

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

Comprehensive  
Annual  
Financial  
Report

For the Fiscal Year Ended  
June 30, 2004





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Ross Local School District

We have reviewed the Independent Auditor's Report of the Ross Local School District, Butler County, prepared by Clark, Schaefer, Hackett & Co. for the audit period July 1, 2003 through June 30, 2004. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

February 7, 2005

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**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

of the

**ROSS LOCAL SCHOOL DISTRICT,**

**BUTLER COUNTY, OHIO**

For the Fiscal Year Ended June 30, 2004

**BOARD OF EDUCATION**

Edward Bosse  
Marcia Lang Canter  
Richard Emery  
Larry Stebbins  
Darrell Ramsey

**SUPERINTENDENT OF SCHOOLS**

M. Todd Yohey

**ISSUED BY  
TREASURER'S OFFICE**

Tracy Jarvis,  
Treasurer

## Introductory Section

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2004**

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# Ross Local Schools

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

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

December 17, 2004

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, 2004. 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 2003-2004 fiscal year. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the District's continuing commitment to provide financial information to the citizens of the Ross Local School District.

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

This report has been divided into three sections:

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

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

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

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

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

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

## **ECONOMIC CONDITION**

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

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

## **THE DISTRICT AND ITS FACILITIES**

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

The District had 2,671 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, 2004 are:

<u>Board Member</u>	<u>Term</u>	<u>Years on Board</u>
Mr. Darrell Ramsey	1/1/2004 – 12/31/2007	1/2
Ms. Marcia Lang Canter	1/1/2004 – 12/31/2007	11
Mr. Richard Emery	1/1/2004 – 12/31/2007	10 – 1/2
Mr. Edward Bosse	1/1/2002 – 12/31/2005	23 – 1/2
Mr. Larry Stebbins	1/1/2002 – 12/31/2005	8 – 1/2

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

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

## **EMPLOYEE RELATIONS**

The District has 277 full and part-time employees. This number has increased slightly over the past few years as various programs and services have been expended to meet the changing needs of students and community. There is one organization representing the certificated employees. The District's classified and administrative employees are not currently represented.

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

## **SERVICES PROVIDED**

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

## **MAJOR INITIATIVES**

### **Facility Program**

August of 2005 will bring many facility changes for the Ross Local School District. After several years of planning and community involvement the Ross Local School District will be ready to open its new high school facility for grades 9-12. Construction for the new high school began in March 2004 and will be completed in August 2005. The opening of the new high school will complete phase one of the district's facility master plan. Phase one includes construction of a new 135,000 square foot high school and a 15,000 square foot addition to Elda Elementary. The Elda addition was completed in December 2004. Phase two of the master plan will include renovation of the current high school into a middle school and the renovation of both Elda and Morgan Elementary Schools. If enrollment continues to increase as projected the second phase will also

include the construction of a third elementary school. The total cost of this project is estimated at \$50,000,000 with local taxpayers already approving a \$24,900,000 bond issue. The state of Ohio through its Expedited Local Partnership Program is committed to funding the remainder (48%).

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

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

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

### **Fiscal Health**

Due to the failure of two operating levies in 2004 the Ross Local School District now finds itself in deficit spending. Passage of an operating levy in 2005 will be critical to the long-term fiscal health of the district. Even with an operating levy in 2005 the district will need to reduce its operating budget of \$17,500,000 by approximately 10% over the next three years. This reduction will include transportation, personnel, and student programming. The district plans to work with the community in establishing a viable levy campaign.

## **FINANCIAL INFORMATION**

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

### **Internal Controls**

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

### **Single Audit Act**

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

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

### **Budgetary Controls**

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

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

## **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, 2003. 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**

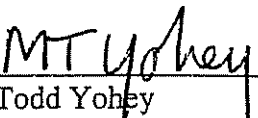
State statutes require an annual audit by independent accountants for the State Auditor's Office. Clark, Schaefer, Hackett & Co. conducted the District's 2004 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of 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.

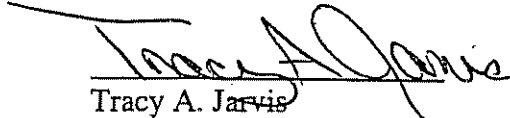
### **Acknowledgements**

The preparation and publication of this report would not have been possible without the cooperation of the entire Treasurer's Office. A special note of appreciation is extended to Mary Cole of Clark, Schaefer, Hackett & Co, for her individual efforts in helping us prepare our CAFR.

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

Sincerely,

  
\_\_\_\_\_  
M. Todd Yohey  
Superintendent

  
\_\_\_\_\_  
Tracy A. Jarvis  
Treasurer



Ross Local School District  
Appointed Officials  
June 30, 2004

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

Ross Local School District  
Consultant and Advisors  
As of June 30, 2004

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**Architect**

Steed Hammond Paul  
82 Williams Avenue  
Hamilton, Ohio 45015

**Bond Council**

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

**Independent Auditor**

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

**Investment Counselor**

Seasongood & Mayer  
414 Walnut Street  
Cincinnati, Ohio 45202

**Legal Council**

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

**Underwriter**

Seasongood & Mayer  
414 Walnut Street  
Cincinnati, Ohio 45202

**Official Depositories**

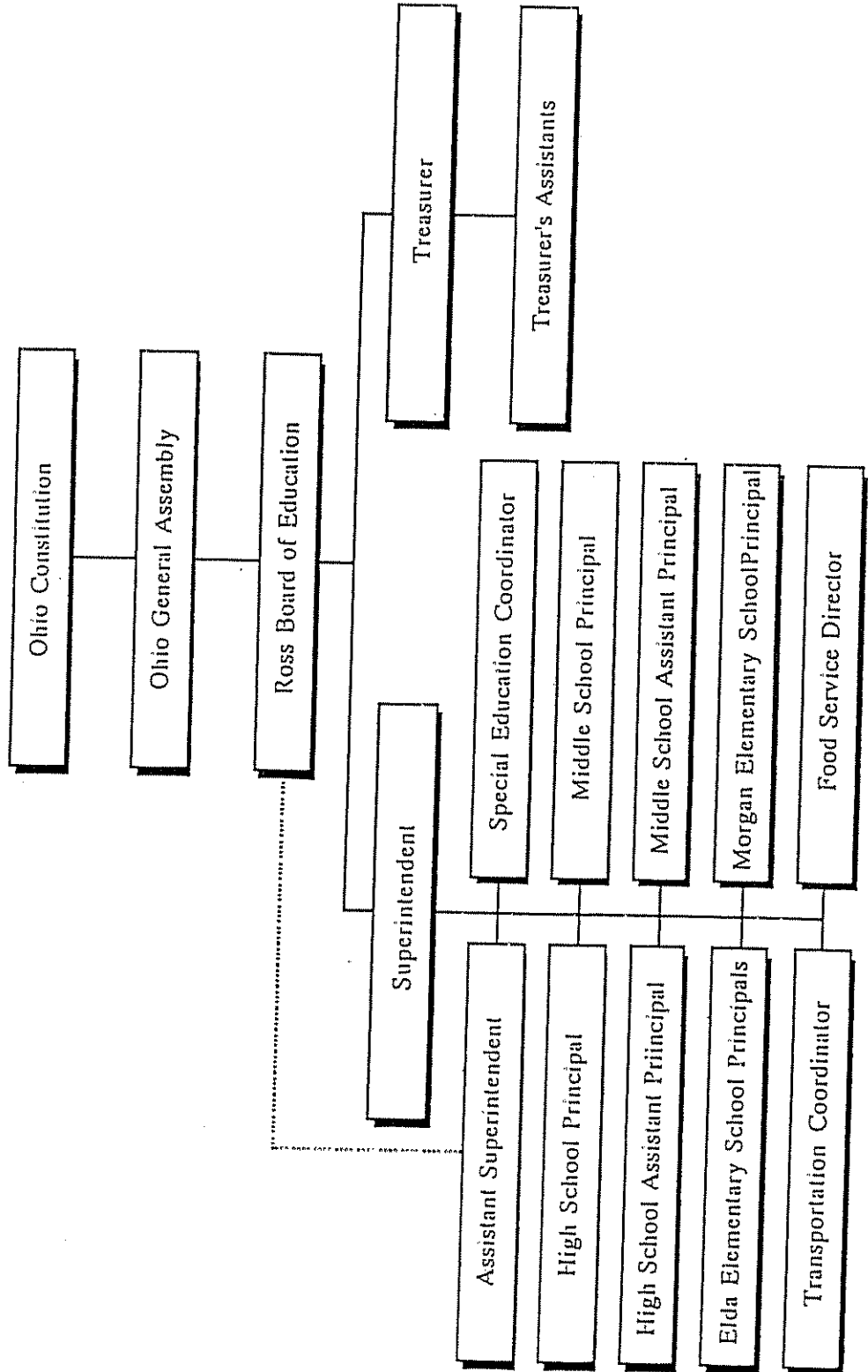
Fifth Third Bank  
4005 Hamilton Cleves Road  
Hamilton, Ohio 45013

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

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

J F Molloy  
PO Box 68947  
Indianapolis, Indiana 46268

# Ross Local School District Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ross Local School District,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

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



*Nancy L. Ziehl*

President

*Jeffrey R. Emer*

Executive Director

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## Financial Section

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

**INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
Ross Local School District:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ross Local School District, as of and for the year ended June 30, 2004, 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 these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2004, 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 November 12, 2004, on our consideration of Ross Local School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 10 and 39 through 40, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was 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 statistical tables 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 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 section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clark, Schaefer, Haeckel & Co.*

Middletown, Ohio  
November 12, 2004



## 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, 2004. 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 2004 are listed below:

- ✓ The assets of the School District exceeded its liabilities at year-end by \$19 million. Of this amount, \$2.8 million may be used to meet the government's ongoing obligations to citizens and creditors.
- ✓ In total, net assets decreased by \$3.5 million.
- ✓ The School District had \$23 million in expenses related to governmental activities; only \$2 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$17.7 million, made up primarily of property taxes and State Foundation payments, were adequate to provide for these programs.
- ✓ The General Fund balance decreased by \$1.6 million from \$2.8 million at June 30, 2003 to \$1.2 million at June 30, 2004.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2004**  
**Unaudited**

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

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

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

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

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

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

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2004**  
**Unaudited**

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information concerning the budget for the General Fund. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

**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, 2004:

	<b>Governmental Activities</b>	<b>Governmental Activities</b>
	<b><u>2004</u></b>	<b><u>2003</u></b>
Current and other assets \$	30,839,902	35,964,491
Capital assets	<u>26,085,626</u>	<u>20,152,618</u>
Total assets	<u>56,925,528</u>	<u>56,117,109</u>
Long-term debt outstanding	25,642,849	24,307,390
Other liabilities	<u>12,766,403</u>	<u>9,751,722</u>
Total liabilities	<u>38,409,252</u>	<u>34,059,112</u>
Net assets:		
Invested in capital assets, net of debt	7,528,672	20,132,618
Restricted:		
For capital purposes	5,743,046	24,026,790
Other purposes	2,465,935	1,303,152
Unrestricted	<u>2,778,623</u>	<u>(23,404,563)</u>
Total net assets \$	<u>18,516,276</u>	<u>22,057,997</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 \$2,778,623 may be used to meet the government's ongoing obligations to citizens and creditors.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2004**  
**Unaudited**

The increase in capital assets reflects construction on the new high school and significant improvements to Elda Elementary School. The increase in long-term debt outstanding reflects a new capital lease used to provide equipment for the new high school.

**B. Governmental Activities during fiscal year 2004**

The following table presents a condensed summary of the School District's activities during fiscal year 2004 and the resulting change in net assets:

	<b>Governmental Activities <u>2004</u></b>	<b>Governmental Activities <u>2003</u></b>
<b>Revenues:</b>		
Program revenues:		
Charges for sales and service	\$ 1,108,005	966,470
Operating grants and contributions	<u>872,501</u>	<u>883,236</u>
Total program revenues	<u>1,980,506</u>	<u>1,849,706</u>
General Revenues:		
Property taxes	7,601,443	6,286,132
Grants	9,805,541	9,368,561
Investment earnings	157,878	391,607
Miscellaneous	<u>97,446</u>	<u>595,628</u>
Total general revenues	<u>17,662,308</u>	<u>16,641,929</u>
<b>Total revenues</b>	<b><u>19,642,814</u></b>	<b><u>18,491,635</u></b>
<b>Expenses:</b>		
Instruction	12,882,654	11,141,648
Support services:		
Pupil	655,851	686,447
Instructional staff	848,876	895,705
Board of education	121,801	79,646
Administration	1,600,836	1,623,461
Fiscal	21,432	437,782
Operation of maintenance and plant	1,941,084	1,082,967
Pupil transportation	1,600,836	1,580,526
Central	21,432	25,554
Non-instructional services	1,147,634	893,020
Interest on long-term debt	1,185,372	155,152
Food services	<u>674,840</u>	<u>380,579</u>
<b>Total expenses</b>	<b><u>23,184,535</u></b>	<b><u>18,982,487</u></b>
<b>Change in net assets</b>	<b>\$ <u>(3,541,721)</u></b>	<b><u>(490,851)</u></b>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2004**  
**Unaudited**

Of the total governmental activities revenues of \$19,642,814, \$1,980,506 (10%) 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, 43% comes from property tax levies and 56% is from state and federal funding. The School District's operations are reliant upon its property tax levy and the state's foundation program.

***Governmental Activities***

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 10% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$12,882,654 but program revenue contributed to fund 4% of those costs. Thus, general revenues of \$12,436,632 were used to support of remainder of the instruction costs.

The School District's governmental activities net assets decreased by \$3,541,721 due primarily to increases in personnel and facility costs including inflationary increases in expenditures and additional program offerings aimed at literacy.

	<b>Governmental Activities</b>			
	<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	\$ 12,882,654	446,022	2%	12,436,632
Support services	7,293,935	343,764	1%	6,950,171
Non-instructional services	1,147,634	492,171	3%	655,463
Food service	674,840	698,549	4%	23,709
Interest on long-term debt	<u>1,185,372</u>	<u>-</u>	<u>0%</u>	<u>1,185,372</u>
<b>Total</b>	<b>\$ <u>23,184,435</u></b>	<b><u>1,980,506</u></b>	<b><u>10%</u></b>	<b><u>21,203,929</u></b>

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

**Governmental funds**

The School District has three major governmental funds: the General Fund, the Debt Service Fund and a Capital Projects Fund. Assets of these funds comprise \$30,277,417 (99%) of the total \$30,655,125 governmental funds assets.

**General Fund:** Fund balance at June 30, 2004 was \$1,175,248, including \$244,497 of unreserved balance, which represents 1% of expenditures for fiscal year 2004. The primary reasons for the decrease in fund balance were inflationary increases in expenditures and capital outlay costs related to the new high school and improvements at the elementary schools.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
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**Debt Service Fund:** The fund balance at June 30, 2004 was \$495,935 , which represents 27% of expenditures for fiscal year 2004. Current year change in fund balance was \$(18,266) which is a significant decrease over the fiscal year 2003 fund balance increase of \$514,201. The cause of the decrease relates mainly to the interest payments related to the school improvement bonds. Fiscal year 2004 was the first year for principal and interest payments related to these bonds.

**Capital Projects Fund:** The net change in fund balance for fiscal 2004 was \$(7,306,371) and relates to expenditures for construction of the new high school. Bonds were issued in fiscal 2003 to finance the construction but construction did not begin until fiscal 2004.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2004, the School District had \$26,085,626 invested in a broad range of capital assets, including land, buildings, equipment and vehicles. The total increase in the School District's investment in capital assets for the current fiscal year was approximately 29% and reflects the construction on the new high school. See Note 6 to the financial statements for more detail.

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

		<b>Governmental Activities</b>
Land	\$	1,291,705
Construction in progress		6,140,683
Land improvements		300,609
Building and improvements		15,768,641
Furniture and equipment		<u>2,583,988</u>
Total	\$	<u><u>26,085,626</u></u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2004**  
**Unaudited**

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**Debt**

For the year ended June 30, 2004, the district retired \$20,000 in Facility Bonds associated with a 1996 House Bill 264 Energy Conservation Project.

In March 2003, the Board issued bonds in the amount of \$24,900,000 in build a new high school and additions to Elda Elementary. These bonds were issued after the passage of a voted tax issue to repay the debt for the next 26 years for the improvements. The first principal payment of \$600,000 was made in fiscal 2004, as well as related interest of \$1,168,519.

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. Principal and interest payments will begin in fiscal 2005.

See Note 7 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, 2004**  
**Unaudited**

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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.



Tracy A. Jarvis  
Treasurer/CFO  
December 17, 2004



# ROSS LOCAL SCHOOL DISTRICT, OHIO

## Statement of Net Assets

June 30, 2004

	<u>Governmental Activities</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 22,311,604
Receivables:	
Taxes	8,151,541
Accounts	7,638
Intergovernmental	14,298
Interest	122,513
Supplies inventory	14,917
Prepays	32,614
Deferred charges	184,777
Nondepreciable capital assets	7,432,388
Depreciable capital assets, net	<u>18,653,238</u>
<b>Total assets</b>	<u>56,925,528</u>
<b>Liabilities:</b>	
Accounts payable	117,220
Contracts payable	1,978,428
Accrued wages and benefits	1,632,823
Due to other governments	16,901
Pension obligation payable	401,911
Interest payable	106,309
Deferred revenue	7,628,592
Noncurrent liabilities:	
Due within one year	884,219
Due within more than one year	<u>25,642,849</u>
<b>Total liabilities</b>	<u>38,409,252</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	7,528,672
Restricted for:	
Capital projects	5,743,046
Other purposes	2,465,935
Unrestricted	<u>2,778,623</u>
<b>Total net assets</b>	<u>\$ 18,516,276</u>

See accompanying notes to the basic financial statements.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Activities  
Year Ended June 30, 2004

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$ 9,124,245	169,109	118,459	-	\$ (8,836,677)
Special education	1,388,504	-	144,022	-	(1,244,482)
Adult/continuing	738	14,432	-	-	13,694
Other	369,167	-	-	-	(369,167)
Support services:					
Pupil	655,851	-	9,651	-	(646,200)
Instructional staff	848,876	-	331,528	-	(517,348)
Board of Education	121,801	-	-	-	(121,801)
Administration	1,600,221	-	2,585	-	(1,597,636)
Fiscal	503,934	-	-	-	(503,934)
Operation and maintenance of plant					
	3,941,084	-	-	-	(3,941,084)
Pupil transportation					
	1,600,836	-	-	-	(1,600,836)
Central	21,432	-	-	-	(21,432)
Non-instructional services:					
Extracurricular activities	823,930	340,358	-	-	(483,572)
Community service	323,704	-	151,813	-	(171,891)
Food Service	674,840	584,106	114,443	-	23,709
Interest on long-term debt	1,185,372	-	-	-	(1,185,372)
<b>Total Governmental Activities</b>	<b>23,184,535</b>	<b>1,108,005</b>	<b>872,501</b>	<b>-</b>	<b>(21,204,029)</b>
<b>General Revenues:</b>					
Property taxes, levied for general purposes					6,087,781
Property taxes, levied for debt services					1,513,662
Grants and entitlements not restricted to specific programs					9,805,541
Investment earnings					157,878
Miscellaneous					97,446
<b>Total general revenues</b>					<b>17,662,308</b>
Change in net assets					(3,541,721)
Net assets beginning of year					22,057,997
Net assets end of year				\$	<b>18,516,276</b>

See accompanying notes to the basic financial statements.

# ROSS LOCAL SCHOOL DISTRICT, OHIO

Balance Sheet

Governmental Funds

June 30, 2004

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 2,514,421	495,935	18,556,954	351,494	21,918,804
Restricted cash	392,800	-	-	-	392,800
Receivables:					
Taxes	6,181,541	1,970,000	-	-	8,151,541
Intergovernmental	7,458	-	-	14,298	21,756
Accounts	-	-	-	180	180
Interest	-	-	122,513	-	122,513
Prepays	32,614	-	-	-	32,614
Supplies inventory	3,181	-	-	11,736	14,917
<b>Total assets</b>	<u>9,132,015</u>	<u>2,465,935</u>	<u>18,679,467</u>	<u>377,708</u>	<u>30,655,125</u>
<b>Liabilities:</b>					
Accounts payable	69,502	-	-	47,718	117,220
Contracts payable	30,456	-	1,947,972	-	1,978,428
Accrued wages and benefits	1,494,436	-	-	138,387	1,632,823
Pension obligation payable	269,478	-	-	14,984	284,462
Due to other governments	16,354	-	-	547	16,901
Deferred revenue	6,076,541	1,970,000	12,276	-	8,058,817
<b>Total liabilities</b>	<u>7,956,767</u>	<u>1,970,000</u>	<u>1,960,248</u>	<u>201,636</u>	<u>12,088,651</u>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	297,773	-	16,732,541	46,540	17,076,854
Budget stabilization	392,800	-	-	-	392,800
Property taxes	105,000	-	-	-	105,000
Prepays	32,614	-	-	-	32,614
Supplies inventory	3,181	-	-	11,736	14,917
Unreserved, reported in:					
General Fund	343,880	-	-	-	343,880
Special Revenue Funds	-	-	-	117,796	117,796
Debt Service Fund	-	495,935	-	-	495,935
Capital Projects Funds	-	-	(13,322)	-	(13,322)
<b>Total fund balances</b>	<u>1,175,248</u>	<u>495,935</u>	<u>16,719,219</u>	<u>176,072</u>	<u>18,566,474</u>
<b>Total liabilities and fund balances</b>	\$ <u>9,132,015</u>	<u>2,465,935</u>	<u>18,679,467</u>	<u>377,708</u>	<u>30,655,125</u>

See accompanying notes to the basic financial statements

Reconciliation of Total Governmental Fund Balances to  
Net Assets of Governmental Activities  
June 30, 2004

<b>Total Governmental Fund Balances</b>	<b>\$</b>	<b>18,566,474</b>
Amounts reported for governmental activities in the statement of net assets are different because:		
Deferred charges in governmental activities are not financial resources and therefore are not reported in the funds.		184,777
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds		430,225
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		26,085,626
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	(991,765)	
Interest payable	(\$106,309)	
Bonds payable	(24,300,000)	
Discount on bond issue	164,095	
Pension obligation payable	(117,450)	
Retirement incentive obligation	(51,398)	
Lease-purchase agreements	<u>(1,348,000)</u>	
Total		<u>(26,750,827)</u>
<b>Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u>18,516,275</u></b>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2004

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 5,920,588	1,513,662	-	-	7,434,249
Tuition and fees	14,582	-	-	-	14,582
Interest	(3,715)	-	148,753	564	145,602
Charges for services	-	-	-	660,983	660,983
Intergovernmental	9,526,080	279,461	-	872,501	10,678,042
Other local revenues	244,504	-	10,000	363,538	618,042
<b>Total revenues</b>	<u>15,702,039</u>	<u>1,793,123</u>	<u>158,753</u>	<u>1,897,586</u>	<u>19,551,501</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	8,862,898	-	-	309,769	9,172,667
Special education	1,188,147	-	-	239,439	1,427,586
Other instruction	369,905	-	-	-	369,905
<b>Support services:</b>					
Pupil	666,374	-	-	49,314	715,688
Instructional staff	656,662	-	-	192,237	848,899
Board of Education	14,942	-	-	-	14,942
Administration	1,498,466	3,241	-	35,217	1,536,924
Fiscal	454,272	19,119	-	-	473,391
Operation and maintenance of plant	1,181,408	-	-	-	1,181,408
Pupil transportation	1,490,487	-	-	-	1,490,487
Central	-	-	-	12,000	12,000
<b>Non-instructional services:</b>					
Extracurricular activities	641,632	-	-	229,117	870,749
Community service	-	-	-	257,835	257,835
Food service	-	-	-	691,976	691,976
Capital outlay	226,102	-	8,716,124	-	8,942,226
<b>Debt Service:</b>					
Principal	72,000	620,000	-	-	692,000
Interest and fiscal charges	5,079	1,169,029	-	-	1,174,108
<b>Total expenditures</b>	<u>17,328,374</u>	<u>1,811,389</u>	<u>8,716,124</u>	<u>2,016,904</u>	<u>29,872,791</u>
Excess of revenues under expenditures	<u>(1,626,335)</u>	<u>(18,266)</u>	<u>(8,557,371)</u>	<u>(119,318)</u>	<u>(10,321,290)</u>
<b>Other financing sources:</b>					
Proceeds from lease-purchase agreement	-	-	1,251,000	-	1,251,000
<b>Total other financing sources:</b>	<u>-</u>	<u>-</u>	<u>1,251,000</u>	<u>-</u>	<u>1,251,000</u>
Net change in fund balance	(1,626,335)	(18,266)	(7,306,371)	(119,318)	(9,070,290)
Fund balance, beginning of year	2,801,583	514,201	24,025,590	295,390	27,636,764
Fund balance, end of year	\$ <u>1,175,248</u>	<u>495,935</u>	<u>16,719,219</u>	<u>176,072</u>	<u>18,566,474</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, 2004

Net Change in Fund Balances - Total Governmental Funds	\$	(9,070,290)
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		6,567,414
Depreciation expense		(718,079)
Amortization of bond issuance costs is an other financing use in the governmental funds. However, the deferred costs are an asset on the statement of net assets and are amortized over the life of the bond		
		(7,391)
The underwriter's discount from the sale of bonds is an other financing use in the governmental funds, but the discount is included as a long term liability in the statement of net assets		
		(6,564)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets		
		692,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due		
		2,691
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		
		158,037
In the statement of activities, only the loss on the sale of capital assets is reported. Current financial resources are not reported as revenues in the funds		
		(88,279)
Proceeds from the sale of bond anticipation notes represent a liability on the Statement of Net Assets		
		(1,251,000)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		
		<u>179,740</u>
Change in Net Assets of Governmental Activities	\$	<u>(3,541,721)</u>

# ROSS LOCAL SCHOOL DISTRICT, OHIO

## Statement of Net Assets

### Fiduciary Funds

June 30, 2004

		<u>Private Purpose Trusts</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Equity in pooled cash and investments	\$	<u>2,116</u>	<u>65,859</u>
Total assets		<u><u>2,116</u></u>	<u><u>65,859</u></u>
<b>LIABILITIES</b>			
Accounts payable		-	25,831
Due to student groups		<u>-</u>	<u>40,028</u>
Total liabilities		<u><u>-</u></u>	<u><u>65,859</u></u>
<b>NET ASSETS</b>			
Held in trust	\$	<u><u>2,116</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, 2004

	<u>Private- Purpose Trust Funds</u>
<b>Additions:</b>	
Interest	<u>24</u>
Total additions	<u>24</u>
<b>Deductions:</b>	
Community service	<u>100</u>
	<u>100</u>
Change in net assets	(76)
Net assets, beginning of year	<u>2,192</u>
Net assets, end of year	\$ <u><u>2,116</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, 2004

**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. The District has the option to follow subsequent FASB statements and interpretations but has elected not to do so. The District's significant accounting policies are described below.

**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 11.

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2004

**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.

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.

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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.

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

Fiduciary Funds

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

**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.

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Notes to the Financial Statements  
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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 taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the fiscal year in which use is first permitted, matching requirements, in which the District must provide local resources to be used for specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

*Deferred Revenue* – Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Property taxes measurable as of June 30, 2004 that are intended to finance fiscal year 2005 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. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

*Tax budget* – Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Butler County Budget Commission for rate determination.

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*Estimated Resources* – Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District's Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2004.

*Appropriations* – Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed value and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund levels of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation resolution to meet the ordinary expenses of the District. The appropriation measures, by fund, must be within the estimated resources as certified by the County Budget Commission and the total expenditures and encumbrances may not exceed the appropriation totals at the level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures, which appear in the statements of budgetary comparisons, represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions. The Board passed supplemental appropriations during the fiscal year.

*Encumbrances* – As part of the formal budgetary controls, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent year expenditures for governmental funds.

*Lapsing of Appropriations* – At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
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**F. Cash and Investments**

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. During fiscal year 2004, the District's investments were limited to US Treasury notes, US Agency securities and the State Treasury Assets Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2004.

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, 2004 at fair value.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment revenue earned in fiscal year 2004 totaled \$157,878 for all funds.

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

**G. 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.

**H. 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.

**I. Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements but are not reported in the governmental fund financial statements. The District defines capital assets as those with an individual cost of more than \$500 and an estimated useful life in excess of one year. All capital assets are reported at cost or estimated historical cost. Donated

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capital assets are stated at their estimated fair value when received. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

All reported capital assets except land 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

**J. 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.

**K. 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.

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**L. Net Assets**

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**M. Fund Balance Reserves**

The District records reservations for portions of fund equity that are legally segregated for specific use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balances indicate that portion of fund equity that is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, prepaids, supplies inventory and budget reserve set-asides.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statutes. The reserve for budget stabilization represents money set-aside to protect against cyclical changes in revenues and expenditures.

**N. Estimates**

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

**NOTE 3-DEFICIT FUND BALANCES**

At June 30, 2004, the following funds had a deficit fund balance:

Food Service Special Revenue	\$ 36,379
Title I Special Revenue	\$ 31,317
Title VI Special Revenue	\$ 937
Class Size Reduction Grant Special Revenue	\$ 8,987

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



ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
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**NOTE 4-EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

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

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

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

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

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

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;

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5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptances and commercial paper notes for a period not to exceed 180 days from the date of purchase in an amount not to exceed 25 percent of the interim moneys available for investment at any one time; and
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

(A) DEPOSITS

At year-end, the carrying amount of the District's pooled deposits was \$2,019,482 and the bank balance was \$1,839,972. Of the bank balance, \$239,862 was covered by federal depository insurance and \$1,600,110 was covered by collateral held by the pledging institution's trust department pursuant to Ohio Revised Code, Section 135.181. The Uniform Depository Act (Section 135.181) authorizes pledging of pooled securities in lieu of pledging specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure the repayment of all public monies deposited in the financial institution, provided that at all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance. The deposits not covered by federal depository insurance are considered uninsured and uncollateralized under the provisions of GASB Statement No. 3.

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(B) INVESTMENTS

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

Based on the above criteria, the District's investments at June 30, 2004 are classified in the table below:

	Category <u>2</u>	Category <u>3</u>	Carrying <u>Value</u>
U.S. Money Market Fund	\$ -	-	747,663
U.S. Agency Securities	<u>19,612,434</u>	<u>-</u>	<u>19,612,434</u>
	<u>\$ 19,612,434</u>	<u>-</u>	<u>20,360,097</u>

**NOTE 5-PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from Butler County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2004, are available to finance fiscal year 2004 operations. The amount available for advance can vary based on the date the tax bills are sent.

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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, 2004. 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 at June 30, 2004 were \$105,000. The assessed values upon which fiscal year taxes were collected are:

	2003 Second - Half Collections Amount	Percent	2004 First - Half Collections Amount	Percent
Agriculture/Residential and Other Real Estate	\$ 251,943,400	93.26	275,664,300	93.69
Tangible Personal Property	<u>18,225,787</u>	<u>6.74</u>	<u>18,576,999</u>	<u>6.31</u>
Assessed Value	\$ <u>270,169,187</u>	<u>100.00</u>	<u>294,241,299</u>	<u>100.00</u>
Tax Rate per \$1,000 of Assessed Value	\$ 51.98		\$ 51.98	

**NOTE 6-CAPITAL ASSETS**

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

	Balance <u>07/01/03</u>	Additions	Disposals	Balance <u>06/30/04</u>
Non-Depreciable Capital Assets:				
Land	\$ 1,291,705	-	-	1,291,705
Construction in progress	<u>-</u>	<u>6,140,683</u>	-	<u>6,140,683</u>
Subtotal	<u>1,291,705</u>	<u>6,140,683</u>	<u>-</u>	<u>7,432,388</u>
Depreciable				
Land improvements	786,383	-	-	786,383
Buildings and improvements	24,656,475	67,802	-	24,724,277
Furniture and equipment	<u>5,700,009</u>	<u>530,881</u>	<u>(566,855)</u>	<u>5,664,035</u>
Subtotal	<u>31,142,867</u>	<u>598,683</u>	<u>(566,855)</u>	<u>31,174,695</u>
Totals at historical cost	<u>32,434,572</u>	<u>6,739,366</u>	<u>(566,855)</u>	<u>38,607,083</u>
Less accumulated depreciation:				
Land improvements	457,120	28,654	-	485,774
Buildings and improvements	8,655,901	299,735	-	8,955,636
Furniture and equipment	<u>3,168,933</u>	<u>389,690</u>	<u>(478,576)</u>	<u>3,080,047</u>
Total accumulated depreciation	<u>12,281,954</u>	<u>718,079</u>	<u>(478,576)</u>	<u>12,521,457</u>
Capital assets, net	\$ <u>20,152,618</u>	<u>6,021,287</u>	<u>(88,279)</u>	<u>26,085,626</u>

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Depreciation expense was charged as follows:

Instruction:	
Regular	\$ 288,387
Special	26,324
Support Services	
Pupils	12,735
Instructional Staff	25,314
Administration	27,781
Fiscal Services	6,680
Operation and Maintenance	31,546
Pupil Transportation	164,156
Central	9,432
Food Services	28,179
Community Services	1,878
Extra-Curricular Activities	<u>95,667</u>
 Total Depreciation	 \$ <u>718,079</u>

**NOTE 7-LONG-TERM OBLIGATIONS**

Long-Term Obligations – The changes in the District’s long-term obligations during fiscal year 2004 were as follows:

	Principal Outstanding <u>07/01/03</u>	<u>Additions</u>	<u>Reductions</u>	Principal Outstanding <u>06/30/04</u>	Amounts Due In <u>One Year</u>
School energy conservation bonds	\$ 20,000	-	(20,000)	-	-
School improvement bonds	24,900,000	-	(600,000)	24,300,000	600,000
Discount on issue	(170,659)	-	6,654	(164,095)	(6,654)
Bus and Copier Lease	169,000	-	(72,000)	97,000	73,000
Equipment Lease	-	1,251,000	-	1,251,000	41,000
STRS early retirement incentive	438,660	-	(387,262)	51,398	26,002
Compensated Absences Liability	<u>764,294</u>	<u>991,765</u>	<u>(764,294)</u>	<u>991,765</u>	<u>150,781</u>
 Total	 \$ <u>26,121,295</u>	 <u>2,242,765</u>	 <u>(1,836,992)</u>	 <u>26,527,068</u>	 <u>884,219</u>

The District's legal debt margin was approximately \$26,481,717 at June 30, 2004. The School Energy Conservation Bonds were issued in October 1996 for \$270,000. Principal payments were due annually with interest of 5.07% due semi-annually.

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The school improvement bonds consist of \$23,540,000 Current Interest Serial Bonds dated March 15, 2003 and \$760,000 Capital Appreciation Bonds dated March 19, 2003. The Current Interest Serial Bonds pay interest from 1.5% to 5.0% and mature from fiscal years 2004 through 2016 and from fiscal years 2019 through 2025. The Capital Appreciation Bonds pay interest at 5.0% and mature in fiscal years 2017 through 2028. A summary of the District's future annual service requirements to maturity for these bonds is as follows:

Fiscal Year Ending	Principal Due	Interest Due	Total FY Payments
2005	\$ 700,000	364,500	1,064,500
2006	735,000	472,000	1,207,000
2007	780,000	457,300	1,237,300
2008	840,000	452,743	1,292,743
2009	585,000	509,880	1,094,880
2010	635,000	578,480	1,213,480
2011	690,000	620,775	1,310,775
2012 - 2029	<u>19,335,000</u>	<u>9,527,407</u>	<u>28,862,407</u>
	<u>\$ 24,300,000</u>	<u>12,983,085</u>	<u>37,283,085</u>

During fiscal year 2003, the District entered into a lease agreement for the acquisition of buses and copiers. During fiscal year 2004, the District entered into a lease agreement for acquisition of equipment and improvements related to the construction of the new high school. Both leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term. Therefore, these lease agreements have been recorded at the present value of the future minimum lease payments as of the date of inception. During fiscal year 2004, the District made principal payments of \$72,000 and interest payments of \$5,079 related to the Bus and Copier Lease. The first payment related to the Equipment Lease is due in fiscal year 2005.

**NOTE 8-EARLY RETIREMENT INCENTIVE PROGRAM**

During fiscal year 2004, the District participated in the State Teacher Retirement System Early Retirement Incentive program for certificated staff. During fiscal year 2003, seven teachers who were eligible to participate, retired. In fiscal year 2004, two teachers retired but neither were eligible. The District purchased two years of service credit for eligible certificated employees in fiscal 2003. 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 2005 total \$51,398.

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**NOTE 9-OSBA WORKERS' COMP PROGRAM**

OSBA GROUP RATING PROGRAM

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

**NOTE 10-EMPLOYEE RETIREMENT SYSTEMS**

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

SCHOOL EMPLOYEES RETIREMENT SYSTEM

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

Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate, which is currently 14% of annual covered payroll. The contribution requirements of plan members and employers are established, and may be amended, up to statutory maximum amounts by the SERS' Retirement Board. The District's required contributions to SERS for the fiscal years ended June 30, 2004, 2003, and 2002 were \$367,999, \$345,667, and \$311,712 respectively, equal to the required contributions for each year.

STATE TEACHERS RETIREMENT SYSTEM

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

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2004

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

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

Plan members are required to contribute 9.3% of their annual covered salary and the District is required to contribute 14%. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2004, 2003, and 2002 were \$1,133,458, \$1,072,311, and \$1,119,791, respectively, equal to the required contributions for each year.

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

#### POSTEMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. STRS pays health care benefits from the Health Care Reserve



ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2004

Fund. The balance in the fund was \$3.011 billion at June 30, 2004. For the year ended June 30, 2003, net health care costs paid by STRS were \$354.7 million and STRS had 105,300 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium. For the fiscal year, employer contributions to fund health care benefits were 75% of the premium. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay has been established at \$12,400. The surcharge rate added to the unallocated portion of the 14% employer contribution rate provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 50% of annual health care expenses. Expenses for health care for the year ended June 30, 2003 were \$182.9 million and the target level was \$274.4 million. At June 30, 2003, SERS' net assets available for payment of health care benefits were \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the School District, this amount to fund health care benefits, including the surcharge, was approximately \$220,000 during the 2004 fiscal year.

**NOTE 11-JOINTLY GOVERNED ORGANIZATION**

**SOUTHWEST OHIO COMPUTER ASSOCIATION**

The Southwest Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of Ohio school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions of the member districts. Each member district appoints a representative to the Board of Directors which is the legislative and managerial body of SWOCA. The degree of control exercised by any participating member district is limited to its representation on the Board. To obtain financial information, write to SWOCA, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

**BUTLER COUNTY TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS**

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

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2004

**NOTE 12-RISK MANAGEMENT**

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

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

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

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

**NOTE 13-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, 2004.

ROSS LOCAL SCHOOL DISTRICT  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2004

**NOTE 14-STATE SCHOOL FUNDING DECISION**

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

**Note 15-STATUTORY RESERVES**

The district is required by state law to set aside certain general fund revenue amounts, as defined, into various reserves. During the fiscal year ended June 30, 2004 the reserve activity (cash-basis) was as follows:

	Textbooks	Capital Acquisitions	Budget Stabilization	Totals
Set-aside cash balance as of June 30, 2003	\$ -	-	392,800	392,800
Current year set-aside requirement	342,698	342,698	-	342,698
Qualifying disbursements	<u>(577,548)</u>	<u>(5,276,773)</u>	<u>-</u>	<u>(5,854,321)</u>
Set-aside cash balance as of June 30, 2004	\$ <u>-</u>	<u>-</u>	<u>392,800</u>	<u>392,800</u>

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

## Required Supplementary Information

**ROSS LOCAL SCHOOL DISTRICT**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
General Fund  
Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Taxes	5,708,711	5,929,378	5,929,378	-
Tuition and fees	15,000	14,532	14,532	-
Interest	60,000	63,928	63,928	-
Intergovernmental	9,372,493	9,531,997	9,531,997	-
Other local revenues	124,611	127,765	127,765	-
<b>Total revenues</b>	<u>15,280,814</u>	<u>15,667,601</u>	<u>15,667,601</u>	-
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	4,836,635	8,783,008	8,783,008	-
Special education	523,110	1,157,931	1,157,931	-
Other instruction	175,150	367,197	367,197	-
<b>Support services:</b>				
Pupil	292,400	641,368	641,368	-
Instructional staff	338,057	653,891	653,891	-
Board of Education	25,250	16,315	16,315	-
Administration	1,117,895	1,447,442	1,447,442	-
Fiscal	421,150	449,039	449,039	-
Business	-	-	-	-
Operation and maintenance of plant	784,445	1,174,988	1,174,988	-
Pupil transportation	1,070,000	1,486,143	1,486,143	-
Central	-	-	-	-
<b>Non-instructional services:</b>				
Extracurricular activities	288,230	543,336	543,336	-
Capital outlay	237,600	195,583	195,583	-
Repayment of debt	66,000	77,079	77,079	-
<b>Total expenditures</b>	<u>10,175,922</u>	<u>16,993,320</u>	<u>16,993,320</u>	-
Excess of revenues over expenditures	5,104,892	(1,325,719)	(1,325,719)	-
<b>Other financing sources (uses):</b>				
Advances in	-	40,700	40,700	-
Advances out	(42,000)	(37,000)	(37,000)	-
Other sources	-	13,898	13,898	-
<b>Total other financing sources (uses):</b>	<u>(42,000)</u>	<u>17,598</u>	<u>17,598</u>	-
Excess of revenues and other sources over expenditures and other (uses)	5,062,892	(1,308,121)	(1,308,121)	-
Fund balance, beginning of year	4,263,809	4,263,809	4,263,809	
Prior year encumbrances appropriated	-	-	-	
<b>Fund balance, end of year</b>	<u>9,326,701</u>	<u>2,955,688</u>	<u>2,955,688</u>	

See accompanying notes to required supplemental information.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Notes to Required Supplementary Information

June 30, 2004

**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)	\$ (1,626,335)
Increase/(Decrease):	
Due to revenues	(80,660)
Due to expenditures	186,743
Due to encumbrances	<u>212,131</u>
Change in fund balance (Budgetary Basis)	\$ <u>(1,308,121)</u>

Supplemental Section:  
Combining Statements and  
Individual Fund Schedules

## **Other Major Governmental Funds**

### **Other Major Governmental Funds**

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

#### **Debt Service Fund**

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

#### **Capital Projects Fund**

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



## ROSS LOCAL SCHOOL DISTRICT

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

Debt Service Fund

Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Taxes	1,500,000	1,513,662	1,513,662	-
Intergovernmental	289,029	279,461	279,461	-
<b>Total revenues</b>	<u>1,789,029</u>	<u>1,793,123</u>	<u>1,793,123</u>	-
<b>Expenditures:</b>				
Current:				
Support services:				
Administration	4,000	3,241	3,241	-
Fiscal	20,000	19,119	19,119	-
Repayment of debt	2,279,230	1,789,029	1,789,029	-
<b>Total expenditures</b>	<u>2,303,230</u>	<u>1,811,388</u>	<u>1,811,388</u>	-
Excess of revenues over expenditures	(514,201)	(18,265)	(18,265)	-
Fund balance, beginning of year	514,201	514,201	514,201	
Fund balance, end of year	<u>-</u>	<u>495,935</u>	<u>495,935</u>	

See accompanying notes to required supplemental information.

## ROSS LOCAL SCHOOL DISTRICT

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

Capital Projects Fund

Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Interest	300,000	317,743	317,743	-
Other local revenues	10,000	10,000	10,000	-
<b>Total revenues</b>	<u>310,000</u>	<u>327,743</u>	<u>327,743</u>	-
<b>Expenditures:</b>				
Capital outlay	-	-	-	-
Site improvement	800,000	102,944	102,944	-
Architecture and engineering	100,000	1,429,411	1,429,411	-
Building acquisition and construction	20,670,637	4,295,917	4,295,917	-
Repayment of debt	-	-	-	-
<b>Total expenditures</b>	<u>21,570,637</u>	<u>5,828,272</u>	<u>5,828,272</u>	-
Excess of revenues over expenditures	(21,260,637)	(5,500,530)	(5,500,530)	-
<b>Other financing sources (uses):</b>				
Other sources	-	310,000	310,000	-
<b>Total other financing sources (uses):</b>	<u>-</u>	<u>310,000</u>	<u>310,000</u>	-
Excess of revenues and other sources over expenditures and other (uses)	(21,260,637)	(5,190,530)	(5,190,530)	-
Fund balance, beginning of year	<u>23,871,060</u>	<u>23,871,060</u>	<u>23,871,060</u>	
Fund balance, end of year	<u>2,610,423</u>	<u>18,680,530</u>	<u>18,680,530</u>	

See accompanying notes to required supplemental information.

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## **Non-Major Governmental Funds**

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

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

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

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

#### **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 (Ohio Senate Bill 140).

### **School Net Professional Development**

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

### **Ohio Reads Volunteer Grant**

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

### **Miscellaneous State Grants**

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

### **Economic Security Act**

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

### **Title VI-B**

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

### **Title I**

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

### **Title VI**

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

### **Drug Free School Grant**

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

### **Title VI-B Preschool**

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

### **Class Size Reduction Grant**

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

### **Miscellaneous Federal Grants**

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

### **Special Revenue Fund**

This fund accounts for various local grants and contributions.

### **Food Service**

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

### **Uniform School Supplies**

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

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

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

### **IVDL Grant Fund**

This fund accounts for state grants for capital assets.

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# ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash and equity in pooled cash and investments	\$ 351,494	-	351,494
Net receivables:			
Accounts	180	-	180
Supplies and inventory	<u>11,736</u>	<u>-</u>	<u>11,736</u>
<b>Total assets</b>	<u><u>377,708</u></u>	<u><u>-</u></u>	<u><u>377,708</u></u>
<b>Liabilities:</b>			
Accounts payable	47,718	-	47,718
Accrued wages and benefits	138,387	-	138,387
Due to other governments	547	-	547
Pension obligation payable	<u>14,984</u>	<u>-</u>	<u>14,984</u>
<b>Total liabilities</b>	<u><u>201,636</u></u>	<u><u>-</u></u>	<u><u>201,636</u></u>
<b>Fund Balances:</b>			
Reserved for:			
Encumbrances	94,258	-	94,258
Supplies inventory	11,736	-	11,736
Unreserved, reported in:			
Special Revenue Funds	70,078	-	70,078
Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balances</b>	<u><u>176,072</u></u>	<u><u>-</u></u>	<u><u>176,072</u></u>
<b>Total liabilities and fund balances</b>	\$ <u><u>377,708</u></u>	<u><u>-</u></u>	<u><u>377,708</u></u>



**ROSS LOCAL SCHOOL DISTRICT, OHIO**

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

Nonmajor Governmental Funds

Year Ended June 30, 2004

		Nonmajor Special Revenue Funds	Nonmajor Capital Projects	Total Nonmajor Governmental Funds
		<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues:</b>				
Charges for services	\$	660,983	-	660,983
Interest		564	-	564
Intergovernmental		872,501	-	872,501
Miscellaneous		363,538	-	363,538
<b>Total revenues</b>		<u>1,897,586</u>	<u>-</u>	<u>1,897,586</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular		308,569	1,200	309,769
Special		239,439	-	239,439
Support services:				
Pupil		49,314	-	49,314
Instructional staff		192,237	-	192,237
School administration		35,217	-	35,217
Central		12,000	-	12,000
Community services		257,835	-	257,835
Non-instructional services:				
Extracurricular activities		229,117	-	229,117
Food services		691,976	-	691,976
<b>Total expenditures</b>		<u>2,015,704</u>	<u>1,200</u>	<u>2,016,904</u>
Net change in fund balances		(118,118)	(1,200)	(119,318)
Fund balance, beginning of year		<u>294,190</u>	<u>1,200</u>	<u>295,390</u>
Fund balance, end of year	\$	<u><u>176,072</u></u>	<u><u>-</u></u>	<u><u>176,072</u></u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2004

	<u>Public School Support</u>	<u>Athletic</u>	<u>Auxiliary Service</u>	<u>Entry Year Teaching Program</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 37,722	80,669	39,868	-
Net receivables:				
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
Supplies and inventory	-	-	-	-
<b>Total assets</b>	<u>37,722</u>	<u>80,669</u>	<u>39,868</u>	<u>-</u>
<b>Liabilities:</b>				
Accounts payable	20,018	580	11,334	-
Accrued wages and benefits	-	-	9,513	-
Due to other governments	-	-	-	-
Pension obligation payable	-	-	2,258	-
<b>Total liabilities</b>	<u>20,018</u>	<u>580</u>	<u>23,105</u>	<u>-</u>
<b>Fund Balances:</b>				
Fund Balances				
Reserved for:				
Encumbrances	13,499	14,306	14,212	-
Supplies inventory	-	-	-	-
Unreserved-undesignated	4,205	65,783	2,551	-
<b>Total fund balances</b>	<u>17,704</u>	<u>80,089</u>	<u>16,763</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	\$ <u>37,722</u>	<u>80,669</u>	<u>39,868</u>	<u>-</u>

Management Information Systems	ONENet	SchoolNet Professional Development	Ohio Reads Grant	Summer School Subsidy	Misc. State Grants	Economic Security Act
4,909	-	-	2,775	10,001	120	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,909</u>	<u>-</u>	<u>-</u>	<u>2,775</u>	<u>10,001</u>	<u>120</u>	<u>-</u>
-	-	-	33	8,615	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>233</u>	<u>-</u>	<u>-</u>	<u>33</u>	<u>8,615</u>	<u>-</u>	<u>-</u>
-	-	-	2,775	-	-	-
-	-	-	-	-	-	-
<u>4,676</u>	<u>-</u>	<u>-</u>	<u>(33)</u>	<u>1,386</u>	<u>120</u>	<u>-</u>
<u>4,676</u>	<u>-</u>	<u>-</u>	<u>2,742</u>	<u>1,386</u>	<u>120</u>	<u>-</u>
<u>4,909</u>	<u>-</u>	<u>-</u>	<u>2,775</u>	<u>10,001</u>	<u>120</u>	<u>-</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2004

	<u>Title VI-B</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 48,199	1,045	1,672	-
Net receivables:				
Accounts	-	-	-	-
Interest	-	-	-	-
<u>Supplies and inventory</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>48,199</u></b>	<b><u>1,045</u></b>	<b><u>1,672</u></b>	<b><u>-</u></b>
<b>Liabilities:</b>				
Accounts payable	6,695	-	-	-
Accrued wages and benefits	20,031	32,246	2,239	-
Due to other governments	94	-	-	-
<u>Pension obligation payable</u>	<u>2,885</u>	<u>116</u>	<u>370</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>29,705</u></b>	<b><u>32,362</u></b>	<b><u>2,609</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>				
Fund Balances				
Reserved for:				
Encumbrances	37,858	375	-	-
Supplies inventory	-	-	-	-
Unreserved-undesignated	<u>(19,364)</u>	<u>(31,692)</u>	<u>(937)</u>	<u>-</u>
<b>Total fund balances</b>	<b><u>18,494</u></b>	<b><u>(31,317)</u></b>	<b><u>(937)</u></b>	<b><u>-</u></b>
<b>Total liabilities and fund balances</b> \$	<b><u>48,199</u></b>	<b><u>1,045</u></b>	<b><u>1,672</u></b>	<b><u>-</u></b>

<u>Title VI-B Preschool</u>	<u>Class Size Reduction Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>TOTAL</u>
-	2,484	1,606	81,090	13,789	25,545	351,494
-	-	-	-	-	180	180
-	-	-	-	14,298	-	14,298
-	-	-	-	7,960	3,776	11,736
-	<u>2,484</u>	<u>1,606</u>	<u>81,090</u>	<u>36,047</u>	<u>29,501</u>	<u>377,708</u>
-	-	-	253	190	-	47,718
-	9,989	-	-	64,369	-	138,387
-	103	-	-	350	-	547
-	<u>1,379</u>	-	<u>226</u>	<u>7,517</u>	-	<u>14,984</u>
-	<u>11,471</u>	-	<u>479</u>	<u>72,426</u>	-	<u>201,636</u>
-	-	560	7,309	2,000	1,364	94,258
-	-	-	-	7,960	3,776	11,736
-	<u>(8,987)</u>	<u>1,046</u>	<u>73,302</u>	<u>(46,339)</u>	<u>24,361</u>	<u>70,078</u>
-	<u>(8,987)</u>	<u>1,606</u>	<u>80,611</u>	<u>(36,379)</u>	<u>29,501</u>	<u>176,072</u>
-	<u>2,484</u>	<u>1,606</u>	<u>81,090</u>	<u>36,047</u>	<u>29,501</u>	<u>377,708</u>

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
 Combining Balance Sheet  
 Nonmajor Capital Projects Fund  
 June 30, 2004

	<u>IVDL Grant</u>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ <u>-</u>
<b>Total assets</b>	<u>-</u>
<b>Liabilities:</b>	
Accounts payable	<u>-</u>
<b>Total liabilities</b>	<u>-</u>
<b>Fund Balances:</b>	
Fund Balances	
Reserved for:	
Encumbrances	-
Unreserved-undesignated	<u>-</u>
<b>Total fund balances</b>	<u>-</u>
<b>Total liabilities and fund balances</b>	\$ <u><u>-</u></u>

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**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Nonmajor Special Revenue Funds  
Year Ended June 30, 2004

	Public School Support	Athletic	Auxiliary Service	Entry Year Teaching Program
<b>Revenues:</b>				
Extracurricular activities	\$ -	-	-	0
Charges for services	-	-	-	-
Interest	-	-	119	-
Intergovernmental	-	-	139,813	-
Miscellaneous	85,899	235,984	-	(31)
<b>Total revenues</b>	<u>85,899</u>	<u>235,984</u>	<u>139,932</u>	<u>(31)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	98,046	-	-	-
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
School administration	-	-	-	-
Central	-	-	-	-
Community services	-	-	134,407	269
Non-instructional services:				
Extracurricular activities	-	229,117	-	-
Other operating	-	-	-	-
Food services	-	-	-	-
<b>Total expenditures</b>	<u>98,046</u>	<u>229,117</u>	<u>134,407</u>	<u>269</u>
Excess of revenues over (under) expenditures	(12,147)	6,867	5,525	(300)
<b>Other financing sources (uses)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(12,147)	6,867	5,525	(300)
Fund balance, beginning of year	29,851	73,222	11,238	300
Fund balance, end of year	\$ <u>17,704</u>	<u>80,089</u>	<u>16,763</u>	<u>-</u>



Management Information Systems	ONENet	SchoolNet Professional Development	Ohio Reads Grant	Summer School Subsidy	Misc. State Grants	Economic Security Act
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,776	12,000	4,140	14,500	16,232	2,585	-
-	-	(123)	-	-	-	-
<u>8,776</u>	<u>12,000</u>	<u>4,017</u>	<u>14,500</u>	<u>16,232</u>	<u>2,585</u>	<u>-</u>
-	-	-	15,030	14,846	679	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,902	-	8,470	-	-	-	-
-	-	-	-	-	2,585	-
-	12,000	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,902</u>	<u>12,000</u>	<u>8,470</u>	<u>15,030</u>	<u>14,846</u>	<u>3,264</u>	<u>-</u>
(1,126)	-	(4,453)	(530)	1,386	(679)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(1,126)</u>	<u>-</u>	<u>(4,453)</u>	<u>(530)</u>	<u>1,386</u>	<u>(679)</u>	<u>-</u>
<u>5,802</u>	<u>-</u>	<u>4,453</u>	<u>3,272</u>	<u>-</u>	<u>799</u>	<u>-</u>
<u>4,676</u>	<u>-</u>	<u>-</u>	<u>2,742</u>	<u>1,386</u>	<u>120</u>	<u>-</u>

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

	<u>Title VIB</u>	<u>Title I</u>	<u>Title VI</u>	<u>Drug Free Schools</u>
<b>Revenues:</b>				
Extracurricular activities	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Intergovernmental	304,040	138,215	14,572	9,651
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>304,040</u>	<u>138,215</u>	<u>14,572</u>	<u>9,651</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	-	-	-	-
Special	59,397	161,696	-	-
Support services:				
Pupil	39,663	-	-	9,651
Instructional staff	150,233	1,608	13,925	-
School administration	32,632	-	-	-
Central	-	-	-	-
Community services	28,472	6,218	1,243	-
Non-instructional services:				
Extracurricular activities	-	-	-	-
Other operating	-	-	-	-
Food services	-	-	-	-
<b>Total expenditures</b>	<u>310,397</u>	<u>169,522</u>	<u>15,168</u>	<u>9,651</u>
Excess of revenues over (under) expenditures	(6,357)	(31,307)	(596)	-
<b>Other financing sources (uses)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,357)	(31,307)	(596)	-
Fund balance, beginning of year	24,851	(10)	(341)	-
Fund balance, end of year	<u>\$ 18,494</u>	<u>(31,317)</u>	<u>(937)</u>	<u>-</u>

<u>Title VI-B Preschool</u>	<u>Class Size Reduction Grant</u>	<u>Misc. Federal Grants</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>TOTAL</u>
-	-	-	-	-	-	-
-	-	-	-	584,106	76,877	660,983
-	-	-	146	299	-	564
1,811	87,727	3,996	-	114,443	-	872,501
-	(3,700)	-	45,509	-	-	363,538
<u>1,811</u>	<u>84,027</u>	<u>3,996</u>	<u>45,655</u>	<u>698,848</u>	<u>76,877</u>	<u>1,897,586</u>
-	79,103	7,338	19,113	-	74,414	308,569
1,811	-	16,535	-	-	-	239,439
-	-	-	-	-	-	49,314
-	3,567	498	4,034	-	-	192,237
-	-	-	-	-	-	35,217
-	-	-	-	-	-	12,000
-	-	-	14,800	72,426	-	257,835
-	-	-	-	-	-	229,117
-	-	-	-	-	-	-
-	-	-	-	691,976	-	691,976
<u>1,811</u>	<u>82,670</u>	<u>24,371</u>	<u>37,947</u>	<u>764,402</u>	<u>74,414</u>	<u>2,015,704</u>
-	1,357	(20,375)	7,708	(65,554)	2,463	(118,118)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,357	(20,375)	7,708	(65,554)	2,463	(118,118)
-	(10,344)	21,981	72,903	29,175	27,038	294,190
-	(8,987)	1,606	80,611	(36,379)	29,501	176,072

**ROSS LOCAL SCHOOL DISTRICT, OHIO**

Combining Statement of Revenues, Expenditures

and Changes in Fund Balances

Nonmajor Capital Projects Fund

Year Ended June 30, 2004

	<u>IVDL Grant</u>
<b>Revenues:</b>	
<b>Total revenues</b>	\$ <u>-</u>
<b>Expenditures:</b>	
Current:	
Instruction:	
Regular	<u>1,200</u>
<b>Total expenditures</b>	<u>1,200</u>
Net change in fund balance	(1,200)
Fund balance, beginning of year	<u>1,200</u>
Fund balance, end of year	\$ <u><u>-</u></u>

**Ross Local School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Public School Support Special Revenue Fund  
For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 215,744	86,023	86,023	-
Expenditures:				
Current:				
Instruction:				
Regular	23,868	79,044	79,044	-
Total expenditures	23,868	79,044	79,044	-
Excess of revenues over expenditures	191,876	6,979	6,979	-
Fund balance July 1, 2003	30,742	30,742	30,742	
Prior year encumbrances appropriated	6,999	6,999	6,999	
Fund balance June 30, 2004	\$ 229,617	44,720	44,720	

Ross Local School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Athletic Fund Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 469,608	236,094	236,094	-
Expenditures:				
Extracurricular activities	74,854	244,256	244,256	-
Total expenditures	74,854	244,256	244,256	-
Deficiency of revenues under expenditures	394,754	(8,162)	(8,162)	-
Fund balance July 1, 2003	88,832	88,832	88,832	
Prior year encumbrances appropriated	24,524	24,524	24,524	
Fund balance June 30, 2004	\$ 508,110	105,194	105,194	

**Ross Local School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Auxiliary Service Special Revenue Fund  
For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 16,524	139,332	139,332	-
Expenditures:				
Community services	16,524	130,310	130,310	-
Total expenditures	16,524	130,310	130,310	-
Excess of revenues over expenditures	-	9,022	9,022	-
Fund balance July 1, 2003	30,845	30,845	30,845	
Prior year encumbrances appropriated	14,321	14,321	14,321	
Fund balance June 30, 2004	\$ 45,166	54,188	54,188	

**Ross Local School District**  
**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, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ -	-	-	-
Expenditures:				
Community services	-	269	269	-
Total expenditures	-	269	269	-
Deficiency of revenues under expenditures	-	(269)	(269)	-
Other financing uses				
Refund of prior year receipts	-	31	31	-
Deficiency of revenues under expenditures	-	(300)	(300)	-
Fund balance July 1, 2003	300	300	300	
Fund balance June 30, 2004	\$ 300	-	-	



**Ross Local School District**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Management Information Systems Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 15,832	8,776	8,776	-
Expenditures:				
Current:				
Support services:				
Instructional staff	5,832	9,700	9,700	-
Total expenditures	5,832	9,700	9,700	-
Deficiency of revenues under expenditures	10,000	(924)	(924)	-
Fund balance July 1, 2003	5,832	5,832	5,832	
Fund balance June 30, 2004	\$ 15,832	4,908	4,908	

**Ross Local School District**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**ONENet Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ -	12,000	12,000	-
Expenditures:				
Current:				
Support services:				
Central	-	12,000	12,000	-
Total expenditures	-	12,000	12,000	-
Excess of revenues over expenditures	-	-	-	-
Fund balance July 1, 2003	-	-	-	
Fund balance June 30, 2004	\$ -	-	-	

**Ross Local School District**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**School Net Professional Development Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 4,453	4,017	4,017	-
Expenditures:				
Current:				
Support services:				
Instructional staff	4,453	8,470	8,470	-
Total expenditures	4,453	8,470	8,470	-
Deficiency of revenues under expenditures	-	(4,453)	(4,453)	-
Fund balance July 1, 2003	4,453	4,453	4,453	
Fund balance June 30, 2004	\$ 4,453	-	-	

Ross Local School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Ohio Reads Volunteer Grant Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ -	14,500	14,500	-
Expenditures:				
Current:				
Instruction:				
Regular	-	14,997	14,997	-
Total expenditures	-	14,997	14,997	-
Deficiency of revenues under expenditures	-	(497)	(497)	-
Fund balance July 1, 2003	3,272	3,272	3,272	
Fund balance June 30, 2004	\$ 3,272	2,775	2,775	

**Ross Local School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Miscellaneous State Grants Special Revenue Fund  
For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ -	2,584	2,584	-
Expenditures:				
Current:				
Instruction:				
Regular	-	679	679	-
Support services:				
School administration	-	2,585	2,585	-
Total expenditures	-	3,264	3,264	-
Deficiency of revenues under expenditures	-	(680)	(680)	-
Fund balance July 1, 2003	799	799	799	
Fund balance June 30, 2004	\$ 799	119	119	

**Ross Local School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Economic Security Act Special Revenue Fund  
For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ -	-	-	-
Expenditures:				
Current:				
Support services:				
Instructional staff	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance July 1, 2003	-	-	-	
Fund balance June 30, 2004	\$ -	-	-	

**Ross Local School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Title VI-B Special Revenue Fund  
For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 348,648	304,040	304,040	-
Expenditures:				
Current:				
Instruction:				
Special	3,348	59,443	59,443	-
Support services:				
Pupil	142	39,154	39,154	-
Instructional staff	19,276	147,261	147,261	-
School administration	1,200	31,665	31,665	-
Community services	-	24,038	24,038	-
Total expenditures	23,966	301,561	301,561	-
Excess of revenues over expenditures	324,682	2,479	2,479	-
Fund balance July 1, 2003	45,721	45,721	45,721	
Prior year encumbrances appropriated	-	-	-	
Fund balance June 30, 2004	\$ 370,403	48,200	48,200	

Ross Local School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 Title I Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2004

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 156,074	138,215	138,215	-
Expenditures:				
Current:				
Instruction:				
Special	541	131,084	131,084	-
Supporting services				
Instructional staff	7,288	1,608	1,608	
Community services	607	6,011	6,011	-
Total expenditures	8,436	138,703	138,703	-
Deficiency of revenues under expenditures	147,638	(488)	(488)	-
Fund balance July 1, 2003	1,533	1,533	1,533	
Fund balance June 30, 2004	\$ 149,171	1,045	1,045	



**Ross Local School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Title VI Special Revenue Fund  
For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 17,116	14,572	14,572	-
Expenditures:				
Current:				
Support services:				
Instructional staff	1,920	13,774	13,774	-
Community services	-	1,046	1,046	-
Total expenditures	1,920	14,820	14,820	-
Excess of revenues over expenditures	15,196	(248)	(248)	-
Fund balance July 1, 2003	1,920	1,920	1,920	
Fund balance June 30, 2004	\$ 17,116	1,672	1,672	

**Ross Local School District**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Drug Free School Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 9,651	9,651	9,651	-
Expenditures:				
Current:				
Support services:				
Pupil	-	9,651	9,651	-
Total expenditures	-	9,651	9,651	-
Deficiency of revenues under expenditures	9,651	-	-	-
Fund balance July 1, 2003	-	-	-	
Fund balance June 30, 2004	\$ 9,651	-	-	

**Ross Local School District**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Title VI-B Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 1,811	1,811	1,811	-
Expenditures:				
Current:				
Instruction:				
Special	-	1,811	1,811	-
Total expenditures	-	1,811	1,811	-
Excess of revenues over expenditures	1,811	-	-	-
Fund balance July 1, 2003	-	-	-	
Fund balance June 30, 2004	\$ 1,811	-	-	

**Ross Local School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Class Size Reduction Special Revenue Fund  
For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 107,271	87,727	87,727	-
Expenditures:				
Current:				
Instruction:				
Regular	20,579	77,991	77,991	-
Special	3,700	-	-	-
Support services:				
Instructional staff	1,245	3,567	3,567	-
Total expenditures	25,524	81,558	81,558	-
Excess of revenues over expenditures	81,747	6,169	6,169	-
Other Financing Sources (Uses)				
Advances - Out	-	(3,700)	(3,700)	-
Excess of revenues over expenditures	81,747	2,469	2,469	
Fund balance July 1, 2003	15	15	15	
Fund balance June 30, 2004	\$ 81,762	2,484	2,484	

**Ross Local School District  
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, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 4,536	3,996	3,996	-
Expenditures:				
Current:				
Instruction:				
Regular	-	7,338	7,338	-
Special	-	16,535	16,535	-
Support services:				
Instructional staff	1,362	498	498	-
Total expenditures	1,362	24,371	24,371	-
Excess of revenues over expenditures	3,174	(20,374)	(20,374)	-
Fund balance July 1, 2003	21,981	21,981	21,981	
Fund balance June 30, 2004	\$ 25,155	1,607	1,607	

**Ross Local School District  
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, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 152,877	45,903	45,903	-
Expenditures:				
Current:				
Instruction:				
Regular	21,466	20,683	20,683	-
Support				
Instructional staff	-	4,034	4,034	-
Community services	52,509	14,800	14,800	-
Total expenditures	73,975	39,516	39,516	-
Excess of revenues over expenditures	78,902	6,386	6,386	-
Fund balance July 1, 2003	76,897	76,897	76,897	
Fund balance June 30, 2004	\$ 155,799	83,283	83,283	

**Ross Local School District  
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, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 775,729	710,509	710,509	-
Expenditures:				
Current:				
Food services	544,600	776,122	776,122	-
Total expenditures	544,600	776,122	776,122	-
Deficiency of revenues under expenditures	231,129	(65,612)	(65,612)	-
Fund balance July 1, 2003	79,401	79,401	79,401	
Fund balance June 30, 2004	\$ 310,530	13,788	13,788	

**Ross Local School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
Uniform School Supply Special Revenue Fund  
For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ 177,279	76,835	76,835	-
Expenditures:				
Current:				
Supplies and materials	62,000	76,817	76,817	-
Total expenditures	62,000	76,817	76,817	-
Excess of revenues over expenditures	115,279	18	18	-
Other Financing Sources (Uses)				
Advances - In	-	37,000	37,000	-
Advances - Out	-	(37,000)	(37,000)	-
Excess of revenues over expenditures	115,279	18	18	
Fund balance July 1, 2003	25,527	25,527	25,527	
Fund balance June 30, 2004	\$ 140,806	\$ 25,545	\$ 25,545	



**Ross Local School District**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**IVDL Grant Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ -	-	-	-
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Fund balance July 1, 2003	-	-	-	
Fund balance June 30, 2004	\$ -	-	-	

**Ross Local School District**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance**  
**Budget and Actual (Non-GAAP Budgetary Basis)**  
**Summer School Subsidy Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2004**

	Budget		Actual	Variance From Final Budget
	Original	Final		
Revenues:				
Total revenues	\$ -	16,232	16,232	-
Expenditures:				
Current:				
Instruction:				
Regular	-	6,231	6,231	-
Total expenditures	-	6,231	6,231	-
Excess of revenues over expenditures	-	10,001	10,001	-
Fund balance July 1, 2003	-	-	-	
Fund balance June 30, 2004	\$ -	10,001	10,001	

# ROSS LOCAL SCHOOL DISTRICT, OHIO

Combining Statement of Net Assets

Agency Fund

June 30, 2004

		<u>Student Activities</u>
<b>Assets:</b>		
Equity in pooled cash and investments	\$	<u>65,859</u>
Total assets		<u><u>65,859</u></u>
<b>Liabilities:</b>		
Accounts payable		25,831
Due to student groups		<u>40,028</u>
Total liabilities	\$	<u><u>65,859</u></u>

**BUTLER TECHNOLOGY AND CAREER DEVELOPMENT SCHOOLS, OHIO**

Combining Statement of Changes in Fiduciary Assets

Agency Funds

Year Ended June 30, 2004

	Beginning Balance 7/1/03	Additions	Deductions	Ending Balance 6/30/04
<b>STUDENT ACTIVITIES FUND</b>				
<b>Assets:</b>				
Equity in pooled cash and investments	<u>47,984</u>	<u>115,121</u>	<u>97,246</u>	<u>65,859</u>
<b>Liabilities:</b>				
Due to student groups	<u>47,984</u>	<u>115,121</u>	<u>97,246</u>	<u>65,859</u>

## Statistical Section

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

	2004 Fiscal	2003 Fiscal	2002 Fiscal	2001 Fiscal	2000 Fiscal
Instruction	10,308,137	9,424,612	8,969,317	8,286,535	7,916,951
Pupil Support	641,368	554,744	597,526	490,294	499,469
Instructional Staff	653,891	677,859	691,682	527,290	515,914
Board of Education	16,315	23,077	17,966	20,504	16,278
Administration	1,447,442	1,541,959	1,694,240	1,320,688	1,264,469
Fiscal	449,039	416,643	398,545	360,862	343,735
Operations and Maintenance	1,174,988	1,044,205	1,023,005	932,418	906,094
Pupil Transportation	1,486,143	1,423,347	1,273,387	1,148,335	1,280,670
Miscellaneous	-	-	-	-	-
Extracurricular activities	543,336	398,689	334,517	286,933	256,020
Capital Outlay	195,583	137,889	139,097	394,120	256,638
Repayment of Debt	77,079	-	-	-	-
Non-Instructional Services	-	82,721	-	-	157,105
Total Expenditures	<u>16,993,320</u>	<u>15,725,745</u>	<u>15,139,282</u>	<u>13,767,979</u>	<u>13,413,343</u>

Source: District records.

<u>1999 Fiscal</u>	<u>1998 Fiscal</u>	<u>1997 Fiscal</u>	<u>1996 Fiscal</u>	<u>1995 Fiscal</u>
7,383,808	7,091,378	6,732,849	6,273,740	5,923,415
463,760	436,490	421,593	384,024	343,218
479,804	438,208	397,315	368,209	357,090
15,833	27,671	19,934	21,269	19,934
1,177,328	1,211,454	1,171,316	1,013,279	1,038,941
342,863	332,641	340,945	311,252	306,317
889,695	894,584	866,973	859,493	842,413
1,076,996	1,057,198	1,030,003	953,194	849,928
-	-	851	1,168	1,378
242,016	225,832	185,000	176,831	168,493
136,571	275,383	227,848	14,024	81,541
-	-	-	-	-
<u>153,685</u>	<u>44,080</u>	<u>54,592</u>	<u>66,891</u>	<u>52,944</u>
<u>12,362,359</u>	<u>12,034,919</u>	<u>11,449,219</u>	<u>10,443,374</u>	<u>9,985,612</u>

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

	<u>2004</u> Fiscal	<u>2003</u> Fiscal	<u>2002</u> Fiscal	<u>2001</u> Fiscal	<u>2000</u> Fiscal
Taxes	5,929,378	5,283,108	4,901,079	5,987,162	5,415,742
Tuition	14,532	6,787	15,240	10,964	17,029
Earnings on Investments	63,928	175,749	120,339	298,465	244,395
Other Local Revenues	127,765	395,299	90,066	131,055	340,176
Intergovernmental	<u>9,531,997</u>	<u>9,360,561</u>	<u>8,970,598</u>	<u>8,439,858</u>	<u>7,998,297</u>
Total Revenues	<u>15,667,601</u>	<u>15,221,504</u>	<u>14,097,322</u>	<u>14,867,504</u>	<u>14,015,639</u>

Source: District records.



<u>1999 Fiscal</u>	<u>1998 Fiscal</u>	<u>1997 Fiscal</u>	<u>1996 Fiscal</u>	<u>1995 Fiscal</u>
5,217,795	5,088,667	5,061,769	4,805,486	4,159,065
5,961	12,018	7,501	4,875	2,943
197,012	176,073	152,882	79,098	58,449
261,782	230,395	132,050	121,441	126,863
<u>7,794,931</u>	<u>7,031,261</u>	<u>6,738,308</u>	<u>6,320,497</u>	<u>5,580,587</u>
<u>13,477,481</u>	<u>12,538,414</u>	<u>12,092,510</u>	<u>11,331,397</u>	<u>9,927,907</u>

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

<u>Year</u>	<u>Tax Levied (1)</u>	<u>Current Collection (2)</u>	<u>Percent Collected</u>	<u>Delinquent Collection</u>	<u>Total Tax Collection</u>	<u>Percent of Total Collections to Levv</u>	<u>Outstanding Delinquent Taxes (3)</u>	<u>Percent of Outstanding Delinquent Taxes to Tax Levied</u>
2004	\$ 7,928,997	7,511,048	94.73%	307,057	7,818,105	98.60%	417,949	5.27%
2003	6,262,051	6,195,706	98.94%	125,756	6,321,462	100.95%	250,755	4.00%
2002	5,768,382	5,722,821	99.21%	155,314	5,878,135	101.90%	302,885	5.25%
2001	5,994,187	5,629,321	93.91%	166,376	5,795,697	96.69%	565,004	9.43%
2000	5,978,841	5,593,400	93.55%	112,471	5,705,871	95.43%	366,514	6.13%
1999	5,505,565	5,401,165	98.10%	167,019	5,568,184	101.14%	93,545	1.70%
1998	5,384,738	5,242,795	97.36%	139,579	5,382,374	99.96%	156,162	2.90%
1997	5,358,931	5,205,129	97.13%	166,919	5,372,048	100.24%	153,800	2.87%
1996	NA	NA	NA	NA	NA	NA	NA	NA
1995	NA	NA	NA	NA	NA	NA	NA	NA

Source: Butler County Auditor.

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

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

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Butler County	8.75	8.75	8.75	8.75	8.45	8.45	8.44	8.45	8.44	7.44
Ross Township	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	3.72
Butler County Joint Vocational School	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93	1.93

Source: Butler County Auditor

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

Collection Year	Real Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2004	\$ 275,664,300	733,602,990	9,592,910	38,371,641
2003	244,534,330	698,669,514	9,136,105	36,544,420
2002	217,059,670	620,170,486	9,238,487	36,953,948
2001	211,676,960	604,791,257	8,738,086	34,952,344
2000	207,818,580	593,767,371	7,835,089	31,340,356
1999	173,867,580	496,764,543	7,569,992	30,279,968
1998	169,523,550	484,353,000	6,927,607	27,710,428
1997	166,897,720	476,850,629	6,414,341	25,657,364
1996	NA	NA	NA	NA
1995	NA	NA	NA	NA

Source: Butler County Auditor.

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

NA Information not available from the County

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2004**

Assessed valuation of District	\$	<u>294,241,299</u>
Voted Debt Limit - 9% of Assessed Value	\$	26,481,717
Amount of Debt Applicable to Debt Limit:		
Net Bonded Debt		<u>24,300,000</u>
Voted Debt Margin	\$	<u>2,181,717</u>
Unvoted Debt Limit - .1% of Assessed Value	\$	294,241
Amount of Debt Applicable to Debt Limit:		<u>-</u>
Unvoted Debt Margin	\$	<u>294,241</u>

Source: County Auditor and School District Records

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2004**

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>Percent Applicable to District</u>	<u>Amount Applicable to District</u>
Direct:			
Ross Local School District:			
Bonds	\$ <u>24,300,000</u>	100.00%	<u>24,300,000</u>
Total Ross Local School District	\$ <u>24,300,000</u>		<u>24,300,000</u>
Overlapping:			
Butler County	\$ <u>47,035,000</u>	3.98%	<u>1,871,993</u>
Total Overlapping	\$ <u>47,035,000</u>		<u>1,871,993</u>
Total Direct and Overlapping	\$ <u>71,335,000</u>		<u>26,171,993</u>

Source: Butler County Auditor.

Overlapping governments with no outstanding debt are not reflected.

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

<b>Year</b>		<b>Property Values (1)</b>	<b>Construction Values (2)</b>	<b>Bank Deposits (3)</b>
2004	\$	294,241,299	3,987,722	1,136,994,000
2003		262,329,305	4,321,500	1,136,994,000
2002		235,066,867	4,308,690	1,136,994,000
2001		222,215,590	2,373,890	1,152,810,000
2000		218,357,230	3,669,590	913,169,000
1999		183,170,020	3,773,570	864,105,000
1998		178,856,290	2,968,200	815,435,000
1997		175,717,540	2,685,244	783,398,000
1996		154,772,930	4,294,130	800,556,000
1995		151,996,860	3,537,500	737,683,000

(1) Source: Butler County Auditor.

(2) Source: Butler County Auditor.

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



**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**PRINCIPAL TAXPAYERS - REAL AND TANGIBLE PERSONAL PROPERTY**  
**JUNE 30, 2004**

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>Percent of Assessed Value</u>
Cincinnati Gas & Electric	\$ 2,755,640	0.94%
Cincinnati Bell Telephone	2,137,380	0.73%
Butler Rural Electric	1,723,320	0.59%
Watson Ronnie	1,379,530	0.47%
Broshear Contractors	1,111,080	0.38%
Watson Gravel, Inc.	1,006,450	0.34%
Texas Eastern	737,920	0.25%
Welch Sand and Gravel	730,840	0.25%
Cornelius Daniel	637,930	0.22%
Burwinkel Joseph	539,540	0.18%

Source: Butler County Auditor.

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

<u>Fiscal Year</u>	<u>General Fund Expenditures (1)</u>	<u>Average Daily Membership</u>	<u>General Fund Cost per Pupil (2)</u>
2004	\$ 16,993,320	2,593	6,554
2003	15,725,745	2,557	6,150
2002	15,530,600	2,546	6,100
2001	14,942,304	2,456	6,084
2000	14,350,931	2,479	5,789
1999	14,277,816	2,646	5,396
1998	13,867,150	2,654	5,225
1997	13,082,594	2,693	4,858
1996	11,383,218	2,709	4,202
1995	11,250,816	2,656	4,236

Source: District records.

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

(2) Certified by the Ohio Department of Education.

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**COST TO EDUCATE A 2004 GRADUATE**  
**ROSS LOCAL SCHOOL DISTRICT VS. STATE OF OHIO AVERAGE**  
**(1991 - 2003)**

<u>Fiscal Year</u>	<u>Grade</u>	<u>Ross Local School District Annual Per Pupil Cost</u>	<u>State of Ohio Average Cost Per Pupil</u>	<u>Comparison to State Average Cost</u>
2004	12	6,554	7,682	(1,128)
2003	11	6,150	7,483	(1,333)
2002	10	6,100	7,052	(952)
2001	9	6,084	6,602	(518)
2000	8	5,789	6,176	(387)
1999	7	5,396	5,788	(392)
1998	6	5,225	5,113	112
1997	5	4,858	4,915	(57)
1996	4	4,202	4,758	(556)
1995	3	4,236	4,640	(404)
1994	2	4,143	4,437	(294)
1993	1	4,194	4,254	(60)
1992	KDG(1)	3,729	4,159	(430)
1991		<u>1,762</u>	<u>1,981</u>	<u>(219)</u>
		<u>55,718</u>	<u>59,875</u>	<u>(4,157)</u>

Source: District records.

Annual cost per pupil is General Fund, on cash basis

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

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

<u>School Year</u>	<u>Enrollment</u>	<u>Minority Percent</u>	<u>ADC Percent</u>	<u>Attendance Rate</u>
2003-2004	2593	1.00%	3.50%	96.50%
2002-2003	2557	1.01%	3.79%	97.80%
2001-2002	2546	0.78%	2.50%	96.20%
2000-2001	2456	0.78%	2.50%	96.20%
1999-2000	2479	0.93%	2.49%	94.90%
1998-1999	2646	1.02%	3.44%	95.50%
1997-1998	2654	1.28%	4.36%	95.38%
1996-1997	2693	1.23%	4.61%	94.73%
1995-1996	2709	1.10%	4.52%	94.87%
1994-1995	2656	1.15%	4.54%	94.61%

Source: District records.

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

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

Source: Ohio Department of Education Vital Statistics

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

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

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

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

Source: Ohio Department of Education Vital Statistics

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

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**BOARD OWNED PROPERTY**  
**JUNE 30, 2004**

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

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

**ROSS LOCAL SCHOOL DISTRICT, OHIO**  
**DIRECTORY OF EDUCATIONAL SERVICES**  
**JUNE 30, 2004**

**Instructional Sites:**

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

**Administrative and Service Sites**

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

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



**ROSS LOCAL SCHOOL DISTRICT**

Single Audit Reports

June 30, 2004

# ROSS LOCAL SCHOOL DISTRICT

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**ROSS LOCAL SCHOOL DISTRICT**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2004

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture:</u>			
(Passed through Ohio Department of Education)			
Nutrition Cluster:			
Food Distribution Program	10 550	\$ 53,536	53,536
National School Lunch Program	10 555	<u>121,657</u>	<u>121,657</u>
Total U.S. Department of Agriculture		<u>175,193</u>	<u>175,193</u>
<u>U.S. Department of Education:</u>			
(Passed through Ohio Department of Education)			
Special Education Cluster:			
Title VI - B Grant	84 027	304,040	301,562
Preschool Grant	84 173	<u>1,811</u>	<u>1,811</u>
Total Special Education Cluster		<u>305,851</u>	<u>303,373</u>
Grants to Local Education Agencies (ESEA Title I)	84 010	138,215	138,703
Innovative Education Program Strategy - Title VI	84 298	14,572	14,820
Class Size Reduction	84 340	96,505	85,258
School Renovation	84 352	-	16,535
Safe and Drug Free Schools	84 186	9,651	9,651
Technology Literacy Challenge Fund Grant	84 318	<u>3,996</u>	<u>7,836</u>
Total U.S. Department of Education		<u>568,790</u>	<u>576,176</u>
Total Federal Awards		<u>\$ 743,983</u>	<u>751,369</u>

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - MATCHING REQUIREMENTS

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

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

**REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL  
REPORTING 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 Ross Local School District as of and for the year ended June 30, 2004, and have issued our report thereon dated November 12, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Ross Local School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted one immaterial instance of noncompliance which we have reported to the management of the District in a separate letter dated November 12, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ross Local School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted one immaterial matter involving the internal control over financial reporting which we have reported to the management of the District in a separate letter dated November 12, 2004.

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

*Clark, Schaefer, Hackett & Co.*

Middletown, Ohio  
November 12, 2004

**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 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, 2004. Ross Local 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 Ross Local School District's management. Our responsibility is to express an opinion on Ross Local 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; 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 Ross Local 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 of Ross Local School District's compliance with those requirements.

In our opinion, Ross Local 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, 2004.

## Internal Control Over Compliance

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

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

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

*Clark, Scharfer, Hackett & Co.*

Middletown, Ohio  
November 12, 2004

**ROSS LOCAL SCHOOL DISTRICT**

Schedule of Findings and Questioned Costs

Year Ended June 30, 2004

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

**Financial Statements**

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

**Federal Awards**

Internal Control over major programs:	
Material weakness(es) identified?	none
Reportable condition(s) identified not considered to be material weaknesses?	none
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings that are required to be reported in accordance with Circular A-133, Section .510(a)?	no
Identification of major programs:	
Special Education Cluster	
Dollar threshold to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

**Section II - Financial Statement Findings**

None

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

None



**ROSS LOCAL SCHOOL DISTRICT**

Schedule of Prior Audit Findings

Year Ended June 30, 2004

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.





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

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800-282-0370

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**ROSS LOCAL SCHOOL DISTRICT  
BUTLER COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 24, 2005**