
10,678,042	11,981,021	13,308,769	13,495,938	13,620,674
145,602	267,450	199,955	265,026	278,655
14,582	24,689	44,662	65,501	47,343
0	482,901	449,059	455,368	574,482
660,983	815,683	843,410	878,028	889,701
618,042	189,704	490,180	333,382	305,207
<u>19,551,500</u>	<u>21,477,341</u>	<u>23,736,694</u>	<u>26,320,956</u>	<u>26,777,566</u>
9,172,667	8,944,567	9,339,630	10,972,805	10,938,234
1,427,586	1,386,340	1,538,621	1,764,474	1,828,241
369,905	255,637	285,497	258,676	224,071
715,688	778,124	821,071	814,796	993,799
848,899	817,505	1,175,382	1,293,856	1,420,677
14,942	14,896	21,658	14,304	27,103
1,536,924	1,677,051	1,750,074	1,718,729	1,879,562
473,391	502,712	511,533	515,893	642,145
1,181,408	1,360,566	1,722,497	1,903,710	1,931,543
1,490,487	1,352,560	1,762,849	1,894,220	1,808,953
12,000	12,000	12,000	0	32,014
257,835	253,049	197,473	185,510	147,978
691,976	819,760	903,770	926,394	1,007,494
870,749	664,400	798,082	905,316	760,067
8,942,226	15,997,523	2,067,162	931,748	890,594
692,000	814,000	790,000	836,000	1,005,492
1,174,108	1,010,546	994,052	954,839	896,377
<u>29,872,791</u>	<u>36,661,236</u>	<u>24,691,351</u>	<u>25,891,270</u>	<u>26,434,344</u>
<u>(10,321,291)</u>	<u>(15,183,895)</u>	<u>(954,657)</u>	<u>429,686</u>	<u>343,222</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	9,415,000	0
0	0	0	581,988	0
0	0	0	(9,839,167)	0
0	0	0	0	0
1,251,000	0	0	0	347,392
0	0	0	(157,821)	0
0	0	0	0	0
0	0	0	0	0
<u>1,251,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>347,392</u>
<u>(\$9,070,291)</u>	<u>(\$15,183,895)</u>	<u>(\$954,657)</u>	<u>\$429,686</u>	<u>\$690,614</u>
9.8%	9.7%	8.6%	7.7%	8.0%

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1999	\$ 164,061,450	\$ 9,806,130	\$ 496,764,514	\$ 12,694,070	\$ 14,425,080
2000	196,097,610	11,720,970	593,767,371	12,960,720	14,728,091
2001	199,738,380	11,938,580	604,791,314	12,015,310	13,653,761
2002	204,817,500	12,242,170	620,170,486	8,768,710	9,964,443
2003	230,742,590	13,791,740	698,669,514	8,658,870	9,839,625
2004	260,116,830	15,547,470	787,612,286	8,984,089	10,209,192
2005	248,082,010	14,828,130	751,171,829	9,365,200	10,642,273
2006	285,784,110	16,135,620	862,627,800	8,516,760	9,678,136
2007	299,750,260	16,326,670	903,076,943	8,596,020	9,768,205
2008	306,635,710	16,878,350	924,325,886	7,823,600	8,890,455

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

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

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

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

Tangible Personal Property		Total		
General Business				
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio
\$ 7,569,992	\$ 30,279,968	\$ 194,131,642	\$ 541,469,562	35.85%
7,835,089	31,340,356	228,614,389	639,835,818	35.73%
8,738,086	34,952,344	232,430,356	653,397,420	35.57%
9,238,487	36,953,948	235,066,867	667,088,877	35.24%
9,136,105	36,544,420	262,329,305	745,053,559	35.21%
9,592,910	38,371,640	294,241,299	836,193,118	35.19%
8,926,189	35,704,756	281,201,529	797,518,857	35.26%
8,156,222	32,624,888	318,592,712	904,930,824	35.21%
6,044,715	32,238,480	330,717,665	945,083,627	34.99%
4,920,678	26,243,616	336,258,338	959,459,956	35.05%

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

	1998	1999	2000	2001	2002
Unvoted Millage					
Operating	5.36	5.36	5.36	5.36	5.36
Voted Millage - by levy					
1976 Operating - continuing					
Residential/Agricultural Real	7.35	7.35	6.25	6.20	6.18
Commercial/Industrial and Public Utility Real	8.24	8.18	7.14	7.13	7.15
General Business and Public Utility Personal	19.52	19.52	19.52	19.52	19.52
1981 Operating - continuing					
Residential/Agricultural Real	3.82	3.82	3.25	3.22	3.21
Commercial/Industrial and Public Utility Real	4.28	4.24	3.71	3.70	3.71
General Business and Public Utility Personal	6.90	6.90	6.90	6.90	6.90
1987 Operating - continuing					
Residential/Agricultural Real	2.79	2.78	2.37	2.35	2.34
Commercial/Industrial and Public Utility Real	3.19	3.16	2.77	2.76	2.77
General Business and Public Utility Personal	3.90	3.90	3.90	3.90	3.90
1990 Operating - continuing					
Residential/Agricultural Real	2.38	2.38	2.03	2.01	2.00
Commercial/Industrial and Public Utility Real	2.86	2.84	2.48	2.47	2.48
General Business and Public Utility Personal	3.30	3.30	3.30	3.30	3.30
1995 Operating - continuing					
Residential/Agricultural Real	1.74	1.74	1.48	1.47	1.47
Commercial/Industrial and Public Utility Real	1.88	1.86	1.62	1.62	1.63
General Business and Public Utility Personal	2.00	2.00	2.00	2.00	2.00
1999 Operating - continuing					
Residential/Agricultural Real	0.00	0.00	4.04	4.01	4.00
Commercial/Industrial and Public Utility Real	0.00	0.00	4.15	4.14	4.16
General Business and Public Utility Personal	0.00	0.00	4.75	4.75	4.75
General Emergency	4.75	4.75	0.00	0.00	0.00
2002 Bond Levy (High School)	0.00	0.00	0.00	0.00	0.00
Total voted millage by type of property					
Residential/Agricultural Real	18.08	18.07	19.42	19.26	19.20
Commercial/Industrial and Public Utility Real	20.45	20.28	21.87	21.82	21.90
General Business and Public Utility Personal	40.37	40.37	40.37	40.37	40.37
Overlapping Rates by Taxing District					
Township					
Residential/Agricultural Real	5.33	5.32	4.92	4.89	6.43
Commercial/Industrial and Public Utility Real	5.46	5.43	5.06	5.06	6.50
General Business and Public Utility Personal	5.72	5.72	5.72	5.72	6.72
County					
Residential/Agricultural Real	6.28	6.26	5.84	6.63	7.01
Commercial/Industrial and Public Utility Real	6.75	6.74	6.36	7.12	7.51
General Business and Public Utility Personal	8.45	8.44	8.45	8.45	8.75
Vocational School	1.93	1.93	1.93	1.93	1.93

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

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

Source: Butler County Auditor

2003	2004	2005	2006	2007
5.36	5.36	5.36	5.36	5.36
5.58	5.56	5.49	4.95	7.35
6.37	6.39	6.38	6.04	8.24
19.52	19.52	19.52	19.52	19.52
2.90	2.89	2.90	2.57	3.82
3.31	3.32	3.31	3.13	4.28
6.90	6.90	6.90	6.90	6.90
2.11	2.10	2.08	1.87	2.79
2.47	2.47	2.47	2.34	3.19
3.90	3.90	3.90	3.90	3.90
1.81	1.80	1.78	1.60	2.38
2.21	2.22	2.21	2.09	2.86
3.30	3.30	3.30	3.30	3.30
1.32	1.32	1.30	1.17	1.74
1.45	1.45	1.45	1.37	1.88
2.00	2.00	2.00	2.00	2.00
3.61	3.60	3.55	3.20	0.00
3.70	3.71	3.70	3.51	0.00
4.75	4.75	4.75	4.75	0.00
0.00	0.00	0.00	0.00	4.75
6.25	6.25	6.25	6.00	0.00
23.58	23.52	23.35	21.36	18.08
25.76	25.81	25.77	24.48	20.45
46.62	46.62	46.62	46.37	40.37
6.11	6.08	6.34	6.00	5.33
6.19	6.21	6.48	6.23	5.46
6.72	6.72	6.72	6.72	5.72
6.40	7.33	7.94	8.40	6.28
7.10	7.88	8.38	9.00	6.75
8.75	8.74	8.74	9.44	8.45
1.93	1.93	1.93	1.93	1.93

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1998	\$ 5,384,738	\$ 5,242,795	97.36%	\$ 139,579	\$ 5,382,374	99.96%
1999	5,505,565	5,401,165	98.10%	167,019	5,568,184	101.14%
2000	5,978,841	5,593,400	93.55%	112,471	5,705,871	95.43%
2001	5,994,187	5,629,321	93.91%	166,376	5,795,697	96.69%
2002	5,768,382	5,722,821	99.21%	155,314	5,878,135	101.90%
2003	6,262,051	6,195,706	98.94%	125,756	6,321,462	100.95%
2004	7,928,997	7,511,048	94.73%	307,057	7,818,105	98.60%
2005	8,519,603	8,084,647	94.89%	360,419	8,445,066	99.13%
2006	8,263,259	7,870,754	95.25%	285,468	8,156,222	98.70%
2007	9,249,118	8,690,381	93.96%	339,034	9,029,415	97.62%

Source: Butler County Auditor

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2008 information cannot be presented because all collections have not been made by June 30, 2008.
- (3) The County does not identify delinquent tax collections by tax year.

Ross Local School District, Ohio

Principal Taxpayers

Real Estate Tax

2007 and 1997 (1)

Name of Taxpayer	2007	
	Assessed Value	Percent of Real Property Assessed Value
Tonya Engel	\$958,370	0.30%
Ronald Watson	698,420	0.22%
Mae Real Estate LLC	633,260	0.20%
American Aggregates Co.	602,670	0.19%
Alice M. Finke	550,260	0.17%
Skyview Storage	471,620	0.15%
Skyview Acres LLC	417,680	0.13%
T&C Mobile Home Park	358,660	0.11%
Vernon Tragesser TR	358,630	0.11%
Thomas Wilkerson	331,820	0.10%
Totals	\$5,381,390	1.66%
Total Assessed Valuation	\$323,514,060	

Name of Taxpayer	1997	
	Assessed Value	Percent of Real Property Assessed Value
Watson, Ronald	\$728,690	0.43%
Finke, Alice	464,320	0.27%
American Aggregates Corp	454,530	0.27%
Emmert, Andrew	449,960	0.27%
Welsh, Dean	309,890	0.18%
Wilkerson, Thomas	282,070	0.17%
Welsh, Dean	271,880	0.16%
Tragesser, Vernon	234,090	0.14%
Welch Sand & Gravel	233,480	0.14%
Bowling, Cheryl	220,120	0.13%
Totals	\$3,649,030	2.15%
Total Assessed Valuation	\$169,523,550	

(1) The amounts presented represent the assessed values upon which 2008 and 1998 collections were based.

Source: Office of the Butler County Auditor.

Ross Local School District, Ohio

Principal Taxpayers

Tangible Personal Property Tax

2007 and 1997 (1)

Name of Taxpayer	2007	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Cincinnati Bell Telephone	\$703,840	14.30%
Broshear Contractors	223,310	4.54%
Watson Gravel	140,930	2.86%
Martin Marietta Materials	140,050	2.85%
Tragesser Ford	113,840	2.31%
TE Products Pipeline	108,200	2.20%
Banc of America Leasing	88,460	1.80%
Cincinnati Bell Wireless	71,000	1.44%
Stephen Burkhart	67,290	1.37%
Welch Holdings	63,220	1.28%
Total	\$1,720,140	34.96%
Total Assessed Valuation	\$4,920,678	

Name of Taxpayer	1997	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Broshear Contractors Inc.	\$670,410	9.68%
MI-Bryn Inc	204,680	2.95%
Keycorp Leasing LTD	192,990	2.79%
Martin Marietta Corp	165,820	2.39%
Coaxial Communications	164,630	2.38%
Burkhart, Stephen	115,660	1.67%
Gaston Bowling Inc.	112,180	1.62%
General Electric Capital	111,100	1.60%
Finke Foods Inc.	87,440	1.26%
Moraine Materials Co.	72,160	1.04%
Total	\$1,897,070	27.38%
Total Assessed Valuation	\$6,927,607	

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

Source: Office of the Butler County Auditor.

Ross Local School District, Ohio

Principal Taxpayers

Public Utilities Tax

2007 and 1997 (1)

Name of Taxpayer	2007	
	Assessed Value	Percent of Public Utility Assessed Value
Duke Energy	\$3,474,440	44.41%
Butler Rural Electric	2,835,250	36.24%
Texas Eastern Transmission	823,590	10.53%
Dayton Power and Light	553,260	7.07%
Mid Valley Pipeline	94,100	1.20%
Buckeye Power	20,240	0.26%
Indiana Eastern RR LLC	22,700	0.29%
Total	<u>\$7,823,580</u>	<u>100.00%</u>
Total Assessed Valuation	<u>\$7,823,600</u>	

Name of Taxpayer	1997	
	Assessed Value	Percent of Public Utility Assessed Value
Cincinnati Gas & Electric	\$4,175,340	32.93%
Cincinnati Bell Inc.	1,323,250	10.44%
Dayton Power and Light	915,230	7.22%
Butler Rural Electric	427,250	3.37%
Total	<u>\$6,841,070</u>	<u>53.95%</u>
Total Assessed Valuation	<u>\$12,679,920</u>	

(1) The amounts presented represent the assessed values upon which 2008 and 1998 collections were based.

Source: Office of the Butler County Auditor

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

Fiscal Year	General Obligation Bonds	Capital Leases	Percentage of Personal Income	Per Capita	Debt to Estimated Actual Value of Taxable Property
1999	\$ 175,000	\$ 140,000	8.72%	\$ 0.60	0.03%
2000	130,000	71,757	14.18%	0.61	0.02%
2001	85,000	-	33.99%	0.26	0.01%
2002	45,000	-	65.08%	0.14	0.01%
2003	24,920,000	169,000	0.12%	75.39	3.34%
2004	24,300,000	1,348,000	0.12%	77.07	2.91%
2005	23,600,000	1,234,000	0.13%	74.62	2.96%
2006	22,865,000	1,179,000	0.13%	67.73	2.53%
2007	22,700,000	1,123,000	0.14%	67.11	2.40%
2008	21,835,000	1,329,900	0.15%	64.84	2.28%

Ross Local School District, Ohio
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2008*

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Overlapping Debt:			
Payable from Property Taxes			
Butler County General Obligation Bonds	\$61,605,330	5.01%	\$3,086,427
Payable from Other Sources:			
Butler County Special Assessment Bonds	9,466,643	5.01%	474,279
Butler County Sales Tax Bonds	26,532,756	5.01%	1,329,291
Butler County Capital Leases	<u>1,824,765</u>	5.01%	<u>91,421</u>
Total Overlapping Debt	99,429,494	5.01%	4,981,418
Direct Debt	<u>21,220,000</u>	100.00%	<u>21,220,000</u>
Total Direct and Overlapping Debt	<u><u>\$120,649,494</u></u>		<u><u>\$26,201,418</u></u>

Source: Office of the Auditor, Sample County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the overlapping government located within the boundaries of the School District by the total assessed valuation of the government. The valuations used were for the 2008 collection year.

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

	1999	2000	2001	2002	2003
Tax Valuation	<u>\$194,131,642</u>	<u>\$228,614,389</u>	<u>\$232,430,356</u>	<u>\$235,066,897</u>	<u>\$262,329,305</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>\$17,471,848</u>	<u>\$20,575,295</u>	<u>\$20,918,732</u>	<u>\$21,156,021</u>	<u>\$23,609,637</u>
Amount of Debt Applicable to Debt Limit General Obligation Bonds Less Amount Available in Debt Service	175,000	130,000	85,000	45,000	24,920,000
Amount of Debt Subject to Limit	<u>175,000</u>	<u>130,000</u>	<u>85,000</u>	<u>45,000</u>	<u>24,920,000</u>
Legal Debt Margin	<u>\$17,296,848</u>	<u>\$20,445,295</u>	<u>\$20,833,732</u>	<u>\$21,111,021</u>	<u>(\$1,310,363)</u>
Legal Debt Margin as a Percentage of the Debt Limit	99.00%	99.37%	99.59%	99.79%	-5.55%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$194,132	\$228,614	\$232,430	\$235,067	\$262,329
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$194,132</u>	<u>\$228,614</u>	<u>\$232,430</u>	<u>\$235,067</u>	<u>\$262,329</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%

Source: School District Financial Records

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

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

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

2004	2005	2006	2007	2008
<u>\$294,241,299</u>	<u>\$281,201,529</u>	<u>\$318,592,712</u>	<u>\$ 330,717,665</u>	<u>\$ 336,258,338</u>
<u>\$26,481,717</u>	<u>\$25,308,138</u>	<u>\$28,673,344</u>	<u>\$29,764,590</u>	<u>\$30,263,250</u>
24,300,000	23,600,000	22,865,000	22,085,000	21,220,000
<u>24,300,000</u>	<u>23,600,000</u>	<u>22,865,000</u>	<u>22,085,000</u>	<u>21,220,000</u>
<u>\$2,181,717</u>	<u>\$1,708,138</u>	<u>\$5,808,344</u>	<u>\$7,679,590</u>	<u>\$9,043,250</u>
8.24%	6.75%	20.26%	25.80%	29.88%
\$294,241	\$281,202	\$318,593	\$330,718	\$336,258
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$294,241</u>	<u>\$281,202</u>	<u>\$318,593</u>	<u>\$330,718</u>	<u>\$336,258</u>
100.00%	100.00%	100.00%	100.00%	100.00%

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

Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
1999	291,479	\$ 8,008,385,525	\$ 27,475	3.20%
2000	332,807	9,523,272,305	28,615	3.00%
2001	332,807	9,614,128,616	28,888	3.30%
2002	332,807	9,746,585,802	29,286	4.40%
2003	332,807	9,988,869,298	30,014	4.40%
2004	332,807	10,221,501,391	30,713	3.80%
2005	332,807	10,537,335,234	31,662	4.90%
2006	354,992	11,464,466,640	32,295	4.40%
2007	354,992	11,693,791,472	32,941	5.00%
2008	357,276	12,004,473,600	33,600	5.00%

Sources: 1) United States Census Bureau. Provided by County only
2) US Dept. of Commerce, Bureau of Economic Analysis.
Information was available through 2005.
Estimated increase of 2% for 2007 and 2008.
3) Ohio Bureau of Employment Services. Butler County Unemployment rate.

Ross Local School District, Ohio

Principal Employers(1)

Current Year and Nine Years Ago

Employer	Nature of Business	2008		1999	
		Number of Employees	Rank	Number of Employees	Rank
Miami University	Government	4,200	1	3,500	2
AK Steel	Manufacturing	4,100	2	4,250	1
Cincinnati Insurance	Insurance	4,600	3	1,992	4
Butler County Government	Government	2,000	4	2,000	3
Lakota Board of Educaiton	Government	1,891	5	1,480	6
Mercy Regional Hospital	Health Care	1,610	6	1,400	7
Middletown Regional Health	Health Care	1,470	7	1,400	8
Hamilto City Board of Education	Government	1,328	8	1,100	10
Ohio Casualty Insurance Co.	Insurance	1,300	9	1,500	5
Ft. Hamilton Memorial Hospital	Health Care	1,250	10	1,400	9
Total		<u>23,749</u>		<u>20,022</u>	

Information is provided by Butler County

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

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

Function/Program	2004	2005	2006	2007	2008
Regular Instruction					
Elementary Classroom Teachers	50.00	51.00	51.00	50.00	48.00
Middle School Classroom Teachers	37.00	37.00	37.00	39.50	39.50
High School Classroom Teachers	48.00	48.00	50.00	51.00	51.00
Special Instruction					
Elementary Classroom Teachers	7.00	8.00	9.00	11.00	13.00
Gifted Education Teachers	1.50	1.50	1.50	1.50	1.50
Middle School Classroom Teachers	6.00	6.00	6.00	6.00	7.00
High School Classroom Teachers	4.00	5.00	5.00	5.25	6.50
Vocational Instruction					
High School Classroom Teachers	1.00	1.00	1.00	1.00	1.00
Pupil Support Services					
Guidance Counselors	6.00	6.00	6.00	6.00	6.00
Librarians	2.00	2.00	2.00	2.00	2.00
Psychologists	0.00	0.00	0.00	-	-
Speech and Language Pathologists	2.00	2.00	2.00	2.00	2.00
Nurse	1.00	1.00	1.00	1.00	1.00
Administrators					
Elementary	2.00	2.00	2.00	2.00	2.00
Middle School	2.00	2.00	2.00	2.00	2.00
High School	2.00	2.00	2.00	2.00	2.00
Operation of Plant					
Custodians	12.00	13.00	14.00	14.00	14.00
Maintenance	0.00	0.00	0.00	-	-
Pupil Transportation					
Bus Drivers	31.00	32.00	33.00	33.00	30.00
Bus Aides	0.00	0.00	0.00	-	-
Van Drivers	0.00	1.00	1.00	1.00	1.00
Food Service Program					
Elementary Cooks	5.00	6.00	6.00	6.00	5.50
Middle School Cooks	5.00	6.00	6.00	6.00	5.50
High School Cooks	7.00	7.00	7.00	7.00	6.50

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

Information prior to 2004 is not available.

Source: School district records

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

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary Comparable Districts (3)	Statewide Average Salary (4)
1999	\$ 23,795	\$ 51,492	N/A	N/A
2000	24,509	53,037	N/A	N/A
2001	25,244	54,628	40,743	42,995
2002	26,380	57,086	41,992	43,755
2003	27,435	59,369	43,137	45,645
2004	28,532	61,743	45,045	47,659
2005	28,532	61,743	46,963	49,438
2006	29,531	63,905	47,449	50,772
2007	30,860	66,781	48,835	53,536
2008	31,817	68,851	50,225	53,410

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

Ross Local School District, Ohio

Operating Statistics

Last Six Fiscal Years

<u>Fiscal Year</u>	<u>General Fund Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>
2003	\$ 15,809,412	2,627	\$ 6,018	-	160	16.4
2004	17,030,320	2,738	6,220	3.36%	161	17.0
2005	16,383,648	2,882	5,685	-8.60%	165	17.5
2006	18,687,008	2,919	6,402	12.61%	166	17.6
2007	21,259,435	2,922	7,276	13.65%	166	17.6
2008	21,642,823	2,903	7,455	2.47%	168	17.3

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

Ross Local School District, Ohio
Building Statistics
Last Six Fiscal Years

	2002	2003	2004	2005	2006	2007	2008
MORGAN ELEMENTARY							
Constructed in 1982							
Total Building Square Footage	47,050	47,050	47,050	47,050	47,050	47,050	47,050
Enrollment Grades PK-5	442	435	451	439	487	488	461
Student Capacity	500	500	500	500	500	500	500
Regular Instruction Classrooms	25	25	24	23	22	21	20
Regular Instruction Teachers	25	25	24	23	22	22	20
Special Instruction Classrooms	1	1	2	3	4	4	6
Special Instruction Teachers	2	2	3	4	5	5	6
ELDA ELEMENTARY							
Constructed in 1962							
Total Building Square Footage	42,858	42,858	42,858	57,358	57,358	57,358	57,358
Enrollment Grades K-4	516	527	550	616	673	663	643
Student Capacity	500	500	500	575	575	575	575
Regular Instruction Classrooms	26	26	26	28	29	28	28
Regular Instruction Teachers	26	26	26	28	29	28	28
Special Instruction Classrooms	3	3	3	3	3	5	5
Special Instruction Teachers	4	4	4	4	4	7	7
ROSS MIDDLE SCHOOL							
Constructed in 1969							
Total Building Square Footage*	79,363	79,363	79,363	79,363	101,279	101,279	101,279
Enrollment Grades 5-8	737	730	783	783	815	825	808
Student Capacity	800	800	800	800	750	750	750
Regular Instruction Classrooms	37	37	37	37	37	37	38
Regular Instruction Teachers	37	37	37	37	37	39.5	39.5
Special Instruction Classrooms	4	4	4	4	5	5	5
Special Instruction Teachers	5	6	6	6	6	6	8
ROSS HIGH SCHOOL							
Constructed in 2005							
Total Building Square Footage**	101,279	101,279	101,279	101,279	180,080	180,080	180,080
Enrollment Grades 9-12	817	852	887	932	971	946	991
Student Capacity	750	750	750	750	920	920	920
Regular Instruction Classrooms	40	40	40	40	49	49	49
Regular Instruction Teachers	48	48	48	48	50	51	51
Special Instruction Classrooms	2	2	2	2	4	5	5
Special Instruction Teachers	3	4	4	5	5	6.25	6



Mary Taylor, CPA
Auditor of State

ROSS LOCAL SCHOOL DISTRICT

BUTLER COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 19, 2009**