

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2010



Mary Taylor, CPA
Auditor of State



Dave Yost • Auditor of State

January 11, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST
Auditor of State

This Page is Intentionally Left Blank.

ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Receipts and Expenditures.....	1
Notes to the Schedule of Federal Awards Receipts and Expenditures	2
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	3
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program, on Internal Control Over Compliance, and the Schedule of Federal Awards Receipts and Expenditures in Accordance with OMB Circular A-133.....	5
Schedule of Findings.....	7

This page intentionally left blank.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grantor/ Pass Through Grantor Program Title	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
National School Lunch Program	2010	10.555	\$65,179	\$0	\$65,179	\$0
National School Lunch Program - Commodities	2010	10.555	0	20,401	0	20,401
Special Milk Program	2010	10.556	8,463	0	8,463	0
Total Nutrition Cluster			<u>73,642</u>	<u>20,401</u>	<u>73,642</u>	<u>20,401</u>
Total U.S. Department of Agriculture			<u>73,642</u>	<u>20,401</u>	<u>73,642</u>	<u>20,401</u>
U.S. Department of Education						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States	2009	84.027	4,740	0	18,359	0
	2010	84.027	650,299	0	690,753	0
ARRA Special Education Grants to States	2010	84.391	203,935	0	251,566	0
			<u>858,974</u>	<u>0</u>	<u>960,678</u>	<u>0</u>
Special Education Preschool	2010	84.173	11,764	0	11,764	0
ARRA Special Education Preschool	2010	84.392	9,933	0	14,191	0
			<u>21,697</u>	<u>0</u>	<u>25,955</u>	<u>0</u>
Total Special Education Cluster			<u>880,671</u>	<u>0</u>	<u>986,633</u>	<u>0</u>
Safe and Drug-Free Schools and Communities State Grants	2009	84.186	(1,093)	0	(1,093)	0
	2010	84.186	7,366	0	7,366	0
			<u>6,273</u>	<u>0</u>	<u>6,273</u>	<u>0</u>
Title I Grants to Local Educational Agencies	2009	84.010	32,819	0	15,889	0
	2010	84.010	227,727	0	215,738	0
ARRA Title I Grants to Local Educational Agencies	2010	84.389	59,411	0	49,217	0
			<u>319,957</u>	<u>0</u>	<u>280,844</u>	<u>0</u>
Education Technology State Grants	2010	84.318	1,805	0	1,805	0
English Language Acquisition Grant	2010	84.365	15,209	0	15,174	0
Improving Teacher Quality State Grants	2009	84.367	8,712	0	660	0
	2010	84.367	66,822	0	57,720	0
			<u>75,534</u>	<u>0</u>	<u>58,380</u>	<u>0</u>
ARRA State Fiscal Stabilization	2010	84.394	85,050	0	78,718	0
Total U.S. Department of Education			<u>1,384,499</u>	<u>0</u>	<u>1,427,827</u>	<u>0</u>
Total Federal Assistance			<u>\$ 1,458,141</u>	<u>\$ 20,401</u>	<u>\$ 1,501,469</u>	<u>\$ 20,401</u>

The accompanying notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this statement.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2010**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Rocky River City School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - SUBRECIPIENTS

The District passes certain federal awards received from the Ohio Department of Education to other governments or not-for-profit agencies (subrecipients). As Note A describes, the District reports expenditures of Federal awards to subrecipients when paid in cash. During fiscal year 2010, the District received and passed through \$6,757 to community and STEM schools.

NOTE C - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE D – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

NOTE E - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. These transfers resulted in the Schedule reporting negative receipts. The District transferred the following amount from 2009 to 2010:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred from 2009 to 2010</u>
Safe and Drug-Free Schools and Communities	84.186	\$1,093



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Rocky River City School District
Cuyahoga County
21600 Center Ridge Road
Rocky River, Ohio 44116

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rocky River City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 22, 2010. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 22, 2010.

We intend this report solely for the information and use of management, the Board of Education, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 22, 2010



Mary Taylor, CPA

Auditor of State

Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program, on Internal Control Over Compliance, and the Federal Awards Receipts and Expenditures Schedule Required by OMB Circular A-133

Rocky River City School District
Cuyahoga County
21600 Center Ridge Road
Rocky River, Ohio 44116

To the Board of Education:

Compliance

We have audited the compliance of Rocky River City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect Rocky River City School District's major federal program for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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 reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Rocky River City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2010.

Internal Control Over Compliance

The District's management 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 the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

Lausche Building / 615 Superior Ave., NW / Twelfth Floor / Cleveland, OH 44113-1801
Telephone: (216) 787-3665 (800) 626-2297 Fax: (216) 787-3361
www.auditor.state.oh.us

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Rocky River City School District (the District) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 22, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of management, the Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

December 22, 2010

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2010**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: Grants to States - CFDA 84.027, ARRA Grants to States - CFDA 84.391, Preschool - CFDA 84.173, ARRA Preschool - CFDA 84.392
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2010



Emma Robertson
Grade 2

ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County • Ohio



Kiah Bransch
Grade 12

ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2010

Prepared by Treasurer's Office
Greg R. Markus, CPA • Treasurer



ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

Rocky River City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010
Table of Contents

Title Page	Page
Table of Contents	i - iv
 I. Introductory Section	
Letter of Transmittal.....	1
List of Principal Officials	16
Organizational Chart.....	17
GFOA Certificate of Achievement.....	18
 II. Financial Section	
Independent Accountants' Report	19
Management's Discussion and Analysis	21
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	38
Statement of Activities.....	39
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	40
Reconciliation of Total Governmental Fund Balances to Net Assets - Governmental Activities	41
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	42
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities.....	43
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	44
Statement of Fiduciary Net Assets - Fiduciary Funds	45
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund	46
Notes to the Basic Financial Statements.....	47

Combining and Individual Fund Statements and Schedules:

Major Funds:

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	78
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Bond Retirement Fund.....	82
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Permanent Improvements Fund.....	83

Combining Statements - Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds.....	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	86

Combining Statements and Individual Fund Schedules - Nonmajor Special Revenue Funds:

Fund Descriptions - Nonmajor Special Revenue Funds.....	87
Combining Balance Sheet - Nonmajor Special Revenue Funds	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	94
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	

Nonmajor Special Revenue Funds:

Food Service Fund.....	98
Uniform School Supplies Fund	99
Beach Building Fund.....	100
Building Rotary Fund.....	101
Public School Support Fund.....	102
Other Grants Fund.....	103
District Managed Activity Fund.....	104
Auxiliary Services Fund.....	105
Education Management Information Systems Fund	106
Entry Year Programs Fund.....	107
Data Communication Fund.....	108
Title VI-B Fund.....	109
Education Stabilization Fund	110
Title III Fund	111
Title I Fund.....	112
Title V Fund	113
Drug Free Schools Grant Fund.....	114
Preschool Disability Fund	115
Title II-A Fund	116
Miscellaneous Federal Grants Fund.....	117

Individual Fund Schedule – Nonmajor Capital Project Fund:

Fund Description – Capital Project Fund.....	118
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Nonmajor Capital Project Fund:	
Building Fund.....	119
Combining Statements and Individual Fund Schedules - Fiduciary Funds:	
Fund Descriptions - Fiduciary Funds	120
Schedule of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis) - Private-Purpose Trust Fund:	
Special Trust Fund	121
Statement of Changes in Assets and Liabilities - Agency Fund	122

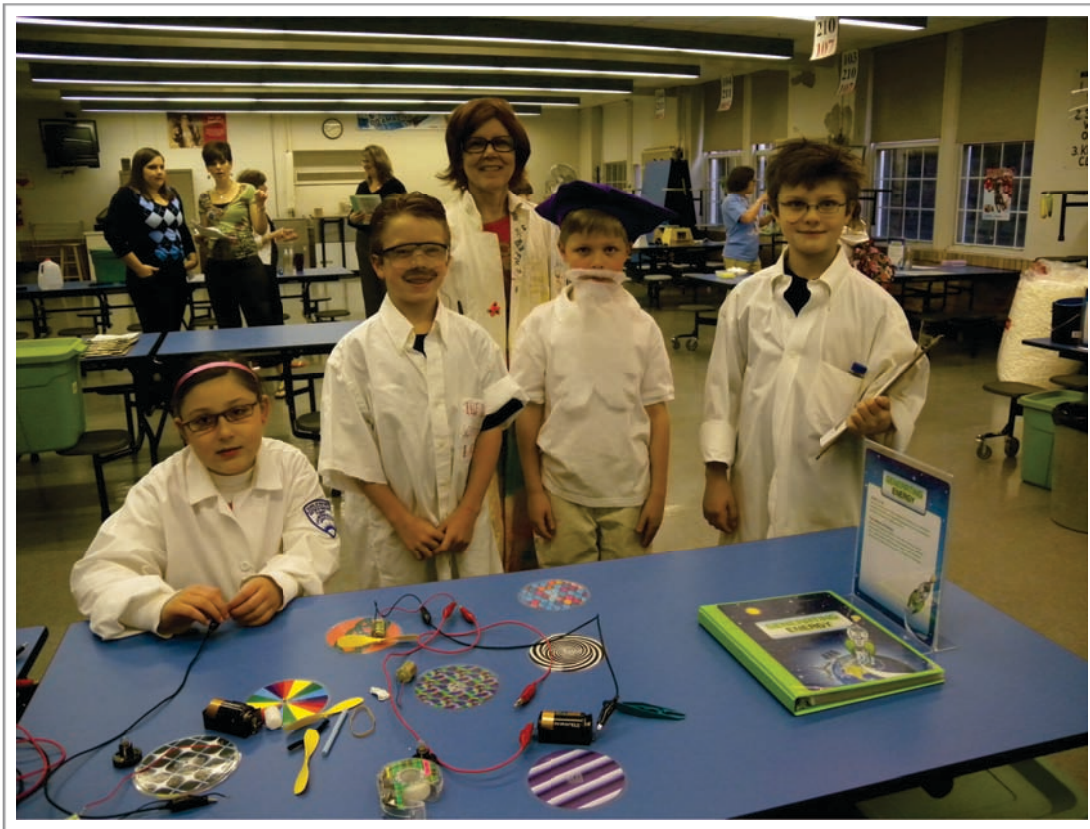
III. Statistical Section

Table of Contents	123
Net Assets by Component - Last Ten Fiscal Years (Accrual Basis of Accounting)	124
Changes in Net Assets - Last Ten Fiscal Years (Accrual Basis of Accounting)	126
Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	132
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years (Modified Accrual Basis of Accounting)	134
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	136
Direct and Overlapping Property Tax Rates - Last Ten Years	138
Principal Taxpayers, Real Estate Tax - December 31, 2009 and December 31, 2000.....	139
Principal Taxpayers, Tangible Personal Property and Public Utility Property Tax - December 31, 2009 and December 31, 2000.....	140
Property Tax Levies and Collections - Last Ten Fiscal Years	142
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	144
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	145

Direct and Overlapping Governmental Activities	
Debt - June 30, 2010.....	146
Legal Debt Margin Information - Last Ten	
Fiscal Years	147
Demographic and Economic Statistics - Last Ten	
Fiscal Years	148
Principal Employers - Current Year	149
Staffing Statistics, Full Time Equivalents (FTE) by Type and Function -	
Last Ten Fiscal Years	150
Operating Indicators by Function - Last Ten Fiscal Years	152
Capital Asset Statistics - Last Ten Fiscal Years	154
School Building Information - Last Ten Fiscal Years	156
Operating Statistics - Last Ten Fiscal Years	158
Certificated Staff Education, Experience and Average	
Salaries Information - Last Ten Fiscal Years	160

Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2010

Introductory Section



ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio



December 17, 2010

To the Board of Education, residents of the Rocky River City School District and other interested parties:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Rocky River City School District (the "District") for the fiscal year ended June 30, 2010. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The report provides the taxpayers of the District, bond rating agencies and other interested parties with comprehensive financial information, enabling them to gain a clear understanding of the District's finances. This report is intended to contribute to meeting the accountability requirements of the public. Copies will be distributed to all school buildings, the Rocky River Public Library, the Rocky River Chamber of Commerce, rating agencies and other interested organizations. Copies will be made available to all residents of the District or any other interested party through the District's web site at www.rrcs.org.

The District

History¹

The District has a long and rich tradition of academic excellence by providing a plethora of educational opportunities to its students. Early settlers in what is now Rocky River realized the importance of education for their children. The first grammar school in the area was built around 1840 at the corner of Wagar and Detroit Roads. The next schoolhouse, a one-room red brick structure, held eight grades and was built around 1890 at the northeast corner of Center Ridge and Northview Roads.

Rocky River's first high school was organized in 1892 at the site of the old Wooster School on Wooster Road. Five students graduated in 1897, the first graduating class. On January 7, 1919, a new high school at the corner of Lakeview and Riverview Avenues was opened with an enrollment of 45 students. The current high school was built in 1950 and completed and opened for students in 1951 and has been improved and updated periodically over the years. The District's most recently built school building is the current middle school that was finished and opened to students in 2000.

Current Organization

The District is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly through the State Department of Education. Under Ohio law, the District is a separate and distinct unit of government with its own taxing authority. The Rocky River Board of Education is a five member board, elected at large, with staggered four year terms.

¹McCauley, Ann. *Rocky River...Timeless*. The Rocky River Library Foundation, 2002

The District is located in a suburban area west of Cleveland, Ohio and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. The property tax base is primarily residential with a significant amount of retail commercial property. The District serves 2,644 students ranging from Kindergarten through Twelfth Grade. In addition, a wide range of services are provided for preschool-aged children and adults.

The Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformance with the Government Accounting Standards Board Statement No. 14. "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the District (the primary government) and its potential component units. The District has no component units and the District is not a component unit of any other governmental organization.

The District is associated with the Lakeshore Northeast Ohio Computer Association and the Ohio Schools Council Association, both jointly governed organizations; the Ohio School Boards Association Workers' Compensation Group Rating Program, an insurance purchasing pool; and the Rocky River Public Library, a related organization.

Demographics, Economic Condition and Outlook²

The 2000 U. S. Census data reports a population of 20,735 in the City of Rocky River with 10,337 dwelling units and over 1,250 businesses. As of July 1, 2009, the U.S. Census estimates the population for the City of Rocky River to be 18,734. The median household income is \$51,766 (year 2000) and the median income for a family was \$72,147 (year 2000). The median home value is \$187,500 (year 2000). Over the past 10 years, the average appreciation of homes in Rocky River was approximately 4%. In 2005 the average sale price for a single family home was \$288,506 with 65 days on the market. As of 12/3/2010, there were a total of 206 homes listed for sale with the least expensive home listed at \$24,500 and the most expensive listed at \$4,700,000. For the month of November 2010, there were 18 homes that sold with an average sale price of \$162,950 (lowest at \$42,000 and highest at \$335,000) with an average of 105 days on the market. Compared to one year ago, the number of homes sold is up slightly with the average sale price also up slightly.

Per the 2000 U.S. Census, the median age for residents of Rocky River is 44.3 and families (non-single residences) represent 56.1% of the population. The racial makeup of the city was 96.8% White, 0.4% African American, 0.1% Native American, 1.4% Asian, 0.01% Pacific Islander, 0.3% from other races, and 1.1% from two or more races. Hispanic or Latino of any race was 1.2% of the population.

There were 9,869 households out of which 22.4% had children under the age of 18 living with them, 47.4% were married couples living together, 6.9% had a female householder with no husband present, and 43.9% were single non-family households. 40.2% of all households were made up of individuals and 20.4% had someone living alone who was 65 years of age or older. The average household size was 2.11 and the average family size was 2.89. In the city the population was spread amongst age groupings with 22.1% under the age of 20, 3.0% from 20 to 24, 11.3% from 25 to 44, 14.6% from 35 to 44, 14.1% from 45 to 54, 10.6% from 55 – 64 and 24.3% who were 65 years of age or older.

The occupational makeup of the City is 49.1% professional/managerial, 31.7% technical/sales/clerical, 9.5% service, 3.9% construction/extraction/maintenance, and 5.7% production/transportation/material moving occupations. Of the population 25 years of age or older, over 46% have at least a bachelor's degree. Businesses within the community are predominantly retail and service oriented.

² Primary sources of data used for this section are http://realtymtimes.com/rtmcrloc/Ohio~Rocky_River and <http://factfinder.census.gov>

The District receives almost 72% of its governmental fund revenues from local property tax collections. Therefore, the long-term financial health of the District is very dependent on its tax base. The total assessed valuation of the District's tax duplicate has risen close to 12% over the last ten years. The increased value in the tax duplicate is due primarily to revisions in property values made by the County Auditor every three years as well as some new construction, although assessed values have decreased recently due to the elimination of tangible personal property values from the tax duplicate as well as an overall reduction based on the triennial property update that took effect for calendar 2010.

The City of Rocky River is almost completely developed, so future assessed valuation increases will come primarily from property value changes. There may also be some growth from the demolition of existing commercial and residential building stock and the subsequent redevelopment of such property, as this is becoming increasingly common in fully-developed suburban areas like Rocky River. There are no major manufacturing plants located within the District's boundaries. In terms of dollar value the largest real property taxpayer owns approximately 1.83% of the total real property in the District.

Major Initiatives - Fiscal Year 2010

During fiscal year 2010, the District continued working towards the goals as outlined in the District's Strategic Plan (the "Plan") that was adopted in fiscal 2009. This strategic plan outlines actions designed to achieve desired outcomes. It is a statement of the Rocky River City School District's mission, beliefs, and goals. It defines what we as a community envision for the future of our schools, and details objectives and strategies to guide us on our Journey. Approved by the Board of Education on June 25, 2009, this Plan is meant to serve as the compass by which the District will chart its course for the next ten years. The Plan, as adopted, is as follows:

BELIEFS

We believe ...

- Students are the heart of our purpose.
- Student success requires a partnership among family, school and community.
- A Rocky River education empowers values, inspires curiosity and encourages talents that lead to success.
- High expectations lead to high achievement.
- Lifelong learners thrive as they embrace the changing global society.

An exceptional school district demonstrates all of the above.

STRATEGIC OBJECTIVES

By 2014 ...

- All students will engage in contemporary, globally competitive curricular and co-curricular programs of excellence.
- All students will achieve their educational goals incorporating the highest international standards.
- All students will participate in a student-centered environment that addresses educational, social and emotional needs.

- All students will learn through lessons and experience that communication is open, sincere, timely and responsive.
- All students will attend schools that are state-of-the art facilities.
- All students will learn in an environment that is technologically competitive on a global level.

COMMUNICATIONS

Develop guidelines, protocol and procedures to disseminate information to all students, staff, parents, alumni and community about the strategic plan, including updates on progress and status in achieving our mission.

1. District staff members understand and are committed to the achievement of the mission.
2. Students understand and support the achievement of the mission.
3. Parents, alumni, civic leaders, and community members understand, support and work toward the accomplishment of the mission.
4. Updates on the progress and status of achieving our District's strategic objectives are accessible to stakeholders in a variety of formats, including social media.

CURRICULUM and CO-CURRICULUM

Develop systems to ensure the same expectation of excellence in all programs, curricular and co-curricular.

1. Curricula, instruction and assessments are aligned and articulated.
2. Data guides instruction, appropriate to an individual's skills, needs and developmental stages.
3. A rigorous curriculum ensures that every student is appropriately challenged and learning at his/her highest level.
4. Multiple assessments provide student driven data necessary to communicate progress in each child's growth and development.
5. Rocky River students are prepared to succeed in an increasingly interconnected and competitive world.

FACILITIES

Provide facilities that meet our mission.

1. Recommendations from the facility study for repairs and updates to district facilities are complete.
2. A facilities master plan provides a blueprint for buildings that support student success.
3. District facilities meet instructional and operational technology needs for all students, faculty, staff and administrators.
4. A facilities master plan provides a blueprint for non-instructional buildings and services (transportation, maintenance, Beach, Wooster and Board of Education Offices).

5. The capital improvement plan uses federal, state, local and non-traditional funding sources.

FINANCE

Provide traditional and nontraditional fiscal resources to meet our mission.

1. Alternative revenue streams supplement traditional funding sources for all District programs.
2. Operational efficiencies and cost-containment measures are instituted to optimize resources for District programs.
3. The community is informed on the District's financial status and the Ohio school finance environment.
4. A "rainy day" fund is established and maintained to help ensure financial stability.

HUMAN RESOURCES

Recruit, hire and retain exceptional staff and provide professional development to accomplish our mission and strategic objectives.

1. The Rocky River Local Professional Development Committee researches, promotes and communicates available, pertinent professional development opportunities.
2. Collaborative opportunities are provided in each building during the workday.
3. Administrators research, promote and communicate available, pertinent training opportunities for non-certified employees.
4. A comprehensive approach is in place to assure the District continues to recruit and hire exceptional employees.
5. Exceptional employees choose to make a long-term commitment to the District.

TECHNOLOGY

Ensure availability of technology and training necessary to support achievement of our mission and strategic objectives.

1. All students have equal access and opportunities to use technology.
2. A culture is established where technological literacy is expected at all levels of the organization.
3. A dynamic, comprehensive infrastructure exists that supports teaching and learning.

Goals for 2011

One of the primary goals for 2011 is to implement components of the aforementioned Strategic Plan. As of December 2010, the following progress has been made towards the indicated components of the Plan:

Strategic Objective: Communications
Strategy: Develop guidelines, protocol and procedures to disseminate information to all students, staff, parents, alumni and community about the strategic plan, including updates on progress and status in achieving our mission.

Result #1 District staff members understand and are committed to the achievement of the mission.
Action (Completed 09-10) <ul style="list-style-type: none"> • The strategic plan was shared with the District Instructional Leadership Team and the leadership of the Rocky River Teachers' Association and the Ohio Association of Public School Employees. It was also presented to all certificated and support staff members. • All staff members were presented with an item containing the mission statement at Convocation. • The mission statement is displayed in all buildings, classrooms and on District letterhead and business cards. • Staff members were provided with a brochure detailing the components of the Strategic Plan. • Inaugural issue of online education journal, the River Educator, was launched in August 2009. The theme was collaboration.
Result # 2: Students understand and support the achievement of the mission.
Action (Completed 09-10) <ul style="list-style-type: none"> • The mission, beliefs, and strategic objectives are included in student planners and teachers presented the strategic plan to students in an age-appropriate manner during the first week of school. • The Strategic Plan was presented to student groups, including student-board liaisons, student council, clubs and athletic teams.
Result # 3: Parents, alumni, civic leaders, and community members understand, support and work toward the accomplishment of the mission.
Action (Completed 09-10) <ul style="list-style-type: none"> • The Strategic Plan was presented to parent and community groups, including PTA Council and Units, Boosters, Rocky River Clergy Group, Rocky River Community Federation, Rocky River City Council, Rocky River Recreation Center, Rocky River Senior Center, Rocky River Chamber of Commerce, and League of Women Voters. • Building administrators presented the Strategic Plan to parents at Open House in the fall of 2009. • Parents, civic leaders, and community members were presented with printed material detailing the components of the Strategic Plan. • A fall campaign was conducted for parents, civic leaders, and community members to sign up for the new email notification system.
Result # 4: Updates on the progress and status of achieving our District's strategic objectives are accessible to stakeholders in a variety of formats, including social media.
Action (In Progress) <ul style="list-style-type: none"> • Press releases are issued as strategies are achieved. • The District website is used to disseminate updates on the progress and status of achieving our strategic objectives, including social media to provide a vehicle for two-way communication about the Strategic Plan. • Digital and print publications to disseminate updates on the progress and status of achieving our strategic objectives, including the R Schools, Annual Report, River Educator and school bulletins. • The email notification system is used to disseminate updates on the progress and status of achieving our strategic objectives.

Strategic Objective: Curriculum and Co-Curriculum
Strategy: Develop systems to ensure the same expectation of excellence in all programs, curricular and co-curricular.
Result #1: Curricula, instruction and assessments are aligned and articulated.
Action (Completed 09-10) Course Of Study revisions: <ul style="list-style-type: none"> • Guidance K-12 • Foreign Language 7-12 • Technology 6-8 Course Of Study alignment and pacing: <ul style="list-style-type: none"> • Math K-8 • Social Studies K-12 Practice alignment:

<ul style="list-style-type: none"> • 3-12 writing assessments and rubrics
Result #2: Data guides instruction, appropriate to an individual's skills, needs and developmental stages.
Action (Completed 09-10) New staff: <ul style="list-style-type: none"> • 2 tutors at KIS for Response to Intervention data tracking and student intervention Acquisition: <ul style="list-style-type: none"> • New laptops for District tutoring staff used to maintain and monitor student progress • New electronic IEP program purchased and implemented New implementation: <ul style="list-style-type: none"> • AIMSweb data tracking and progress monitoring 6-8 Practice alignment: <ul style="list-style-type: none"> • K-5 Response to Intervention /Intervention Assistance Team data tracking
Result #3: A rigorous curriculum ensures that every student is appropriately challenged and learning at his/her highest level.
Action (Completed 09-10) New course 09-10: <ul style="list-style-type: none"> • Grade 8 Honors Science (for HS credit) New course of study written for 10-11: <ul style="list-style-type: none"> • 9th grade World History Honors • Freshman Mentoring Program • Introduction to Differential Calculus and Statistics
Result #4: Multiple assessments provide student driven data necessary to communicate progress in each child's growth and development.
Action (Completed 09-10) Professional Development: <ul style="list-style-type: none"> • Formative assessment training provided to cadre of 35 district teachers Writing Assessment: <ul style="list-style-type: none"> • Grades 3-12 district writing sample rubrics rewritten
Result #5: Rocky River students are prepared to succeed in an increasingly interconnected and competitive world.
Action (Completed 09-10) <ul style="list-style-type: none"> • Acquisition: 30 new computers in each GPS and KIS labs • Video streaming of WVIZ content enabled at RRHS

Strategic Objective: Facilities
Strategy: Provide facilities to meet our mission.
Result #1: Recommendations from the facility study for repairs and updates to district facilities are complete.
Action (Completed 2009) <ul style="list-style-type: none"> • Review and update of assessment of district facilities completed by Project and Construction Services, Inc. (PCS). The assessment cited over \$13,000,000 in repairs that are needed to maintain safe, warm, and dry facilities. The assessment did not include additions or facility upgrades to meet the needs of 21st century learning.
Result # 2: A facilities master plan provides a blueprint for buildings that support student success.
Action (Completed 2009) <ul style="list-style-type: none"> • Burt, Hill Architects led three community engagements during the spring of 2009. The engagements focused on the following primary topics: Academics and Technology, Athletics and Activities, and Fine Arts and Music. • Community telephone survey of 400 residents was conducted in early December of 2009 by Triad Research to gauge the level of community support for a bond issue to renovate and/or add new learning environments. • An additional community engagement was completed in January 2010 and was facilitated by Triad Research. • The facilities master plan is was finalized in January 2010 prior to the initiation of a bond issue. The master plan will recommend facilities that are globally competitive for all students. • On May 4, 2010 a 3.2 mill bond issue was approved by residents

<p>Action (In Progress)</p> <ul style="list-style-type: none"> • Facility planning is in progress with the Board of Education, faculty, staff, administrators, Burt, Hill Architects and Project and Construction Services, Inc. (Construction Management Firm). • Community Engagement – The Board of Education, Burt, Hill Architects and PCS, Inc. shared construction plans with community members.
<p>Result #3: District facilities meet instructional and operational technology needs for all students, faculty, staff and administrators.</p>
<p>Action (In Progress)</p> <ul style="list-style-type: none"> • Technology infrastructure, equipment, and software are included in facility discussions. • Significant work needs to be considered in the area of technology to make our school globally competitive. • Representatives from Burt, Hill Architects and PCS, Inc. meet with the Board of Education and administrators to define the scope and sequence for bond issue construction. • Impacted faculty members, Board of Education members, and administrators toured many northeast Ohio school district facilities. The tours were purposeful in preparing for construction design and planning.
<p>Result #4: A facilities master plan provides a blueprint for non-instructional buildings and services (transportation, maintenance, Beach, Wooster and Board of Education Offices).</p>
<p>Action (In Progress)</p> <ul style="list-style-type: none"> • Non-instructional buildings are included in facility discussions. • The facilities assessment by PCS includes the necessary repairs that are needed for the non-instructional buildings to be warm, safe, and dry. • The new facilities master plan is considering several options for non-instructional buildings. • Plans are being developed for the relocation of the Board of Education offices from the current location at Goldwood to Beach School. • Extensive planning for Rocky River High School, Kensington Intermediate School and Goldwood Primary School are in progress. • At timetable for construction is being developed.
<p>Result #5: The capital improvement plan uses federal, state, local and non-traditional funding sources.</p>
<p>Action (Completed 2010)</p> <ul style="list-style-type: none"> • A private-public partnership replaced the public address (PA) system at the Rocky River High School stadium in the summer of 2010. A resident offered a donation for a new PA system. Booster clubs conducted fundraisers to add to the donation. <p>Action (In Progress)</p> <ul style="list-style-type: none"> • Ohio School Facilities Commission (OSFC) funding is not an option for the Rocky River City Schools at this time. OSFC funding will only be available to the Rocky River Schools if the district becomes eligible for funding a full project or if the laws that govern the funds change. At this time the Rocky River Schools OSFC eligibility rank is 595 out of 612 for funding of 2% (\$279,821). • The Board of Education and administration are seeking private and public partnerships to address facility needs. • The City of Rocky River has been approached to partner with the school district for the development of a turf sports field at Rocky River Middle School and the replacement of the all-weather track at Rocky River High School. The Board of Education is seeking a financial contribution for the joint use partnership. • The Rocky River City Schools were approved for participation in the Qualified School Construction Bonds program on May 27, 2010; interest reimbursement subsidies will be \$8,997,246.70 based on a principal bond amount of \$11,260,000 over 16 years if all requirements are fulfilled by the district and the program is fully funded. • The District was approved to participate in the Federal Build America Bonds program. If fully funded and all requirements are fulfilled by the District, interest reimbursement subsidies will be \$16,690,352 based on a principal bond amount of \$28,500,000 over 34 years.
<p align="center">Strategic Objective: Finance</p>
<p>Strategy: Provide traditional and non-traditional fiscal resources to meet our mission.</p>
<p>Result #1: Alternative revenue streams supplement traditional funding sources for all District programs.</p>

Action (Completed 09-10)

- American Express Corporate Card program for District purchasing earns dollars (\$5,400 redeemed as of May 2010 for Home Depot gift cards in order to purchase needed supplies and equipment of facilities with approximately another \$2,000 accrued as of August 2010).
- Agreement with Magnificat High School for use of our stadium field for Girls' Soccer. District retains admission charges and the Rocky River Boosters operates concession stands and keeps the proceeds.
- Cell tower lease agreement with AT&T that produced \$30,000 in upfront rental payments (for the first two years) and will produce an additional \$15,000 per year in years three –five.
- Registration for district-hosted professional development (PD) opportunities opened to surrounding districts thus reducing PD costs for our district.

Action (In Progress)

- Business and Science Departments at RRHS began a program that allows business students to sell outdated former editions of AP Science Books on eBay. Proceeds are split between the two departments
- Public/Private partnerships and shared services are explored with outside entities.
- Successfully secured an allocation of \$11,260,000 in Qualified School Construction Bonds (QSCB's) to be used as an integral part of the plan of finance for the \$42.9 million bond issue passed by the voters in May 2010. These bonds are expected to be marketed and issued in mid-September 2010. The federal subsidies received on these bonds along with Build America Bonds (BAB's) that the District issued for the vast majority of the remaining bond authority will provide \$25.7 million in federal funding to offset a substantial portion of interest cost related to the bonds. A portion of this \$25.7 million is also planned to be used to delay an operating levy for one year from fiscal 2011 to fiscal 2012 saving the average homeowner \$300 in taxes the first year while keeping District programs intact.

Result #2: Operational efficiencies and cost-containment measures are instituted to optimize resources for District programs.

Action (Completed 09-10)

- Contracted with a new third-party administrator to administer Section 125 employee flexible benefit plan that will save the District approximately \$6,000 - \$10,000 per year while providing for additional voluntary (100% employee-paid) benefits.
- Issued \$60,500 in General Obligation Notes using the unobligated portion of its bond retirement fund (i.e. internal borrowing) to purchase 60 computers to replace 8+ year old computers located at Goldwood and Kensington labs at a very minimal transaction cost and at an annual borrowing rate of only 2%.
- Shifted significant purchasing activity to Staples for office supplies and certain instructional supplies in order to take advantage of a 10% - 20% savings in this area through the Ohio Schools Council contract. The District is also evaluating cleaning and maintenance supplies purchasing through this same contract for additional savings.
- Contracted with an outside consultant to review our telecommunication billings. Realized savings of approximately \$13,000 annually starting next year.
- Entered into an electric energy purchase agreement with Duke Energy through the Ohio Schools Council group contract resulting in an approximate annual savings of \$90,000.
- Substitute coding revised to facilitate analysis of expenditures.
- Staff attendance tracking enhanced to include professional leave.

Result #3: The community is informed on the District's financial status and the Ohio school finance environment.

Action (In Progress)

- Monthly finance committee meeting updates are provided for the community on the financial inter-workings of the District.
- Treasurer's Office website is maintained with links to important financial documents such as the five-year financial forecast, Comprehensive Annual Financial Report and monthly financial reports that are reviewed by the Board of Education.

Strategic Objective: Human Resources

Strategy: Recruit, hire and retain exceptional staff and provide professional development to accomplish our mission and strategic objectives.

Result #1: The Rocky River Local Professional Development Committee researches, promotes and communicates available, pertinent professional development opportunities.

<p>Action (Completed 09-10) 09-10 District-Offered Professional Development Opportunities:</p> <ul style="list-style-type: none"> • 4-workshop Autism series, <i>A Deeper Understanding</i> • Tech I & Tech II Certification course • Atomic Learning (online video tutorials) purchased for all district staff • Align, Assess, Achieve formative assessment training • Wilson Reading System® Level I Certification for 11 certified staff members • New Teacher Transition Program opportunities for qualified staff • 6 District teachers obtained official SMART Technologies Certification
<p>Result #2: Collaborative opportunities are provided in each building during the workday.</p>
<p>Action (Completed 09-10)</p> <ul style="list-style-type: none"> • Rocky River High School Professional Learning Community was expanded to 27 weekly department meetings.
<p>Result #3: Administrators research, promote and communicate available, pertinent training opportunities for non-certified employees.</p>
<p>Action (Completed 09-10)</p> <ul style="list-style-type: none"> • Tech I & Tech II Certification courses • Atomic Learning (online video tutorials) available for non-certified staff • Non-certified Staff Tech Inservice on NEOEA Day • Non-certified Staff Adobe Acrobat Inservice • New website Content Management System Inservice • Website Inservice with company representative • Individual Non-certified Staff Inservices (12 different sessions) • SMART Board training was provided for District substitute teachers
<p>Result #4: A comprehensive approach is in place to assure the district continues to recruit and hire exceptional employees.</p>
<p>Action (Completed 09-10)</p> <ul style="list-style-type: none"> • Positions posted on District website • Online application process • Advertise in newspapers, Ohio colleges, and professional organizations • Three-tiered interview format used to identify top candidates • Hired an additional school nurse through the Cuyahoga County Board of Health
<p>Result #5: Exceptional employees choose to make a long-term commitment to the district.</p>
<p>Action (Completed 09-10) Master Teacher Program (ongoing):</p> <ul style="list-style-type: none"> • Recognition of honor given to 10 certified district staff members to date
<p>Strategic Objective: Technology</p>
<p>Strategy: Ensure availability of technology and training necessary to support achievement of our mission and strategic objectives.</p>
<p>Result #1: All students have equal access and opportunities to use technology.</p>
<p>Action (Completed 09-10)</p> <ul style="list-style-type: none"> • New 30 iMac computer lab at Goldwood. • New 30 iMac computer lab at Kensington. • 12 year old iMacs replaced with 8 year old eMacs in Goldwood and Kensington classrooms • RRMS Media Center computers networked to copier, replacing old printers
<p>Result #2: A culture is established where technological literacy is expected at all levels of the organization.</p>
<p>Action (Completed 09-10)</p> <ul style="list-style-type: none"> • 36 new laptops purchased for special education and other staff. • District license purchased for Atomic Learning (online technology video tutorials). • Special Services Education Module implemented and special education staff members inserviced (special education forms / reporting software) • Tech I & Tech II Certification Course offered • SMART Technologies courses offered

- District Web 2.0 tools implemented: Moodle, Google Apps for Education for Staff (RrApps/Staff)
- Staff Development Needs Assessment
- Web-based Facilities Work Request database implemented and staff trained on its use
- Web-based RRHS/RRMS Music database implemented and staff trained on its use

Action (In Progress)

- New website launched and Content Management System inservices conducted for certified and classified staff.
- Ongoing Certified and Classified technology inservices
- Tech I & Tech II Certification Courses
- More consistent use of Trouble Trakker by staff to report technology issues.

Result #3: A dynamic, comprehensive infrastructure exists that supports teaching and learning.

Action (Completed 09-10)

- Technology Audit conducted

Action (In Progress)

- Maintain a system of infrastructure support and maintenance in support of technology.
- Provide adequate opportunities for students and staff to share data, files, research and information effectively and efficiently.

In addition to the above, the following financial goals will be addressed:

- To effectively use District resources to assure the highest quality educational program while attempting to meet the District’s three year financial plan. This includes continually working towards successfully managing funds that are being generated from the additional 5.9 mill property tax levy that was passed in March of 2008 to support the District’s programming by providing financial stability through calendar 2012 per the District’s current five-year financial forecast. This will be accomplished by developing, monitoring and adjusting short-term and long-term financial projections and expenditures focusing on the use of general funds to ensure a balanced budget.
- To continue to educate the electorate of the District on the District’s financial situation and its impact on the future prosperity and financial stability of the District.
- To receive the GFOA Certificate of Achievement for Excellence in Financial Reporting for this fiscal year 2010 CAFR.
- To continue to enhance the District’s budget and financial planning information for citizens; to communicate the District’s dependence on local taxpayer support and current issues with the State of Ohio’s “Evidence-Based Model” school financing structure based on the House Bill 1 legislation that became effective on July 1, 2009 as well as any changes to state funding that are implemented due to the election of a new governor and legislature in November 2010.
- To continue to assure the District’s property tax base remains strong and stable by working thorough economic issues with city and county governments, the business community and individual property owners.
- To effectively and efficiently utilize the \$42.9 million generated from the bond issue that was approved by the voters in May 2010 as part of the District’s Master Plan for facilities

Prospects for the Future

The funding structure of public education in Ohio poses a challenge to Districts. There is very little in the current state funding structure which allows Districts to receive additional revenues relative to inflationary pressures. Boards of education throughout Ohio must put issues on the ballot for voter approval in order to receive significant additional revenues. The District passed a 5.9 mill operating levy in March 2008. Collection of the new levy began in January 2009. The additional revenue from this levy, now projected to produce approximately \$4.1 million annually, along with the addition of federal subsidies tied to the issuance of Qualified School Construction Bonds and Build America Bonds (see further discussion below) in the amount of \$5.3 million over four calendar years is planned to stabilize the District's finances through calendar 2012. Ohio law requires once a school levy is passed, that levy may not generate additional tax revenue as a result of reappraisal or reassessment (i.e. inflationary growth). Consequently, tax levies, if approved by voters, essentially provide a fixed source of revenue with no inflationary growth on those voted mills going forward.

Effective July 1, 2009, the State of Ohio passed landmark education reform in the form of HB 1 that began to implement an "Evidenced Based Model" for education funding. Due to the State's financial condition at the time of its passage and the state of the economy in general, many of the funding reforms will not be fully funded until at least fiscal year 2012 and most likely will not be fully funded until sometime after fiscal year 2012. Also, due to the election of a new Governor and legislature in November 2010 as well as the State of Ohio's projected \$8 billion budget deficit for the next biennium starting July 1, 2011, the continuation of this education model as well as state financial support for schools is in serious jeopardy.

For District's such as Rocky River with relative property and median income wealth, there is no significant change in the overall state funding as compared to recent history and, in fact, the District a slight funding loss for fiscal year 2010 as compared to fiscal year 2009. Fortunately the District, like most others, was the beneficiary of additional federal funding through the American Reinvestment and Recovery Act of 2009 that provided targeted funding for special education and disadvantaged student programs that will last through fiscal year 2011. Further, due to the economic recession over the last three years, the State of Ohio has had to institute funding cuts to many areas, including education. While there have not been any meaningful reductions to any of our state funding to date, this is a distinct possibility as the economic conditions around the country, and especially in Ohio, continue to move along their current path or deteriorate even further. The District is currently anticipating a reduction in State foundation funding of 10% starting in fiscal 2012. The state funding portion of the District's revenue is subject to legislative action and is expected to be debated for the upcoming state biennial budget starting on July 1, 2011.

The Board of Education placed a \$42.9 million bond levy before the voters in May of 2010 that passed by a significant margin. The bonds were subsequently issued in September of 2010 and included near zero-interest Qualified School Construction Bonds (QSCB's) and 35% interest-subsidy Build America Bonds (BAB's) as authorized by the federal ARRA as well as traditional tax-exempt bonds. The plan for the use of these funds is a comprehensive one that covers the upgrade of virtually all buildings in the District (physical plant upgrades for the primary, intermediate and high schools and technology upgrades for the middle school) with the main emphasis being placed on the renovation and expansion of Rocky River High School to meet the needs of our students in order to provide them a 21st Century education. The design and construction period will last approximately 42 months and is currently in the midst of the design phase for the high school, primary school and intermediate school. The design phase for renovated Board of Education administrative offices was recently completed and the construction phase for that project has not begun.

Financial Information

Internal Accounting and Budgetary Control: In developing the District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing the financial statements and maintaining the accountability of assets. The concept of reasonable assurance is based on the assumption the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensures financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for the fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within three months of the fiscal year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level for all District funds. All non-site-based purchase order requests must be approved by the Executive Director of Human Resources and Support Services and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations to date.

In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy making roles are covered by a separate, higher limit bond.

The basis of accounting and the various funds utilized by the District are fully described in Note 2 of the financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.

Financial Reporting

This is the ninth year the District has prepared financial statements following GASB Statement No. 34 "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments". GASB Statement No. 34 creates basic financial statements for reporting on the District's financial activities as follows:

Government-wide financial statements: These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements: These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Fiduciary funds use the accrual basis of accounting.

Statements of budgetary comparisons: These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion is presented in the financial section of this report and provides an assessment of the District finances for fiscal year 2010. This transmittal letter is intended to be read in conjunction with the District's MD&A.

Independent Audit

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Mary Taylor, CPA, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2010. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school governments in Ohio. The District adopted and has been in conformance with that system beginning with its financial report for the year 1979.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the Rocky River City School District for its comprehensive annual financial report (CAFR) for the year ended June 30, 2009.

This was the nineteenth year that the Rocky River City School District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. This Certificate is the highest form of recognition available for governmental accounting and financial reporting. Attainment of this Certificate represents a substantial accomplishment for any governmental entity.

Acknowledgments

The publication of this report continues in the District's tradition of providing a high level of accountability of the District's finances to taxpayers, investors and other internal and external users of such information. This accomplishment would not have been possible without the support and efforts of the entire Treasurer's office staff of Joyce Younglas, Greta Coleman, Janice Denham, Margaret Donnelly and Betsy Lauer as well as administrators and other employees of the District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data provided in this report.

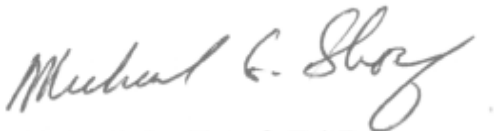
Special thanks are extended to the CPA firm of Julian & Grube, Inc. for their technical assistance in preparing this report as well as to Dr. Dianna Foley, the District's Coordinator of Communications and Technology, for designing the covers and divider pages of this report.

The Board of Education's commitment to excellence to the District in general, and support for this project in particular, are sincerely appreciated.

Respectfully Submitted,



Greg R. Markus, CPA
Treasurer/CFO



Michael G. Shoaf, Ed.D.
Superintendent of Schools

Rocky River City School District

Principal Officials

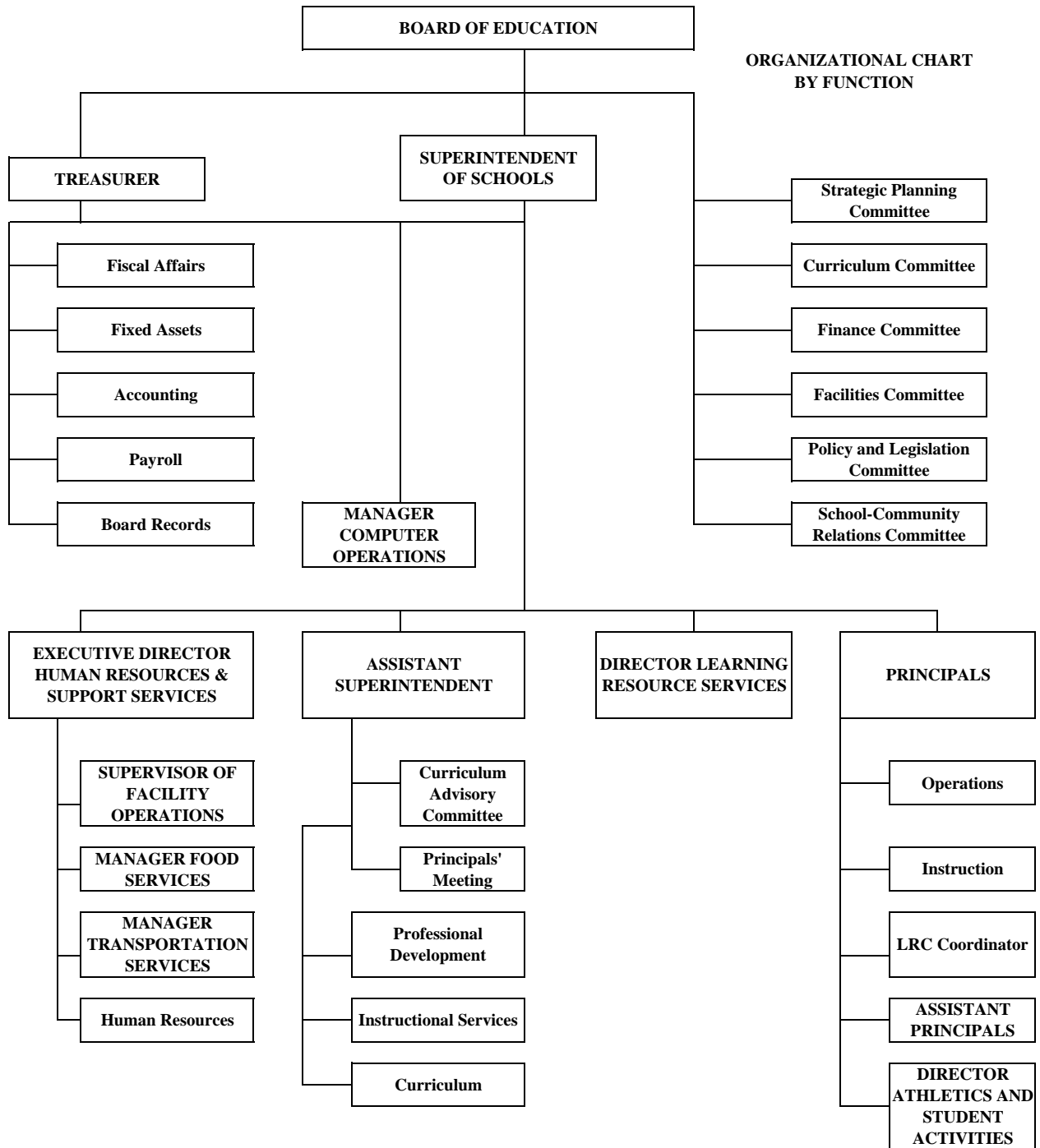
June 30, 2010

Board of Education

Jean A. Rounds..... President
Scott E. Swartz..... Vice-President
Jon FancherMember
Kathleen GoepfertMember
Jay Milano.....Member

Administration

Michael G. Shoaf, Ed.D Superintendent
Elizabeth Anderson Executive Director of Curriculum and Instruction
Ted Blank.....Executive Director of Human Resources and Support Services
Greg R. Markus, CPA Treasurer/CFO



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Rocky River City
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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.



A stylized, handwritten signature in black ink, appearing to be "JRE".

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2010

Financial Section



ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Rocky River City School District
Cuyahoga County
21600 Center Ridge Road
Rocky River, Ohio 44116

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rocky River City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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 Rocky River City School District, Cuyahoga County, Ohio, as of June 30, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and is not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

December 22, 2010

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

The discussion and analysis of Rocky River City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

In total, net assets of the governmental activities increased \$2.2 million from a balance of \$9.6 million at June 30, 2009 to \$11.8 million at June 30, 2010.

Total governmental activities revenues increased \$1.0 million primarily due to an increase in property tax revenue and an increase in grants and entitlements. The revenue increase is further explained on page 25.

Total governmental activities expenses increased \$0.5 million or 1.26 percent. The increase was primarily in the instruction related area.

Program revenue, revenue from specific fees and grants, increased to 11.54 percent of all revenue from 10.79 percent in 2009. Over eighty-eight percent of governmental activities revenues come from general revenues, primarily property taxes.

Total capital assets, net decreased from \$24.7 million at June 30, 2009 to \$23.9 million at June 30, 2010. This occurred as depreciation expenses more than offset new capital assets.

The District's outstanding long-term obligations decreased to \$19.0 million at June 30, 2010 from \$20.8 million at June 30, 2009.

The District's major governmental funds are the general fund, bond retirement fund and permanent improvement fund. The general fund had \$31.4 million in revenues and \$30.7 million in expenditures and other financing uses. During fiscal 2010, the general fund's fund balance increased \$0.7 million from a deficit balance of \$.3 million to a positive balance of \$.4 million.

The bond retirement fund had \$3.2 million in revenues and \$3.1 million expenditures. During fiscal 2010, the bond retirement fund's fund balance increased \$0.1 million from \$4.5 million to \$4.6 million.

The permanent improvement fund had \$0.07 million in revenues and \$0.12 million expenditures. During fiscal 2010, the permanent improvement fund's fund balance decreased \$0.05 million from \$0.11 million to \$0.06 million.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term and what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund.

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

The statement of net assets and the statement of activities include the District's programs and services, including instruction, support services (which includes the operation and maintenance of plant and pupil transportation), extracurricular activities and food service operations.

The District's statement of net assets and statement of activities can be found on pages 37-38 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, bond retirement debt service fund and the permanent improvement capital projects fund.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Governmental Funds: Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end, available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 39-42 of this report.

The District as a Whole

Recall the Statement of Net Assets provides the perspective of the District as a whole. The Statement of Net Assets presents information on the Governmental Activities of the District. Table 1 provides a summary of the District's Governmental Activities net assets for 2010 compared to the two prior years.

TABLE 1
Net Assets
(In millions)

	Governmental Activities <u>2010</u>	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
<u>Assets</u>			
Current and other assets	\$ 35.6	\$ 33.8	\$ 32.4
Capital assets, net	<u>23.9</u>	<u>24.7</u>	<u>25.6</u>
Total assets	<u>59.5</u>	<u>58.5</u>	<u>58.0</u>
<u>Liabilities</u>			
Current liabilities	28.7	28.1	27.5
Long-term liabilities	<u>19.0</u>	<u>20.8</u>	<u>22.6</u>
Total liabilities	<u>47.7</u>	<u>48.9</u>	<u>50.1</u>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	10.9	10.2	9.0
Restricted	5.6	4.9	4.9
Unrestricted (deficit)	<u>(4.7)</u>	<u>(5.5)</u>	<u>(6.0)</u>
Total net assets	<u>\$ 11.8</u>	<u>\$ 9.6</u>	<u>\$ 7.9</u>

Total Assets increased by \$1.0 million. Current assets increased \$1.8 million primarily due to an increase in property taxes receivable of \$0.5 million and an increase in cash and cash equivalents of \$.09 million. Both increases are due to increased property taxes both received in fiscal 2010 and due to the District at June 30, 2010. Capital assets decreased by \$.8 million as depreciation expense more than offset capital additions. The District acquired \$0.2 million less in capital assets in fiscal 2010 compared to fiscal 2009.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

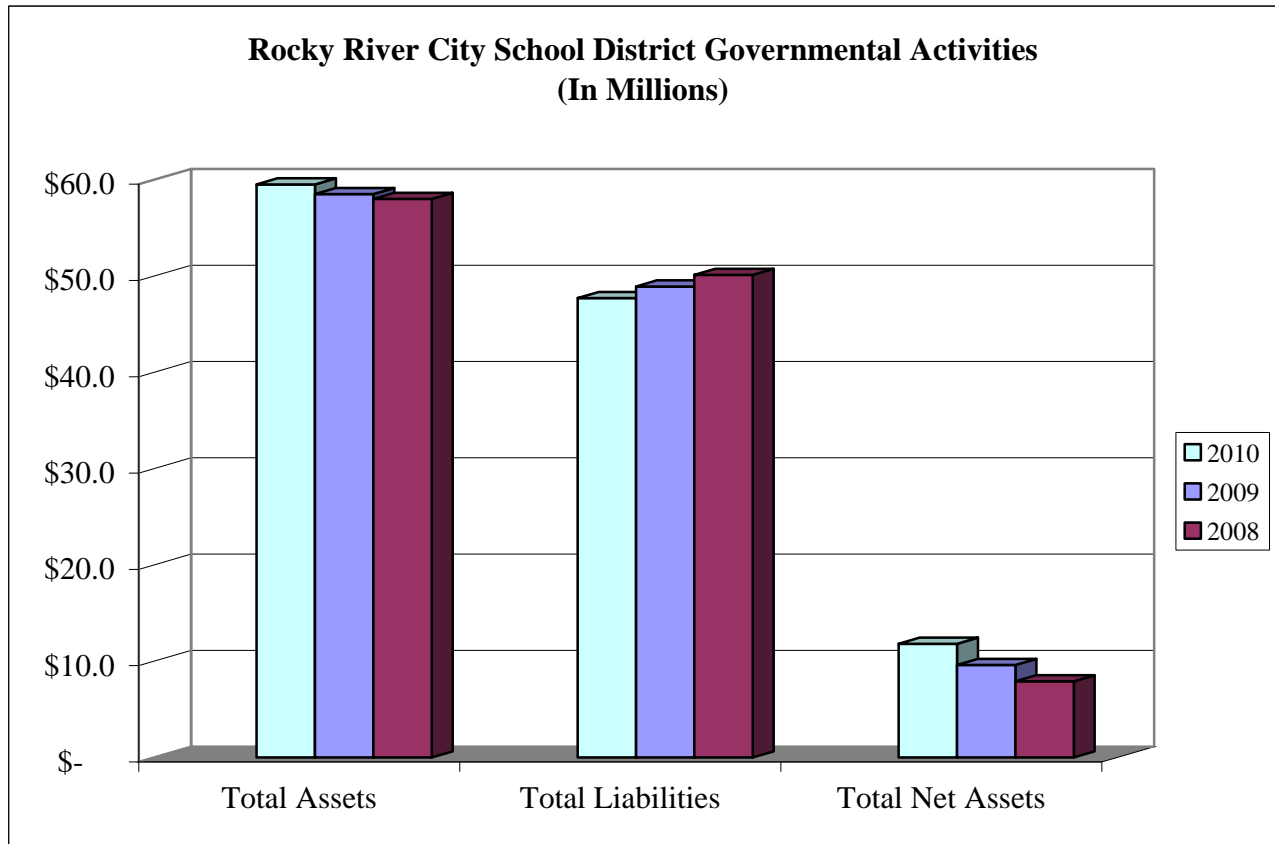
Total Liabilities decreased by \$1.2 million. Long-term liabilities decreased \$1.8 million as the District retired bonds and other long-term obligations. Current liabilities increased by \$.6 million due to an increase in accrued wages and related benefits due at June 30 and an increase in unearned revenue as a result of the increased property taxes receivable (asset).

The unrestricted (deficit) portion of net assets of \$4.7 million at June 30, 2010 was a decrease of \$.8 million from June 30, 2009.

Graph 1 below shows the District's governmental activities assets, liabilities and net assets for fiscal year 2010, 2009 and 2008.

Graph 1
Net Assets Governmental Activities
(In millions)

	2010	2009	2008
Total Assets	\$59.5	\$58.5	\$58.0
Total Liabilities	47.7	48.9	50.1
Total Net Assets	\$11.8	\$9.6	\$7.9



**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Governmental Activities

The District's assets increased by \$1.0 million, and total liabilities decreased by \$1.2 million. As a result, net assets increased \$2.2 million at the end of fiscal year 2010. Table 2 below shows the changes in governmental activities net assets for fiscal year 2010, 2009 and 2008.

Table 2
Changes in Net Assets
(In millions)

	Governmental Activities		
	2010	2009	2008
Revenues			
Program Revenues:			
Charges for Services and Sales	\$1.3	\$1.4	\$1.4
Operating Grants and Contributions	3.2	2.7	2.5
Capital Grants and Contributions	0.0	0.0	0.1
<i>Total Program Revenues</i>	<u>4.5</u>	<u>4.1</u>	<u>4.0</u>
General Revenues:			
Property Taxes	28.1	27.8	25.6
Grants and Entitlements	6.2	5.9	5.1
Other	0.2	0.2	0.6
<i>Total General Revenues</i>	<u>34.5</u>	<u>33.9</u>	<u>31.3</u>
<i>Total Revenues</i>	<u>39.0</u>	<u>38.0</u>	<u>35.3</u>
Program Expenses			
Instruction	20.4	19.2	18.9
Support Services:			
Pupils and Instructional Staff	3.1	2.7	2.8
Board of Education, Administration, Fiscal and Business	3.3	3.4	3.5
Operation and Maintenance of Plant	3.7	4.0	3.5
Pupil Transportation	1.5	1.6	1.6
Central	0.8	0.8	0.7
Operation of Non-Instructional Services:			
Food Service Operations	0.5	0.4	0.5
Other Non-Instructional Services	1.3	1.7	1.6
Extracurricular Activities	1.1	1.3	1.2
Interest and Fiscal Charges	1.1	1.2	1.2
<i>Total Expenses</i>	<u>36.8</u>	<u>36.3</u>	<u>35.5</u>
<i>Increase (Decrease) in Net Assets</i>	2.2	1.7	(0.2)
<i>Net Assets, July 1</i>	<u>9.6</u>	<u>7.9</u>	<u>8.1</u>
<i>Net Assets, June 30</i>	<u><u>\$11.8</u></u>	<u><u>\$9.6</u></u>	<u><u>\$7.9</u></u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Total revenue for *governmental activities* increased \$1.0 million primarily due to an increase in tax revenue resulting from the passage of a 5.9 mill operating levy in May 2008 upon which the District began collecting additional taxes in January 2010. The District collected a full year’s worth of taxes in fiscal 2010 as compared to only a half year in fiscal 2009. In addition, the District had an increase in unrestricted grant and entitlement funding in fiscal year 2010 versus 2009 primarily due to reimbursement from the State of Ohio for lost tangible personal property tax revenue.

Total expenses for *governmental activities* increased \$.4 million.

Instruction expenses increased \$1.2 million primarily due to normal and customary wage and benefit increases coupled with increasing healthcare costs. This area accounts for 55.43 percent of District’s governmental activities expenses for 2010.

Support services expenses decreased \$0.1 million primarily due to a decrease in operations and maintenance program expenses. The decrease is due to tighter cost controls implemented by the District. Support services account for 33.64 percent of District’s governmental activities expenses for 2010.

Program revenue support for governmental activities increased \$0.4 million. The percent of program revenue support stayed approximately the same as in 2009. Operating grants and contributions increased primarily due to funding received from the federal government through the American Reinvestment and Recovery Act (ARRA). The vast majority of revenue supporting governmental activities, over 88 percent, continues to be general revenue. 72 percent of total revenue, \$28.1 million for 2010 was property taxes paid by the residents in the District. Only \$6.2 million (15.97 percent of total revenue) came from unrestricted state or federal sources (general revenue source).

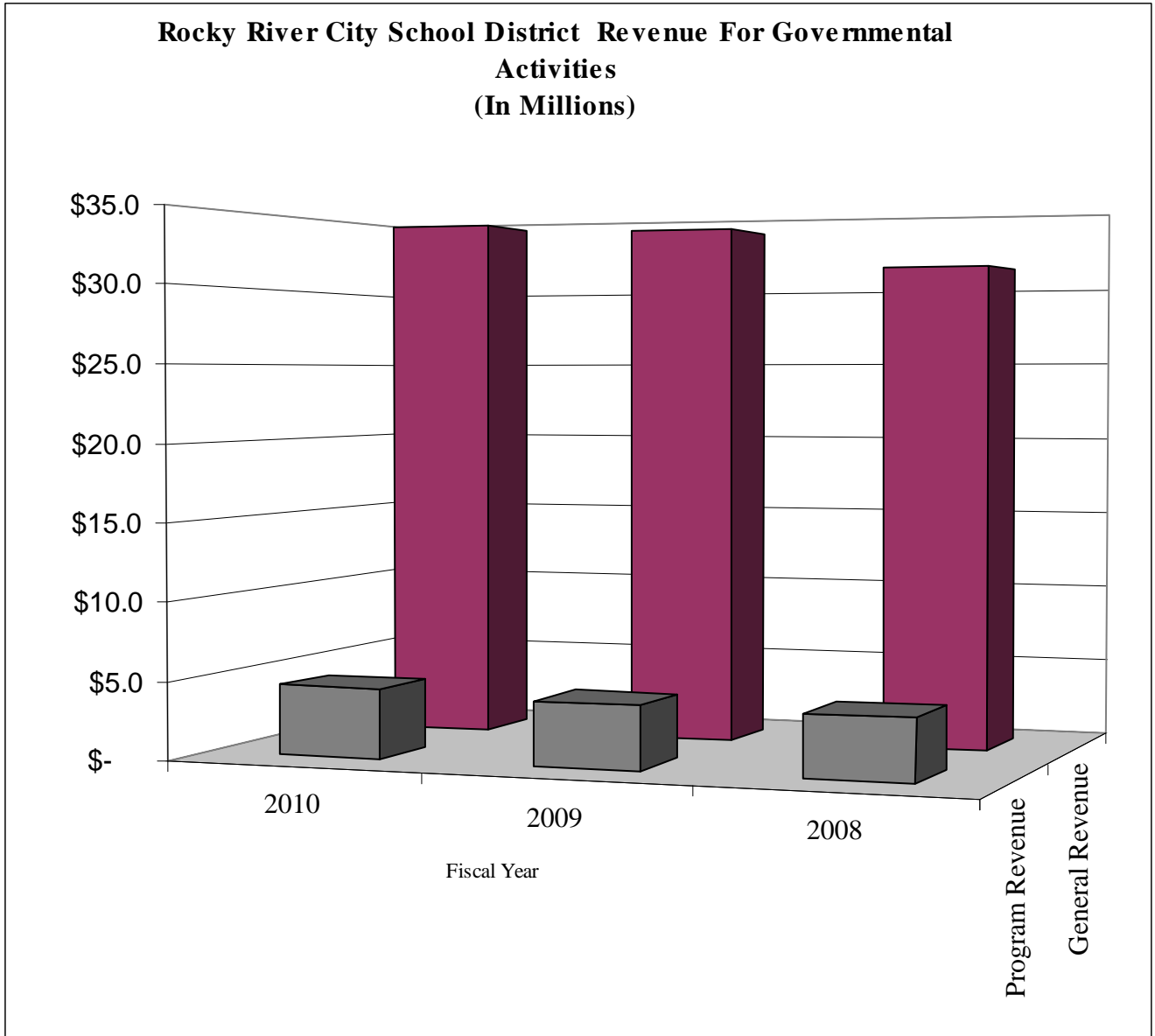
Graph 2 below shows a comparison of program revenues versus general revenue for the governmental activities for fiscal year 2010, 2009 and 2008.

Graph 2
Revenues for Governmental Activities
(In millions)

	2010	2009	2008
Program Revenue	\$4.5	\$4.1	\$4.0
General Revenue	34.5	33.9	31.3

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)



The District's property taxes increased \$0.3 million in 2010 due to the passage of a 5.9 mill operating levy in May 2008 upon which the District collected a full year's worth of taxes in fiscal 2010. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 71.99 percent of revenues for governmental activities for District in fiscal year 2010.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3 below shows the governmental activities total cost of services and net cost of services for fiscal year 2010, 2009 and 2008.

Table 3
Governmental Activities
(In millions)

	2010		2009		2008	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	20.4	18.7	19.2	18.1	18.9	17.8
Support Services:						
Pupils and Instructional Staff	3.1	2.8	2.7	2.5	2.8	2.6
Board of Education, Administration, Fiscal and Business	3.3	3.3	3.4	3.4	3.5	3.5
Operation and Maintenance of Plant	3.7	3.6	4.0	3.8	3.5	3.4
Pupil Transportation	1.5	1.4	1.6	1.4	1.6	1.4
Central	0.8	0.8	0.8	0.7	0.7	0.7
Operation of Non-Instructional Services:						
Food service Operations	0.5	0.0	0.4	0.0	0.5	0.1
Other Non-Instructional Services	1.3	(0.2)	1.7	0.2	1.6	0.0
Extracurricular Activities	1.1	0.8	1.3	0.9	1.2	0.8
Interest and Fiscal Charges	1.1	1.1	1.2	1.2	1.2	1.2
Total	\$36.8	\$32.3	\$36.3	\$32.2	\$35.5	\$31.5

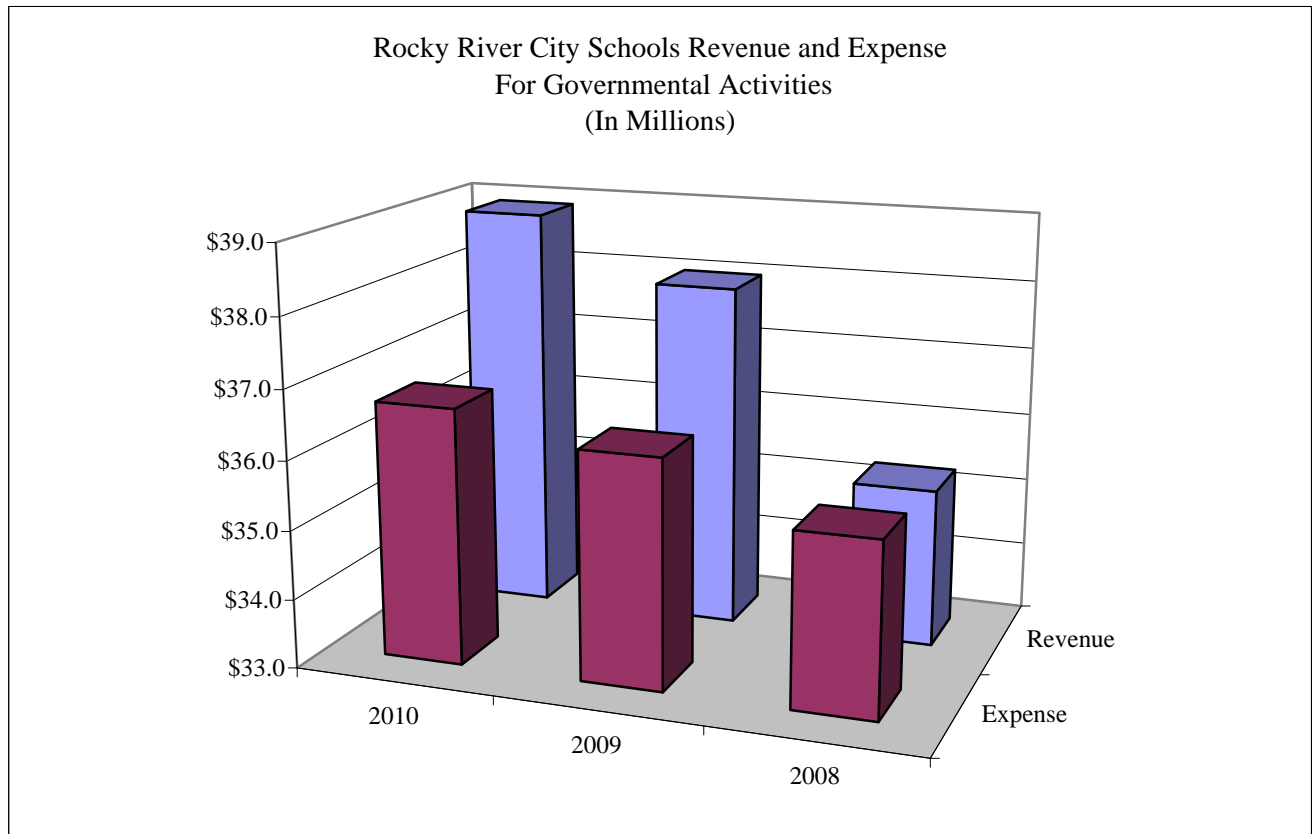
Graph 3 below shows the governmental activities revenues and expenses for fiscal year 2010, 2009 and 2008.

Graph 3
Revenue and Expense for Governmental Activities
(In millions)

	2010	2009	2008
Revenue	\$39.0	\$38.0	\$35.3
Expense	36.8	36.3	35.5

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**



Program revenue for governmental activities in 2010 was \$4.5 million or 11.54 percent of all revenue. For 2009, program revenue was \$4.1 million, or 10.79 percent of all revenue. The largest expense area was instruction, comprising \$20.4 million, 55.43 percent of all governmental activity expenses.

The District's Governmental Funds

The District's major governmental funds are reported on pages 39 and 41. All governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$38.8 million and expenditures of \$37.9 million. The net change in fund balance for the year was most significant in the general fund. The general fund balance increased by \$0.7 million primarily due to an increase in tax revenue as a result of the passage of a 5.9 mill operating levy in May 2008 as a full year's worth of taxes were collected in fiscal 2010 versus only a half year in fiscal 2009. In addition, the general fund had an increase in intergovernmental-state revenue due to reimbursement from the State of Ohio for lost tangible personal property tax which was phased-out. The only significant expenditure increase in the general fund was in the area of regular instruction which increased 1.63% due to normal and customary wages and benefit increases coupled with increased health insurance and benefit costs.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal 2010, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was \$31.8 million equal to the original budget estimates of \$31.8 million. Final budgeted revenues were \$31.6 million which was \$0.2 million less than actual budget basis revenues.

Total expenditures on the budget basis (cash outlays plus encumbrances) were \$31.4 million. Actual expenditures were equal to original budgeted expenditures of \$31.4 million and \$0.1 million less than final budgeted expenditures of \$31.5 million. The actual expenditures were less than the final budgeted amounts primarily due to less than anticipated spending on support services.

The general fund budgetary statement can be found on page 43.

Capital Assets and Debt Administration

Capital Assets

Table 4 below reports the District's capital assets, net of accumulated depreciation, for fiscal year 2010, 2009 and 2008.

Table 4
Capital Assets, Net
(In millions)

	Governmental Activities		
	2010	2009	2008
Land and construction in progress	\$1.0	\$0.8	\$0.8
Land Improvements	1.2	1.3	1.3
Buildings and Improvements	20.0	20.9	22.0
Furniture and Equipment	1.0	1.0	0.9
Vehicles	0.7	0.7	0.6
<i>Total</i>	\$23.9	\$24.7	\$25.6

At the end of fiscal 2010, the District had \$23.9 million in total capital assets. This is the value of land and construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles after depreciation is taken off their value. The largest component of these capital assets is buildings and improvements.

Total capital assets decreased from \$24.7 million in 2009 to \$23.9 million for 2010. This decrease was the result of capital acquisitions not fully offsetting depreciation expense. The District acquired \$0.2 million less in capital assets in fiscal 2010 compared to fiscal 2009.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

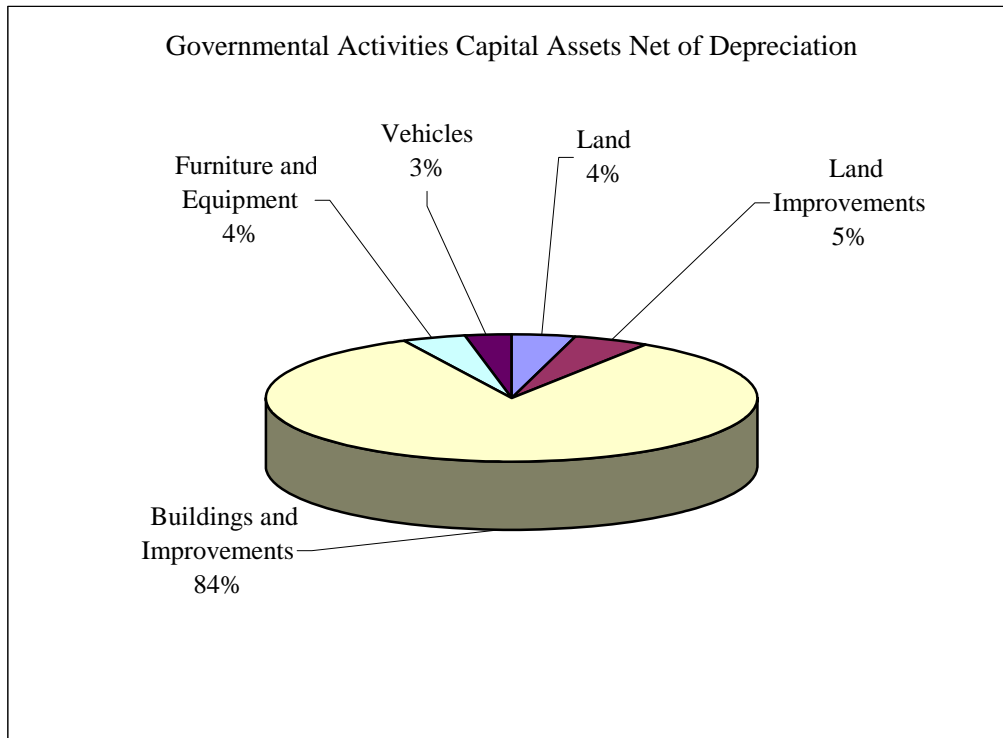
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

For additional information on capital assets, see Note 9 to the basic financial statements.

Graph 5 below shows the governmental activities capital assets by category and the percentage to total assets for each category for capital assets, net at June 30, 2010

Graph 4
Total Governmental Activities Capital Assets, Net
(In millions)

	June 30, 2010
Land and construction in progress	\$1.0
Land Improvements	1.2
Building and Improvements	20.0
Furniture and Equipment	1.0
Vehicles	0.7
Total	\$23.9



**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Debt

At June 30, 2010 the District had \$14.5 million in bonds outstanding. Table 5 below summarizes the District's bonds outstanding at June 30, 2010, 2009 and 2008.

Table 5
Outstanding Bonded Debt at Year End
(In millions)

	Governmental Activities		
	2010	2009	2008
School Building General Obligation Bonds	\$12.6	\$13.9	\$15.1
School Building Refunding Bonds	1.9	2.6	3.2
<i>Total</i>	<u>\$14.5</u>	<u>\$16.5</u>	<u>\$18.3</u>

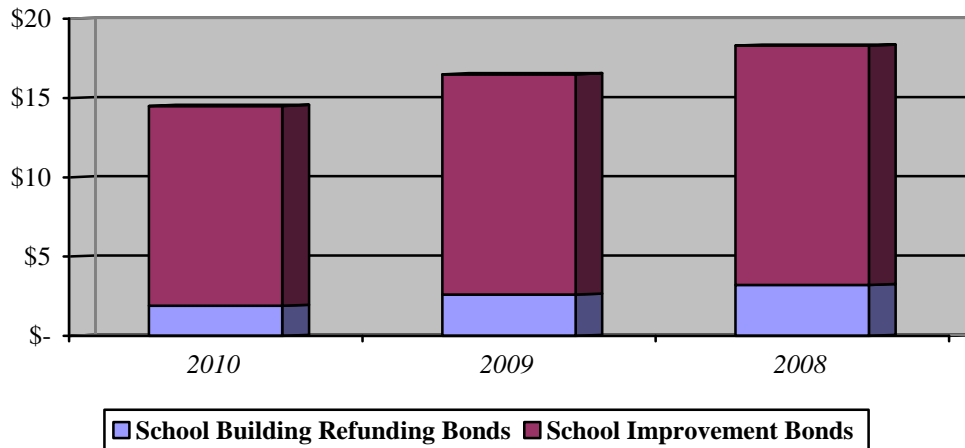
The School Building Improvement Bonds were issued following passage of the bond issue in November 1997. The bonds were issued in February 1998 in the amount of \$24.5 million. The proceeds of the issue funded the construction of the new middle school and renovations of the other facilities in the District.

The School Building Refunding Bonds were issued in September 1996 in the amount of \$10.0 million to advance refund bonds issued in January 1991. The original issue of these bonds followed passage of a bond issue at the regular election held in November 1989.

For additional information on debt, see Note 11 to the basic financial statements. Graph 7 below shows the District's debt outstanding at June 30, 2010, 2009 and 2008.

Graph 5
Outstanding Debt at Year End

Rocky River City School District Outstanding Debt at Year End
(In Millions)



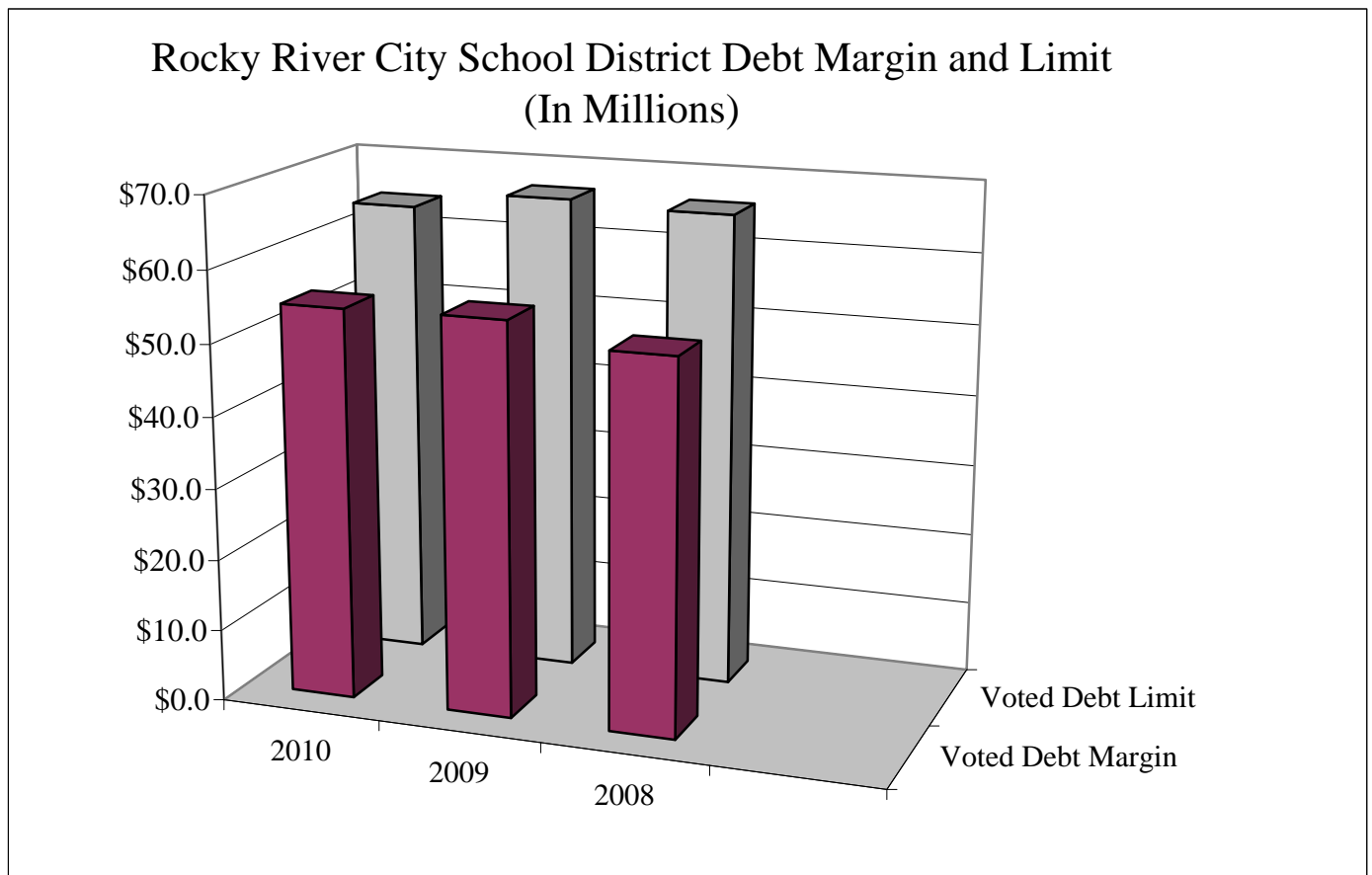
**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

Graph 8 below shows the District's legal debt limit and debt margin at June 30, 2010, 2009 and 2008.

Graph 6
Debt Limit and Margin
(In millions)

	2010	2009	2008
Voted Debt Limit	\$64.4	\$66.8	\$66.1
Voted Debt Margin	54.6	54.8	51.9



**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

District Outlook

The Rocky River City School District continues to experience many financial challenges based on the current state of the economy and the District's most recent financial issues that have been dealt the District's way over the last several years. As the preceding information shows, the District heavily depends on its property taxpayers. Fortunately, with the passage of a 5.9 mill operating levy back in May of 2008 for a continuing period of time, the District is currently in the second year of what has historically been a three year levy cycle that was planned to enable the District to continue its currently excellent education program level. This new levy is now expected to generate approximately \$4.1 million per year. While the District was successful in increasing its annual tax revenue base by this amount, this increase is a one-time increase. State law fixes the amount of this increase, forcing it to remain nearly constant as time moves forward. Thus, management must diligently plan expenses, staying carefully within the District's available revenue streams.

However, with the continued financial pressures of personnel needs to continue the level of services offered to our students, employee healthcare costs, facilities needs, the continued erosion of the commercial tax base through state tax law changes detrimental to schools (e.g. the "phase out" of the personal property tax) as well as commercial and residential reductions in property values leading to significant lost revenues and an increase in the amount of delinquent taxes due to the housing market and general economic downturn over the past year, this goal will be very challenging to meet. A once healthy General Fund cash balance was brought down to a dangerously low level at the end of fiscal year 2005 and did not significantly improve by the end of fiscal year 2009. The District continued operating with a low General Fund cash balance in relation to total budget during fiscal year 2010 as well, although the District ended the year with a moderately larger unencumbered balance than it did at the end of fiscal year 2009. Unfortunately, this amount still does not leave much of a "safety net" for the District in the case of less-than-expected revenues and/or higher-than-expected costs going forward.

To this end, the District continued some of the steps during fiscal year 2010 that were started in fiscal year 2006 to stabilize the District's finances for the current fiscal year as well as for fiscal year 2010 and beyond in order to minimize reductions to the District's educational and related programs. Employee negotiations that were completed by May of 2008 became effective for fiscal year 2009 salaries for a three year period (through June 30, 2011) that resulted in an average 2.5 percent annual base salary increase over the previous year's salary schedules for the next three fiscal years. This 2.5 percent average increase was also extended to the salaries of all non-bargaining employees, which includes administrators and certain non-teaching personnel. This increase compared very favorably to the almost 3 percent annual increases that were agreed to by many other Districts throughout the local area at that time.

Additionally, the District's management was successful in negotiating meaningful cost sharing and cost controls over the District's employee group medical and prescription drug insurance plan as part of those negotiations. The District further addressed this significant expenditure area for the long-term by joining the Suburban Health Consortium as of July 1, 2010, which will enable the District to self-fund employee medical and prescription drug insurance plan with a group of 5,000+ lives. This should hopefully provide leverage in keeping annual increases to levels below general trending and even out increases when high claim years are experienced.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

The District also reduced projected salary costs by hiring in certificated staff replacements at a lower placement on the teacher salary schedule wherever possible. District management held, wherever possible, to zero-growth in fiscal year 2010 non-personnel spending levels as compared to fiscal year 2010 while continuing to target funds to needed areas such as student technology and textbooks. The receipt of one-time federal monies in fiscal 2010 through the American Recovery and Reinvestment Act (ARRA) did help to fund some targeted areas such as special and remedial education. These funds will continue to be used during fiscal 2011, but are expected to be eliminated for fiscal 2012.

As promised to the voters of the District during the March 2009 levy campaign, the District included appropriations starting in fiscal year 2010 to bring back items such as new textbooks, classroom supplies, technology purchasing and the like that were drastically cut over the last several years due to the District's financial condition. This direction of resources continued during fiscal 2010 and has been addressed in the District's financial plan for fiscal year 2011 as well. This will all have to be done while dealing with the economic conditions and other factors outlined above, so the District's management will need to be flexible and creative in managing the District's limited resources to make this happen.

Some of the District's facilities are in need of significant repairs and remodeling/redesign in order to be brought up to acceptable standards. Since the District does not have a dedicated revenue stream or other resources to address these issues, the Board of Education placed a \$42.9 million bond levy before the voters in May of 2010 that passed by a significant margin. The bonds were subsequently issued in September of 2010 and included near zero-interest Qualified School Construction Bonds (QSCB's) and 35% rebateable Build America Bonds (BAB's) as authorized by the federal ARRA as well as traditional tax-exempt bonds.

The plan for the use of these funds is a comprehensive one that covers the upgrade of virtually all buildings in the District (physical plant upgrades for the primary, intermediate and high schools and technology upgrades for the middle school) with the main emphasis being placed on the renovation and expansion of Rocky River High School to meet the needs of our students in order to provide them a 21st Century education. The construction period will last approximately 42 months and is currently in the midst of the design phase for the high school, primary school and intermediate school. The design phase for renovated Board of Education administrative offices is now complete and the construction phase for that project is set to begin in early December of 2010.

Educationally, the District continues to perform among the highest level as determined by the State of Ohio, which is measured by an objectively defined set of proficiency criteria. The District's most recent state report card shows its students having met or exceeded the minimum requirements on 26 out of 26 objective performance indicators as mandated by the State of Ohio, therefore receiving an "Excellent with Distinction" designation from the State.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

In June 2005, the State Legislature made landmark changes to the State's taxing structure with the passage of House Bill 66 that took effect July 1, 2005. Of the many changes to Ohio's taxing structure, one of the most significant changes was the phase-out of the tangible personal property (TPP) tax on most businesses inventory, manufacturing machinery and equipment, and furniture and fixtures over four years at about 25 percent annually beginning in tax year 2006. Most new manufacturing machinery and equipment that would have been first taxable in tax year 2006 and thereafter is subject to no TPP tax. Ohio School Districts were to be "held harmless" for lost revenue through tax year 2010 by the State. HB 1 signed into law by the Governor as of July 1, 2010 included a provision to extend the full (100%) reimbursement of "base year" valuation losses through fiscal year 2013. Reimbursements will then be phased out starting in fiscal year 2014 through fiscal year 2018. The District began receiving these "hold harmless" payments in May of 2006. The District continues to be unable to determine what long-term effects, if any, this new taxing structure contained in House Bill 66 will have on future state school funding in general and its specific state funding in particular.

Further, due to the economic recession over the last three years, the State of Ohio has had to institute funding cuts to many areas, including education. While there have not been any meaningful reductions to any of our state funding to date, this is a distinct possibility as the economic conditions around the country, and especially in Ohio, continue to move along their current path or deteriorate even further. The District is currently anticipating a reduction in State foundation funding of 10% starting in fiscal 2012. The state funding portion of the District's revenue is subject to legislative action and is expected to be debated for the upcoming state biennial budget starting on July 1, 2011.

Effective July 1, 2009, the State of Ohio passed landmark education reform in the form of HB 1 that begins to implement an "Evidenced Based Model" (EBM) for education funding. Unfortunately, due to the State's current financial condition and the state of the economy in general, many of the funding reforms will not be fully funded until at least fiscal year 2012 and most likely will not be fully funded until sometime after fiscal year 2012. For District's such as Rocky River with relative property and median-income wealth, there is no significant change in the overall state funding as compared to recent history and, in fact, the District has incurred some slight funding loss as compared to fiscal year 2010. The EBM is currently the subject of debate as a new Governor will be taking office in January of 2011, so the future of this funding model will be one of the major issues to watch as the State begins deliberations for the upcoming biennial budget. Fortunately the District, like most others, was the beneficiary of additional federal funding through the American Reinvestment and Recovery Act of 2009 that provided targeted funding for special education and disadvantaged student programs that will last through fiscal year 2011.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors, creditors and the general public with an overview of the District's finances and to show accountability for the money it receives. If you have any questions about this report or would like additional financial information about the District, please contact Greg R. Markus, CPA, Treasurer/CFO, Rocky River City School District, 21600 Center Ridge Road, Rocky River, Ohio, 44116-3980 or by email at Markus.Greg@rrcs.org. You may also visit the District's website at www.rrcs.org.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents.	\$ 5,403,729
Receivables:	
Property taxes	29,511,368
Accounts.	70,366
Accrued interest	10,142
Intergovernmental	506,659
Materials and supplies inventory.	49,773
Inventory held for resale.	12,695
Capital assets:	
Land and construction in progress.	1,063,371
Depreciable capital assets, net.	22,866,704
Total capital assets, net	23,930,075
 Total assets.	 59,494,807
 Liabilities:	
Accounts payable.	134,166
Contracts payable.	292,550
Accrued wages and benefits	2,800,113
Pension obligation payable.	791,937
Intergovernmental payable	207,629
Accrued interest payable	73,972
Unearned revenue	24,363,751
Long-term liabilities:	
Due within one year.	3,218,830
Due within more than one year	15,805,198
 Total liabilities	 47,688,146
 Net Assets:	
Invested in capital assets, net of related debt.	10,925,096
Restricted for:	
Capital projects	60,660
Debt service.	4,708,005
Locally funded programs	11,230
State funded programs.	255,854
Federally funded programs	173,450
Public school support	75,807
Student activities	3,393
Other purposes	259,411
Unrestricted (deficit)	(4,666,245)
 Total net assets	 \$ 11,806,661

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 15,090,090	\$ 470,407	\$ 170,212	\$ (14,449,471)
Special	4,802,387	698	1,151,662	(3,650,027)
Vocational	462,821	-	-	(462,821)
Other	53,441	-	-	(53,441)
Support services:				
Pupil.	1,985,548	142,131	49,130	(1,794,287)
Instructional staff	1,101,615	47,800	60,014	(993,801)
Board of education	34,022	-	-	(34,022)
Administration.	1,889,108	555	1,088	(1,887,465)
Fiscal.	864,956	-	-	(864,956)
Business.	462,926	1,043	-	(461,883)
Operations and maintenance	3,732,605	133,966	-	(3,598,639)
Pupil transportation.	1,505,943	2,710	107,742	(1,395,491)
Central	801,557	12,018	5,000	(784,539)
Operation of non-instructional services:				
Food service operations	459,772	327,170	110,176	(22,426)
Other non-instructional services	1,346,330	11,248	1,485,982	150,900
Extracurricular activities.	1,108,610	193,277	66,989	(848,344)
Interest and fiscal charges	1,089,502	-	-	(1,089,502)
Totals	\$ 36,791,233	\$ 1,343,023	\$ 3,207,995	(32,240,215)
General Revenues:				
Property taxes levied for:				
General purposes				25,250,490
Debt service.				2,817,174
Grants and entitlements not restricted to specific programs				6,227,352
Investment earnings				81,327
Miscellaneous				58,830
Total general revenues				34,435,173
Change in net assets				2,194,958
Net assets at beginning of year.				9,611,703
Net assets at end of year				\$ 11,806,661

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and cash equivalents.	\$ 1,149,064	\$ 3,616,062	\$ 60,475	\$ 578,128	\$ 5,403,729
Receivables:					
Property taxes.	26,042,116	3,469,252	-	-	29,511,368
Accounts.	70,116	-	-	250	70,366
Accrued interest.	9,240	-	185	717	10,142
Interfund loans.	92,341	614,706	-	-	707,047
Intergovernmental.	130,000	-	-	376,659	506,659
Materials and supplies inventory.	47,773	-	-	2,000	49,773
Inventory held for resale.	-	-	-	12,695	12,695
Total assets.	<u>\$ 27,540,650</u>	<u>\$ 7,700,020</u>	<u>\$ 60,660</u>	<u>\$ 970,449</u>	<u>\$ 36,271,779</u>
Liabilities:					
Accounts payable.	\$ 105,425	\$ -	\$ -	\$ 28,741	\$ 134,166
Contracts payable.	-	-	-	292,550	292,550
Accrued wages and benefits.	2,779,186	-	-	20,927	2,800,113
Compensated absences payable.	562,668	-	-	-	562,668
Pension obligation payable.	778,877	-	-	13,060	791,937
Interfund loans payable.	-	-	-	707,047	707,047
Intergovernmental payable.	202,092	-	-	5,537	207,629
Deferred revenue.	1,298,767	137,871	167	125,966	1,562,771
Unearned revenue.	21,442,997	2,918,043	-	2,711	24,363,751
Total liabilities.	<u>27,170,012</u>	<u>3,055,914</u>	<u>167</u>	<u>1,196,539</u>	<u>31,422,632</u>
Fund Balances:					
Reserved for encumbrances.	326,070	-	45	85,676	411,791
Reserved for tax revenue unavailable for appropriation.	3,448,703	413,334	-	-	3,862,037
Reserved for debt service.	-	4,230,772	-	-	4,230,772
Reserved for unclaimed monies.	12,327	-	-	-	12,327
Unreserved, undesignated (deficit), reported in:					
General fund.	(3,416,462)	-	-	-	(3,416,462)
Special revenue funds.	-	-	-	595,369	595,369
Capital projects funds.	-	-	60,448	(907,135)	(846,687)
Total fund balances (deficit).	<u>370,638</u>	<u>4,644,106</u>	<u>60,493</u>	<u>(226,090)</u>	<u>4,849,147</u>
Total liabilities and fund balances.	<u>\$ 27,540,650</u>	<u>\$ 7,700,020</u>	<u>\$ 60,660</u>	<u>\$ 970,449</u>	<u>\$ 36,271,779</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

Total governmental fund balances		\$ 4,849,147
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		23,930,075
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent taxes receivable	\$ 1,288,210	
Accrued interest receivable	4,283	
Rental income receivable	145,000	
Intergovernmental receivable	<u>125,278</u>	
Total		1,562,771
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		(73,972)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(14,494,842)	
Lease-purchase obligations	(214,499)	
Compensated absences	<u>(3,752,019)</u>	
Total		<u>(18,461,360)</u>
Net assets of governmental activities		<u>\$ 11,806,661</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Property taxes	\$ 25,058,624	\$ 2,798,977	\$ -	\$ -	\$ 27,857,601
Tuition	56,331	-	-	6,176	62,507
Transportation fees	2,400	-	-	4,908	7,308
Earnings on investments	82,191	-	210	1,341	83,742
Charges for services	-	-	-	327,170	327,170
Extracurricular	-	-	-	193,618	193,618
Classroom materials and fees	35,906	-	-	177,984	213,890
Rental income	90,059	-	70,844	177,263	338,166
Contributions and donations	1,250	-	-	134,894	136,144
Contract services	116,268	-	-	44,755	161,023
Other local revenues	58,830	-	-	99,365	158,195
Intergovernmental - State	5,926,378	408,187	-	1,296,250	7,630,815
Intergovernmental - Federal	-	-	-	1,596,002	1,596,002
Total revenue	<u>31,428,237</u>	<u>3,207,164</u>	<u>71,054</u>	<u>4,059,726</u>	<u>38,766,181</u>
Expenditures:					
Current:					
Instruction:					
Regular	14,074,511	-	10,489	325,989	14,410,989
Special	3,530,076	-	-	1,056,880	4,586,956
Vocational	445,609	-	-	-	445,609
Other	51,038	-	-	-	51,038
Support services:					
Pupil	1,767,986	-	-	183,152	1,951,138
Instructional staff	903,833	-	-	105,850	1,009,683
Board of education	32,757	-	-	-	32,757
Administration	1,930,205	-	675	1,192	1,932,072
Fiscal	809,365	14,910	-	-	824,275
Business	446,151	-	1,268	-	447,419
Operations and maintenance	3,537,847	-	53,304	51,874	3,643,025
Pupil transportation	1,434,891	-	-	6,110	1,441,001
Central	719,771	-	6,697	13,720	740,188
Operation of non-instructional:					
Food service operations	-	-	-	442,056	442,056
Other non-instructional services	10,528	-	13,670	1,296,384	1,320,582
Extracurricular activities	776,028	-	-	321,699	1,097,727
Facilities acquisition and construction	-	-	38,740	292,550	331,290
Debt service:					
Principal retirement	82,268	2,360,000	-	-	2,442,268
Interest and fiscal charges	12,519	697,739	-	11,500	721,758
Total expenditures	<u>30,565,383</u>	<u>3,072,649</u>	<u>124,843</u>	<u>4,108,956</u>	<u>37,871,831</u>
Excess (deficiency) of revenues over (under) expenditures	<u>862,854</u>	<u>134,515</u>	<u>(53,789)</u>	<u>(49,230)</u>	<u>894,350</u>
Other financing sources (uses):					
Transfers in	-	-	-	210,926	210,926
Transfers out	(210,926)	-	-	-	(210,926)
Total other financing sources (uses)	<u>(210,926)</u>	<u>-</u>	<u>-</u>	<u>210,926</u>	<u>-</u>
Net change in fund balances	651,928	134,515	(53,789)	161,696	894,350
Fund balances (deficit) at beginning of year.	<u>(281,290)</u>	<u>4,509,591</u>	<u>114,282</u>	<u>(387,786)</u>	<u>3,954,797</u>
Fund balances (deficit) at end of year	<u>\$ 370,638</u>	<u>\$ 4,644,106</u>	<u>\$ 60,493</u>	<u>\$ (226,090)</u>	<u>\$ 4,849,147</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds	\$	894,350
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.</p>		
Capital asset additions	\$ 597,337	
Current year depreciation	<u>(1,353,887)</u>	
Total		(756,550)
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported on the statement of activities:</p>		
Decrease in accrued interest payable	16,166	
Accretion of interest on "capital appreciation" bonds	<u>(383,910)</u>	
Total		(367,744)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Delinquent tax revenue	210,063	
Interest income	(1,744)	
Rental income	(60,000)	
Intergovernmental revenue	<u>71,691</u>	
Total		220,010
<p>Repayment of bonds, capital lease and lease-purchase obligations are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were:</p>		
Bonds	2,360,000	
Lease-purchase	<u>82,268</u>	
Total		2,442,268
<p>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.</p>		
		<u>(237,376)</u>
Change in net assets of governmental activities	\$	<u>2,194,958</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
Revenues:				
From local sources:				
Property taxes	\$ 25,425,919	\$ 25,424,380	\$ 25,431,457	\$ 7,077
Tuition	75,000	75,000	56,331	(18,669)
Transportation fees	4,000	4,000	2,400	(1,600)
Earnings on investments	100,000	100,000	88,017	(11,983)
Classroom materials and fees	42,000	42,000	35,906	(6,094)
Rental income	65,225	65,225	89,311	24,086
Contributions and donations	-	-	1,250	1,250
Contract services	80,000	80,000	104,594	24,594
Other local revenues	-	5,400	28,079	22,679
Intergovernmental - State	5,997,946	5,823,100	5,926,378	103,278
Total revenue	<u>31,790,090</u>	<u>31,619,105</u>	<u>31,763,723</u>	<u>144,618</u>
Expenditures:				
Current:				
Instruction:				
Regular	13,848,556	14,275,230	14,258,974	16,256
Special	3,329,405	3,513,319	3,589,385	(76,066)
Vocational	766,860	755,441	751,444	3,997
Other	27,896	28,996	28,908	88
Support Services:				
Pupil	1,738,900	1,786,033	1,797,705	(11,672)
Instructional staff	850,151	886,052	878,827	7,225
Board of education	35,933	45,076	43,075	2,001
Administration	1,932,060	1,976,654	1,990,851	(14,197)
Fiscal	1,499,696	858,441	813,125	45,316
Business	515,289	482,693	471,018	11,675
Operations and maintenance	3,668,715	3,612,228	3,607,636	4,592
Pupil transportation	1,619,037	1,539,848	1,538,319	1,529
Central	826,897	865,464	791,174	74,290
Operation of non-instructional services:				
Other non-instructional services	1,000	10,654	10,565	89
Extracurricular activities	758,544	810,544	811,742	(1,198)
Facilities acquisition and construction	100	100	-	100
Debt service:				
Principal retirement	40,000	40,000	40,000	-
Total expenditures	<u>31,459,039</u>	<u>31,486,773</u>	<u>31,422,748</u>	<u>64,025</u>
Excess of revenues over expenditures	<u>331,051</u>	<u>132,332</u>	<u>340,975</u>	<u>208,643</u>
Other financing sources (uses):				
Refund of prior year's expenditures	500	60,000	59,665	(335)
Transfers out	(128,500)	(211,200)	(210,926)	274
Sale of capital assets	1,000	1,000	537	(463)
Total other financing sources (uses)	<u>(127,000)</u>	<u>(150,200)</u>	<u>(150,724)</u>	<u>(524)</u>
Net change in fund balance	<u>204,051</u>	<u>(17,868)</u>	<u>190,251</u>	<u>208,119</u>
Fund balance at beginning of year	352,668	352,668	352,668	-
Prior year encumbrances appropriated	319,893	319,893	319,893	-
Fund balance at end of year	<u>\$ 876,612</u>	<u>\$ 654,693</u>	<u>\$ 862,812</u>	<u>\$ 208,119</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	Private Purpose Trust	
	Scholarship	Agency
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	\$ 65,484	\$ 115,270
Receivables:		
Accrued interest.	191	330
Total assets.	65,675	\$ 115,600
Liabilities:		
Accounts payable.	-	\$ 2,092
Due to students.	-	113,508
Total liabilities	-	\$ 115,600
Net assets:		
Held in trust for scholarships	65,675	
Total net assets	\$ 65,675	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Private Purpose Trust
	Scholarship
Additions:	
Interest.	\$ 409
Gifts and contributions.	49,508
Total additions.	49,917
 Deductions:	
Scholarships awarded	35,530
Change in net assets.	14,387
Net assets at beginning of year	51,288
Net assets at end of year.	\$ 65,675

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE IS INTENTIONALLY LEFT BLANK

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Rocky River City School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by State statute and federal guidelines.

The District is located in a suburban area west of Cleveland, Ohio. It is located in Cuyahoga County, and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. It is staffed by 192 certificated, 146 non-certificated, and 17 administrative personnel who provide services to 2,644 students and other community members. The District currently operates a primary school, an intermediate school, a middle school and a high school. The District ranks as the 184th largest by enrollment among the 905 public school districts and community schools in the State of Ohio.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". When applying GASB Statement No. 14, management has considered all potential component units. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or (4) the District is 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. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The financial statements of the reporting entity include only those of the District (the primary government). The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The following organization is described due to its relationship to the District:

RELATED ORGANIZATION

Rocky River Public Library

The Rocky River Public Library (the "Library") is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. The Library did not receive any funding from the District during fiscal year 2010. Financial information can be obtained from the Rocky River Public Library, Gary Hawkinson Clerk/Treasurer, at 1600 Hampton, Rocky River, Ohio 44116.

JOINTLY GOVERNED ORGANIZATIONS

Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau owned and operated by thirty-three public school districts and community schools. The primary function of LNOCA is to provide data services to the member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Board of Education serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. Rocky River City School District paid \$91,296 to LNOCA during fiscal year 2010. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valleyview, OH 44125.

Ohio Schools Council Association

The Ohio Schools Council Association (the "Council") is a jointly governed organization comprised of one hundred and twenty-one member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2010, the District paid \$2,383 to the Council for membership fees and various purchases. Financial information can be obtained by contacting David Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The District participates in the Council's Energy for Education III program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for an approximate twenty month period of time. The current contract expires May 31, 2011. Under the program, participating school districts will continue to receive their electricity from their local utility and their monthly bill will include an electric supply cost. Duke Energy Retail Sales is the electric supplier for the Energy for Education III Program.

The District also participates in the Council's prepaid natural gas program which was implemented during fiscal year 2000. This program allows school districts to purchase natural gas at reduced rates, if the school districts will commit to participating in the program for a twelve year period. The participants make monthly payments based upon estimated usage. Annually, these estimated payments are compared to actual usage and any necessary adjustments are made.

The City of Hamilton, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Ohio, issued \$89,450,000 in debt to purchase twelve years of natural gas from CMS Energy Corporation for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is entitled to recover that amount, if any, of its contributions to the operating fund which are not encumbered for its share of program administrative costs.

INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Program

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. 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.

B. Fund Accounting

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Bond retirement fund - The bond retirement fund is used to account for the accumulation of property tax revenues for the payment of general obligation bonds issued for school improvement and the construction of a new middle school.

Permanent improvement fund - The permanent improvement fund accounts for resources to be used for various capital improvements within the District.

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (b) food service, uniform school supplies and community programs and; (c) grants and other resources whose use is restricted to a particular purpose.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net assets and changes in net assets. For the District, the fiduciary fund category is split into two classifications: private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student managed activities.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Presentation and Measurement Focus

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 the financial activities of the primary government, except for fiduciary funds. These statements distinguish between those activities that are governmental and those that are considered business-type activities. The District has no business-type activities.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the private-purpose trust fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange 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 (See Note 6).

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 or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, and student fees.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2010 are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocation of cost, such as depreciation and amortization, are not recognized in governmental funds.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

E. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer has been given the authority to allocate Board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate in effect when the final appropriations were passed prior to fiscal year-end.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2010, investments were limited to nonnegotiable certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office, which 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 shares price which is the price the investment could be sold for on June 30, 2010.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$82,191 which includes \$68,377 assigned from other District funds.

For presentation on the basic financial statements, investments purchased by the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. Donated commodities are reported at their entitlement value. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption and donated food, purchased food, and school supplies held for resale. The costs of inventory items are recorded as expenditures in the governmental funds when purchased. Inventories for governmental funds are accounted for using the consumption method.

H. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000. 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.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	30 years
Building/ improvements	10-30 years
Furniture/equipment	5-10 years
Vehicles	10 years

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable” and “interfund loans payable.” These amounts are eliminated in the governmental column of the statement of net assets. At fiscal year end, the District had \$614,706 in interfund loans receivable/payable related internal borrowings (manuscript bonds) between governmental funds and \$92,341 in interfund loans receivable/payable related to negative cash balances in certain nonmajor governmental funds (See Note 5).

J. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. Transfers between governmental funds are eliminated for reporting on the government-wide statement of activities. Interfund services provided and used are not eliminated for reporting on the government-wide statement of activities.

K. Compensated Absences

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

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the termination method; i.e., a liability is accrued for earned sick leave to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the District’s past experience of making termination payments.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2010, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and notes are recognized as a liability in the fund financial statements when due.

M. Fund Balance Reserves

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, unclaimed monies, debt service and property taxes unavailable for appropriation.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. Under Ohio law, unclaimed monies must be held for five years before it becomes available for appropriation. Money not yet held for the five year period is presented as reserved.

N. Non-public Schools

Within the School District boundaries, St. Christopher, St. Thomas, and Ruffing Montessori Elementary Schools, and Lutheran West and Magnificat High Schools are operated as non-public schools. Current State legislation provides funding to these schools. These monies are received and disbursed on behalf of the schools by the Treasurer of the District, as directed by the schools. This activity is reflected as a governmental activity for financial reporting purposes.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

O. 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 improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes consist of monies restricted for unclaimed monies, uniform school supply and food service operations.

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

P. Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2010.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2010, the District has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the District.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the District.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the District.

B. Deficit Fund Balance

Fund balances at June 30, 2010 included the following individual fund deficits:

	<u>Deficit</u>
<u>Nonmajor Funds</u>	
Building	907,135
Title III	261

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balance in the Title III fund resulted from adjustments for accrued liabilities. The deficit balance in the Building fund is the result of recording a fund liability for manuscript bonds (See Note 5).

NOTE 4 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must 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 are public deposits that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above 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 acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time: and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Protection of 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 monies deposited with the institution.

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

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash on Hand

At year end, the District had \$200 in undeposited cash on hand which is included on the financial statements of the District as part of "Equity in Pooled Cash and Cash Equivalents".

B. Deposits with Financial Institutions

At June 30, 2010, the carrying amount of all District deposits, including non-negotiable certificates of deposit, was \$5,583,898. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2010, \$3,602,848 of the District's bank balance of \$5,896,224 was exposed to custodial risk as discussed below, while \$2,293,376 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of bank failure, the District's deposits may not be returned. It is the District's policy that all deposits be collateralized with eligible securities in amounts equal to at least 105 percent of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

As of June 30, 2010, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	Investment <u>Maturities</u> 6 months or less
STAR Ohio	\$ 385	\$ 385
	<u>\$ 385</u>	<u>\$ 385</u>

The weighted average maturity of investments is one day.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard service. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2010:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 385	100.00%
	<u>\$ 385</u>	<u>100.00%</u>

D. Reconciliation of Cash and Investments to the Statement of Net Assets

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2010:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 5,583,898
Investments	385
Cash on hand	<u>200</u>
Total	<u>\$ 5,584,483</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 5,403,729
Private-purpose trust fund	65,484
Agency fund	<u>115,270</u>
Total	<u>\$ 5,584,483</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund loans receivable/payable consisted of the following at June 30, 2010, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Bond Retirement	Nonmajor Governmental Funds	\$ 614,706
General Fund	Nonmajor Governmental Funds	<u>92,341</u>
Total		<u>\$ 707,047</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received.

The interfund receivable in the Bond Retirement fund represents the balance of interfund loans made to the Building capital projects fund (a nonmajor governmental fund). The interfund loan balance represents the fiscal year-end balance of manuscript bonds that were issued during fiscal year 2004, 2009 and 2010. The interfund receivable in the general fund represents the amount to cover cash overdrafts in certain nonmajor governmental funds.

Interfund loans between governmental funds are eliminated on the government-wide financial statements.

- B. Interfund transfers for the year ended June 30, 2010, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to:	
Nonmajor governmental funds	<u>\$210,926</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

NOTE 6 - PROPERTY TAXES

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

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 6 - PROPERTY TAXES - (Continued)

Property taxes include amounts levied against all real property, public utility property, and certain tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien on December 31, 2008, were levied after April 1, 2009, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Cuyahoga 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, 2010, are available to finance fiscal year 2010 operations. The amount available as an advance at June 30, 2010 was \$3,448,703 in the general fund and \$413,334 in the bond retirement debt service fund. This amount is recorded as revenue. The amount available for advance at June 30, 2009 was \$3,817,641 in the general fund and \$476,668 in the bond retirement debt service fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been deferred.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second Half Collections		2010 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 735,800,820	98.53	\$ 708,948,780	99.07
Public utility personal	6,322,670	0.85	6,680,600	0.93
Tangible personal property	<u>4,651,620</u>	<u>0.62</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 746,775,110</u>	<u>100.00</u>	<u>\$ 715,629,380</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$82.70		\$82.70	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2010 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental activities:

Taxes	\$ 29,511,368
Accounts	70,366
Intergovernmental	506,659
Accrued interest	<u>10,142</u>
Total governmental activities	<u>\$ 30,098,535</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

NOTE 8 - LEASE-PURCHASE OBLIGATIONS

During fiscal year 2009, the District entered into lease-purchase agreements with Key Government Finance, Inc. to finance the acquisition of computers. Lease payments made under the lease-purchase agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The lease-purchase agreements bear interest rates of 4.81% and 4.294%.

Capital assets consisting of computers have been capitalized in the amount of \$321,818. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2010 totaled \$82,268 were paid by the general fund.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 8 - LEASE-PURCHASE OBLIGATIONS - (Continued)

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreements and the present value of the future minimum lease payments as of June 30, 2010:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 94,786
2012	65,240
2013	35,692
2014	<u>35,692</u>
Total minimum lease payments	231,410
Less amount representing interest	<u>(16,911)</u>
Total	<u>\$ 214,499</u>

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2010</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 770,821	\$ -	\$ -	\$ 770,821
Construction in progress	<u>-</u>	<u>292,550</u>	<u>-</u>	<u>292,550</u>
Total capital assets, not being depreciated	<u>770,821</u>	<u>292,550</u>	<u>-</u>	<u>1,063,371</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,358,311	3,829	(48,591)	2,313,549
Building/improvements	45,328,658	121,823	-	45,450,481
Furniture/equipment	4,217,086	179,135	-	4,396,221
Vehicles	<u>1,585,720</u>	<u>-</u>	<u>-</u>	<u>1,585,720</u>
Total capital assets, being depreciated	<u>53,489,775</u>	<u>304,787</u>	<u>(48,591)</u>	<u>53,745,971</u>
<i>Accumulated depreciation:</i>				
Land improvements	(1,082,796)	(38,444)	48,591	(1,072,649)
Building/improvements	(24,446,182)	(1,088,067)	-	(25,534,249)
Furniture/equipment	(3,139,252)	(214,136)	-	(3,353,388)
Vehicles	<u>(905,741)</u>	<u>(13,240)</u>	<u>-</u>	<u>(918,981)</u>
Total accumulated depreciation	<u>(29,573,971)</u>	<u>(1,353,887)</u>	<u>48,591</u>	<u>(30,879,267)</u>
Governmental activities capital assets, net	<u>\$ 24,686,625</u>	<u>\$ (756,550)</u>	<u>\$ -</u>	<u>\$ 23,930,075</u>

The construction in progress represents costs incurred by June 30, 2010 for renovation of the new administration building.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction:		
Regular	\$	569,445
Special		177,179
Vocational		17,212
Other		1,971
Support Services:		
Pupil		75,366
Instructional staff		39,001
Board of education		1,265
Administration		74,630
Fiscal		31,839
Business		17,282
Operations and maintenance		140,718
Pupil transportation		68,901
Central		28,591
Operation of non-instructional:		
Food service operations		17,075
Other non-instructional services		51,010
Extracurricular activities		42,402
Total depreciation expense	\$	<u>1,353,887</u>

NOTE 10 - CONTRACTUAL COMMITMENTS

As of June 30, 2010, the District had the following contractual purchase commitments outstanding:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
Audio Visual Innovations, Inc.	Purchase of SMARTboards	\$ 19,632
Ohio Bureau of Workers' Compensation	Portion of Worker's Comp. Premium	69,566
Digital Integrated Systems, Inc.	Purchase of student computers for non-public schools through auxillary funds	12,233
Levy Restaurants at Cleveland	Hosting of High School Prom for 2011	19,000
National Deaf Academy	Special education tuition/excess costs	22,425
Suburban Transportation, Inc.	Special education transportation services	24,744
North Olmsted City School District	Special education tuition/excess costs	30,000
Quadstar Digital Guidance, Ltd.	Technology Maintenance/Support Agreement	10,052
Total		<u>\$ 207,652</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 11 - LONG-TERM OBLIGATIONS

A. The following is a schedule of the changes in long-term obligations during fiscal year 2010:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds:					
1998 school building improvement bonds	\$ 13,855,000	\$ -	\$ (1,250,000)	\$ 12,605,000	\$ 1,310,000
1996 school improvement refunding:					
Capital appreciation bonds	304,128	-	(118,648)	185,480	100,584
Accretion on capital appreciation bonds	<u>2,311,804</u>	<u>383,910</u>	<u>(991,352)</u>	<u>1,704,362</u>	<u>1,014,416</u>
Total general obligation bonds	<u>16,470,932</u>	<u>383,910</u>	<u>(2,360,000)</u>	<u>14,494,842</u>	<u>2,425,000</u>
Lease-purchase obligations	296,767	-	(82,268)	214,499	86,121
Compensated absences	<u>4,065,086</u>	<u>670,711</u>	<u>(421,110)</u>	<u>4,314,687</u>	<u>707,709</u>
Total governmental activities long-term liabilities	<u>\$ 20,832,785</u>	<u>\$ 1,054,621</u>	<u>\$ (2,863,378)</u>	<u>\$ 19,024,028</u>	<u>\$ 3,218,830</u>

In 1998, the District issued \$24,500,000 in current interest general obligations bonds for the renovations of various school buildings. These bonds bear interest rates ranging from 3.65%-5.375%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2017. These bonds are paid from the bond retirement fund.

In 1996, the District issued bonds for the advance refunding of series 1991 school building improvement bonds. The series 1991 general obligation bonds are considered defeased since the proceeds of new bonds were placed in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On June 30, 2010, \$1,795,000 of bonds outstanding are considered defeased.

The refunding issue was comprised of both current interest bonds, par value \$9,690,000, and capital appreciation bonds, par value \$304,128. The bonds bear interest rates ranging from 4.25%-5.75%. The capital appreciation bonds mature on June 1 in each year 2010-2012 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$3,340,000. This year, the addition on the capital appreciation bonds was \$406,853, which represents the annual accretion of discounted interest. Total accreted interest of \$1,704,362 has been included in the statement of net assets at June 30, 2010.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Compensated absences will be paid from the fund which the employee is paid which, for the District, is primarily the general fund and the food service fund (a nonmajor governmental fund).

The lease-purchase obligations will be repaid from the general fund. See Note 8 for further detail on the District's lease-purchase obligations.

B. The following is a summary of the future debt service requirements to retire bonded debt:

Fiscal Year Ending	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 1,310,000	\$ 637,890	\$ 1,947,890	\$ 100,584	\$ 1,014,416	\$ 1,115,000
2012	1,370,000	570,288	1,940,288	84,896	1,030,104	1,115,000
2013	1,445,000	494,634	1,939,634	-	-	-
2014	1,525,000	414,816	1,939,816	-	-	-
2015	1,605,000	330,697	1,935,697	-	-	-
2016 - 2018	5,350,000	441,557	5,791,557	-	-	-
Total	<u>\$ 12,605,000</u>	<u>\$ 2,889,882</u>	<u>\$ 15,494,882</u>	<u>\$ 185,480</u>	<u>\$ 2,044,520</u>	<u>\$ 2,230,000</u>

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The Code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2010, are a voted debt margin of \$54,555,908 (including available funds of \$4,644,106) and an unvoted debt margin of \$495,209.

NOTE 12 - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, Board of Education policies and State laws. Teachers do not earn vacation. Support staff personnel assigned to work less than 240 days annually do not earn vacation. Support staff personnel assigned to work 240 days or more and managers earn annual vacation leave from 10 to 25 days, based on years of service. Administrators are entitled from 20 to 25 days of vacation leave annually, based on years of service and performance evaluations or specific contractual terms. Administrators may not carry forward more than five vacation days, and those must be used by January 31st of the subsequent year.

All regular employees earn sick leave at a rate of one and one-fourth days per month. Support staff personnel and managers employed by the District for a minimum of two years, and eligible to retire pursuant to State statute, are entitled to severance benefits based on accumulated sick leave.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOTE 12 - COMPENSATED ABSENCES - (Continued)

Teachers who resign with ten or more years of service or those who meet the requirements of Ohio Revised Code Section 124.39 - Section B may choose between one of four plans for their severance payment. Each plan offers a varying percentage of their sick leave balance ranging between 20% and 33% of their accumulated but unused sick leave and some plans offer an additional payment depending upon their years of service ranging between \$200 and \$1,800 for each year. Teachers may choose between plans for which they are eligible.

Classified non-union employees, with two or more years and who meet the requirements of ORC Section 124.39, are eligible for severance payments equal to 33% of their accumulated but unused sick leave to a maximum of 75 days.

Classified executive non-union secretaries who have been in employ of the District for 30 years or who have reached their first year of eligibility to retire under the School Employees Retirement System rules may choose between one of two plans for their severance payment. Each plan offers a varying percentage of their sick leave balance ranging between 75% and 80% of their accumulated but unused sick leave depending upon years of service. Each plan also offers an additional payment depending upon their years of service ranging between \$200 and \$300 for each year of service. Classified executive non-union secretaries may choose between plans for which they are eligible.

Classified union employees who have been in employ of the District for at least two years and who meet the requirements of ORC Section 124.39 may choose between one of three plans for their severance payment. Each plan offers a sick leave payment equal to 60% of their accumulated but unused sick leave up to a maximum number of days depending upon the plan chosen. In addition, employees with ten or more years of service are eligible for an additional payment depending upon their years of service ranging between \$50 and \$175 for each year of service with the District. Classified union employees may choose between plans for which they are eligible.

Administrators are eligible for severance payments equal to 33% of their accumulated but unused sick leave. Also, administrators will receive an amount equal to 30% of the administrator's current daily rate for each day of accumulated sick leave beyond 120 days as certified by the Treasurer's office. In addition, administrators shall receive a longevity payment equal to \$1,500 per year of employment as an administrator with the District. Certified administrators may also receive severance payments in accordance with teachers above to the extent the severance payments are beyond those listed here.

NOTE 13 - RISK MANAGEMENT

A. Comprehensive

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. For fiscal year 2010, the District contracted with various insurance companies through the Ohio Schools Council insurance program. Indiana Insurance provides property, inland marine and crime insurance coverage. There is a \$5,000 deductible on building and contents, along with a \$500 deductible for crime insurance.

The boiler and machinery coverage is provided by Travelers Insurance Company. The coverage provides a \$50,000,000 limit and a \$1,000 deductible.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 13 - RISK MANAGEMENT - (Continued)

Indiana Insurance Company provides fleet and liability insurance. Automobile liability has a limit of \$1,000,000 per accident/occurrence and an equal amount of uninsured motorist coverage with a \$500 deductible for comprehensive and \$250 deductible for collision. The general liability provides coverage with a limit of \$1,000,000 per occurrence and a \$2,000,000 per year aggregate limit. Coverage provided by these companies was as follows:

Coverage	Amount
Building and Contents- replacement cost	\$ 104,190,634
Boiler and Machinery	50,000,000
Automobile Liability	1,000,000
General Liability	
Per occurrence	1,000,000
Umbrella	10,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from last year.

B. Group Health, Dental, Life and Vision Insurance

For fiscal year 2010, the District provided employee major medical, preventative care and prescription benefits through a fully insured, 85/110% contingent premium insurance program administered by Medical Mutual of Ohio. This plan is provided through a PPO (preferred provider organization) with a co-insurance level of 90% subject to annual maximum out-of-pocket limits if they choose an in-network provider for services. The plan allows for an employee to choose a provider outside of the network subject to an annual deductible of \$200 for a single plan and \$400 for a family plan along with a co-insurance level of 70% subject to annual maximum out-of-pocket limits. The District was responsible for 97% of the premium (3% employee premium contribution) of \$1,253.59 for family coverage and \$464.34 for single coverage per month for all full-time equivalent (FTE) staff. Any employee who is scheduled to work at a FTE below 1.0 but greater than 0.5 is eligible for this coverage, but they are required to pay the difference in premium based on the difference between 1.0 and their scheduled FTE on top of the aforementioned 3% employee premium contribution. The premium is generally paid by the fund that pays the salary for the employee.

The District also provides employee dental benefits through a fully insured, 85/110% contingent premium insurance program administered by Medical Mutual of Ohio that offers different levels of coverage through two plan structures. One plan is based on UCR (usual, customary and reasonable) that offers a higher level of coverage than the other plan, which is a fee schedule plan that pays a predetermined amount for various covered procedures. These plans provide dental benefits with a \$50 family and \$25 single deductible per year. The District paid \$61.47 for a family plan and \$18.44 for a single plan per employee per month for the UCR plan for all certificated and classified staff not considered administrators (the administrator rate is paid in full by the District), which represents 60% of the entire premium required. The District paid \$54.19 for a family plan and \$16.26 for a single plan per employee per month for the fee schedule plan for all certificated and classified staff, which represents 80% of the entire premium required. Any employee who is scheduled to work at a FTE below 1.0 but greater than 0.5 is eligible for this coverage, but they are required to pay the difference in premium based on the difference between 1.0 and their scheduled FTE on top of the 40% UCR plan/20% fee schedule plan employee premium contribution. The premium is generally paid by the fund that pays the salary for the employee.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 13 - RISK MANAGEMENT - (Continued)

A group life with accidental death and dismemberment insurance plan is maintained for all employees who are scheduled to work at least a 0.5 FTE basis. The dollar amount of coverage generally ranges from \$30,000 - \$50,000 and is based on an employee's position within the District. The entire premium cost of \$0.12 per \$1,000 of coverage per month is paid by the District.

A group vision plan is also offered by the District to all employees. Employees who elect this coverage are responsible for 100% of the monthly premium.

C. Workers' Compensation Program

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 2A). The intent of the GRP is to achieve the benefits of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The worker's compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its worker's compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings is then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund". This "equity pooling" arrangement insures that each participant share equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement Inc. provides administrative, cost control and actuarial services to the GRP.

NOTE 14 - PENSION PLANS

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Employers/Audit Resources*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.74 percent and .04 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$561,748, \$385,507 and \$378,905, respectively; 46.49 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 14 - PENSION PLANS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. 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 becomes 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2010, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$1,913,237, \$1,854,674 and \$1,777,057, respectively; 83.39 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$53,982 made by the District and \$38,558 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2010, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40 and SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under *Employers/Audit Resources*.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, the surcharge amount was \$65,998.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$83,599, \$258,620 and \$251,782, respectively; 46.49 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$33,406, \$31,808 and \$27,301, respectively; 46.69 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

B. State Teachers Retirement System of Ohio

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$141,172, \$142,667 and \$136,697, respectively; 83.39 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement 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 District. However in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is party to legal proceedings. The District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the District.

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance 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 statement of revenue, expenditures, and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis); and,
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

Net Change in Fund Balance		<u>General Fund</u>
Budget basis	\$	190,251
Net adjustment for revenue accruals		(335,486)
Net adjustment for expenditure accruals		478,772
Net adjustment for other sources/uses		(60,202)
Adjustment for encumbrances		<u>378,593</u>
GAAP basis	\$	<u>651,928</u>

NOTE 18 - STATUTORY RESERVES

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

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

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

NOTE 18 - STATUTORY RESERVES - (Continued)

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2009	\$ (13,658)	\$ -
Current year set-aside requirement	444,200	444,200
Qualifying disbursements	<u>(648,187)</u>	<u>(902,398)</u>
Total	<u>\$ (217,645)</u>	<u>\$ (458,198)</u>
Balance carried forward to fiscal year 2011	<u>\$ (217,645)</u>	<u>\$ -</u>

The District had qualifying disbursements during the year that reduced the set-aside amounts below zero for the textbook/instructional materials and capital acquisition reserves. The extra amount may be used to reduce the set-aside requirement for future years for the textbook/instructional materials. The negative amount is therefore presented as being carried forward to next fiscal year. Although the District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. The negative amount is therefore not presented as being carried forward to next fiscal year.

NOTE 19 – SIGNIFICANT SUBSEQUENT EVENT

The voters of the District passed a \$42.9 million bond levy in the May 2010 election. These bonds were issued in September 2010 and included near zero-interest Qualified School Construction Bonds (QSCB's) and 35% interest-subsidy Build America Bonds (BAB's) as authorized by the federal American Recovery and Reinvestment Act (ARRA) as well as traditional tax-exempt bonds. The bond issue will be used to fund the upgrade of virtually all buildings in the District (physical plant upgrades for the primary, intermediate and high schools and technology upgrades for the middle school) with the main emphasis being placed on the renovation and expansion of Rocky River High School to meet the needs of our students in order to provide them a 21st Century education.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES
SUPPLEMENTAL INFORMATION

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 25,425,919	\$ 25,424,380	\$ 25,431,457	\$ 7,077
Tuition	75,000	75,000	56,331	(18,669)
Transportation	4,000	4,000	2,400	(1,600)
Earnings on investments	100,000	100,000	88,017	(11,983)
Classroom materials and fees	42,000	42,000	35,906	(6,094)
Rentals	65,225	65,225	89,311	24,086
Contributions and donations	-	-	1,250	1,250
Contract services	80,000	80,000	104,594	24,594
Other local revenues	-	5,400	28,079	22,679
Intergovernmental - State	5,997,946	5,823,100	5,926,378	103,278
<i>Total revenues</i>	<u>31,790,090</u>	<u>31,619,105</u>	<u>31,763,723</u>	<u>144,618</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	9,745,887	9,614,664	9,545,264	69,400
Fringe benefits	3,294,320	3,686,620	3,751,963	(65,343)
Purchased services	390,218	502,646	524,678	(22,032)
Materials and supplies	350,803	352,795	331,942	20,853
Capital outlay	10,400	76,268	62,903	13,365
Other	56,928	42,237	42,224	13
<i>Total instruction-regular</i>	<u>13,848,556</u>	<u>14,275,230</u>	<u>14,258,974</u>	<u>16,256</u>
Instruction-special:				
Salaries and wages	2,320,722	2,393,721	2,385,799	7,922
Fringe benefits	789,470	918,870	996,777	(77,907)
Purchased services	207,583	182,865	191,249	(8,384)
Materials and supplies	11,375	12,832	10,729	2,103
Capital outlay	255	5,031	4,831	200
<i>Total instruction-special</i>	<u>3,329,405</u>	<u>3,513,319</u>	<u>3,589,385</u>	<u>(76,066)</u>
Instruction-vocational:				
Purchased services	766,860	735,441	731,444	3,997
Capital outlay	-	20,000	20,000	-
<i>Total instruction-vocational</i>	<u>766,860</u>	<u>755,441</u>	<u>751,444</u>	<u>3,997</u>
Instruction-other:				
Salaries and wages	18,508	18,508	18,295	213
Fringe benefits	9,388	10,488	10,613	(125)
<i>Total instruction-other</i>	<u>27,896</u>	<u>28,996</u>	<u>28,908</u>	<u>88</u>
Support services-pupil:				
Salaries and wages	1,193,536	1,210,537	1,208,862	1,675
Fringe benefits	347,538	381,738	405,942	(24,204)
Purchased services	178,598	171,626	162,542	9,084
Materials and supplies	18,728	21,311	19,574	1,737
Capital outlay	-	400	380	20
Other	500	421	405	16
<i>Total support services-pupil</i>	<u>1,738,900</u>	<u>1,786,033</u>	<u>1,797,705</u>	<u>(11,672)</u>

-- Continued

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-instructional staff:				
Salaries and wages	\$ 538,009	\$ 543,313	\$ 543,185	\$ 128
Fringe benefits	197,068	228,488	236,542	(8,054)
Purchased services	49,866	66,458	52,359	14,099
Materials and supplies.	12,250	14,306	13,262	1,044
Capital outlay	52,958	33,487	33,479	8
Total support services-instructional staff	<u>850,151</u>	<u>886,052</u>	<u>878,827</u>	<u>7,225</u>
Support services-board of education:				
Salaries and wages	13,750	18,750	18,750	-
Fringe benefits	-	2,900	3,071	(171)
Purchased services	9,712	10,535	9,565	970
Materials and supplies.	658	823	784	39
Other	11,813	12,068	10,905	1,163
Total support services-board of education	<u>35,933</u>	<u>45,076</u>	<u>43,075</u>	<u>2,001</u>
Support services-administration:				
Salaries and wages	1,371,961	1,386,961	1,386,148	813
Fringe benefits	534,225	561,925	583,133	(21,208)
Purchased services	12,950	13,040	10,018	3,022
Materials and supplies.	8,800	8,560	6,664	1,896
Capital outlay	1,000	2,150	1,125	1,025
Other	3,124	4,018	3,763	255
Total support services-administration.	<u>1,932,060</u>	<u>1,976,654</u>	<u>1,990,851</u>	<u>(14,197)</u>
Support services-fiscal:				
Salaries and wages	179,248	180,048	179,980	68
Fringe benefits	872,173	118,118	70,214	47,904
Purchased services	41,075	70,075	69,511	564
Materials and supplies.	2,950	3,950	3,863	87
Other	404,250	486,250	489,557	(3,307)
Total support services-fiscal	<u>1,499,696</u>	<u>858,441</u>	<u>813,125</u>	<u>45,316</u>
Support services-business:				
Salaries and wages	116,250	117,650	117,580	70
Fringe benefits	42,605	47,605	48,667	(1,062)
Purchased services	272,772	233,561	229,763	3,798
Materials and supplies.	47,651	41,793	36,666	5,127
Capital outlay	7,650	8,850	5,133	3,717
Other	28,361	33,234	33,209	25
Total support services-business	<u>515,289</u>	<u>482,693</u>	<u>471,018</u>	<u>11,675</u>

-- Continued

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-operations and maintenance:				
Salaries and wages	\$ 1,260,071	\$ 1,344,069	\$ 1,343,533	\$ 536
Fringe benefits	500,349	534,694	548,561	(13,867)
Purchased services	1,547,227	1,355,771	1,355,568	203
Materials and supplies	235,055	263,288	246,614	16,674
Capital outlay	123,443	109,566	108,570	996
Other	2,570	4,840	4,790	50
Total support services-operations and maintenance	<u>3,668,715</u>	<u>3,612,228</u>	<u>3,607,636</u>	<u>4,592</u>
Support services-pupil transportation:				
Salaries and wages	751,612	789,612	787,737	1,875
Fringe benefits	293,878	308,578	315,869	(7,291)
Purchased services	371,829	248,215	246,891	1,324
Materials and supplies	195,603	177,328	174,463	2,865
Capital outlay	6,075	16,075	13,339	2,736
Other	40	40	20	20
Total support services-pupil transportation	<u>1,619,037</u>	<u>1,539,848</u>	<u>1,538,319</u>	<u>1,529</u>
Support services-central:				
Salaries and wages	392,458	416,459	415,877	582
Fringe benefits	302,688	313,184	243,739	69,445
Purchased services	124,163	119,595	115,886	3,709
Materials and supplies	6,203	6,178	5,963	215
Capital outlay	-	7,719	7,719	-
Other	1,385	2,329	1,990	339
Total support services-central	<u>826,897</u>	<u>865,464</u>	<u>791,174</u>	<u>74,290</u>
Operation of non-instructional services - other non-instructional services:				
Fringe benefits	-	100	11	89
Other	1,000	10,554	10,554	-
Total operation on non-instructional services - other non-instructional services	<u>1,000</u>	<u>10,654</u>	<u>10,565</u>	<u>89</u>
Extracurricular activities:				
Salaries and wages	616,617	647,317	642,949	4,368
Fringe benefits	108,827	128,327	134,312	(5,985)
Purchased services	27,200	29,000	28,946	54
Materials and supplies	5,900	4,600	4,235	365
Capital outlay	-	1,300	1,300	-
Total extracurricular activities	<u>758,544</u>	<u>810,544</u>	<u>811,742</u>	<u>(1,198)</u>
Facilities acquisition and construction				
Purchased services	100	100	-	100
Total facilities acquisition and construction	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Debt service:				
Principal retirement	40,000	40,000	40,000	-
Total debt service	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total expenditures	<u>31,459,039</u>	<u>31,486,773</u>	<u>31,422,748</u>	<u>64,025</u>

-- Continued

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of revenues over expenditures</i>	\$ 331,051	\$ 132,332	\$ 340,975	\$ 208,643
Other financing sources (uses):				
Refund of prior year's expenditures	500	60,000	59,665	(335)
Sale of capital assets	1,000	1,000	537	(463)
Transfers out.	<u>(128,500)</u>	<u>(211,200)</u>	<u>(210,926)</u>	<u>274</u>
<i>Total other financing sources (uses)</i>	<u>(127,000)</u>	<u>(150,200)</u>	<u>(150,724)</u>	<u>(524)</u>
<i>Net change in fund balance</i>	204,051	(17,868)	190,251	208,119
<i>Fund balance at beginning of year</i>	352,668	352,668	352,668	-
<i>Prior year encumbrances appropriated.</i>	<u>319,893</u>	<u>319,893</u>	<u>319,893</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 876,612</u>	<u>\$ 654,693</u>	<u>\$ 862,812</u>	<u>\$ 208,119</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 3,299,942	\$ 2,800,942	\$ 2,862,537	\$ 61,595
Intergovernmental - State	<u>420,376</u>	<u>420,376</u>	<u>408,187</u>	<u>(12,189)</u>
<i>Total revenues.</i>	<u>3,720,318</u>	<u>3,221,318</u>	<u>3,270,724</u>	<u>49,406</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	<u>50,100</u>	<u>50,100</u>	<u>14,927</u>	<u>35,173</u>
Total support services-fiscal	<u>50,100</u>	<u>50,100</u>	<u>14,927</u>	<u>35,173</u>
Debt service:				
Principal retirement.	2,360,000	2,360,000	2,360,000	-
Interest and fiscal charges	<u>697,739</u>	<u>697,739</u>	<u>697,739</u>	<u>-</u>
Total debt service	<u>3,057,739</u>	<u>3,057,739</u>	<u>3,057,739</u>	<u>-</u>
<i>Total expenditures</i>	<u>3,107,839</u>	<u>3,107,839</u>	<u>3,072,666</u>	<u>35,173</u>
<i>Net change in fund balance</i>	612,479	113,479	198,058	84,579
<i>Fund balance at beginning of year</i>	<u>4,032,710</u>	<u>4,032,710</u>	<u>4,032,710</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 4,645,189</u>	<u>\$ 4,146,189</u>	<u>\$ 4,230,768</u>	<u>\$ 84,579</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 1,500	\$ 1,500	\$ 192	\$ (1,308)
Rentals	<u>148,058</u>	<u>148,058</u>	<u>148,058</u>	<u>-</u>
Total revenues	<u>149,558</u>	<u>149,558</u>	<u>148,250</u>	<u>(1,308)</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	9,000	9,000	9,000	-
Capital outlay	<u>8,000</u>	<u>8,000</u>	<u>1,489</u>	<u>6,511</u>
Total instruction-regular	<u>17,000</u>	<u>17,000</u>	<u>10,489</u>	<u>6,511</u>
Support services-administration				
Capital outlay	-	700	675	25
Total support services-administration	<u>-</u>	<u>700</u>	<u>675</u>	<u>25</u>
Support services-fiscal:				
Capital outlay	10,000	3,303	-	3,303
Total support services-fiscal	<u>10,000</u>	<u>3,303</u>	<u>-</u>	<u>3,303</u>
Support services-business				
Capital outlay	-	1,400	1,313	87
Total support services-business	<u>-</u>	<u>1,400</u>	<u>1,313</u>	<u>87</u>
Support services-operations and maintenance:				
Capital outlay	45,376	58,344	53,304	5,040
Total support services-operations and maintenance	<u>45,376</u>	<u>58,344</u>	<u>53,304</u>	<u>5,040</u>
Support services-pupil transportation:				
Materials and supplies	3,000	3,000	-	3,000
Capital outlay	<u>7,000</u>	<u>155</u>	<u>-</u>	<u>155</u>
Total support services-pupil transportation	<u>10,000</u>	<u>3,155</u>	<u>-</u>	<u>3,155</u>
Support services-central:				
Capital outlay	-	6,697	6,697	-
Total support services-central	<u>-</u>	<u>6,697</u>	<u>6,697</u>	<u>-</u>

-- Continued

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENTS FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Operation of non-instructional services:				
Capital outlay	\$ -	\$ 11,679	\$ 11,679	\$ -
Total operation of non-instructional services	<u>-</u>	<u>11,679</u>	<u>11,679</u>	<u>-</u>
Facilities acquisition and construction:				
Capital outlay	<u>60,000</u>	<u>40,098</u>	<u>38,740</u>	<u>1,358</u>
Total facilities acquisition and construction	<u>60,000</u>	<u>40,098</u>	<u>38,740</u>	<u>1,358</u>
Debt service:				
Principal retirement	65,714	65,714	65,714	-
Interest and fiscal charges	<u>11,500</u>	<u>11,500</u>	<u>11,500</u>	<u>-</u>
Total debt service	<u>77,214</u>	<u>77,214</u>	<u>77,214</u>	<u>-</u>
<i>Total expenditures</i>	<u>219,590</u>	<u>219,590</u>	<u>200,111</u>	<u>19,479</u>
<i>Net change in fund balance</i>	(70,032)	(70,032)	(51,861)	18,171
<i>Fund balance at beginning of year</i>	91,915	91,915	91,915	-
<i>Prior year encumbrances appropriated</i>	<u>20,376</u>	<u>20,376</u>	<u>20,376</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 42,259</u>	<u>\$ 42,259</u>	<u>\$ 60,430</u>	<u>\$ 18,171</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 578,007	\$ 121	\$ 578,128
Receivables:			
Accounts	250	-	250
Accrued interest	717	-	717
Intergovernmental	376,659	-	376,659
Materials and supplies inventory	2,000	-	2,000
Inventory held for resale	12,695	-	12,695
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 970,328</u>	<u>\$ 121</u>	<u>\$ 970,449</u>
Liabilities:			
Accounts payable	\$ 28,741	\$ -	\$ 28,741
Contracts payable	-	292,550	292,550
Accrued wages and benefits	20,927	-	20,927
Interfund loan payable	92,341	614,706	707,047
Intergovernmental payable	5,537	-	5,537
Unearned revenue	2,711	-	2,711
Deferred revenue	125,966	-	125,966
Pension obligation payable	13,060	-	13,060
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>289,283</u>	<u>907,256</u>	<u>1,196,539</u>
Fund Balances:			
Reserved for encumbrances	85,676	-	85,676
Unreserved, undesignated (deficit), reported in:			
Special revenue funds	595,369	-	595,369
Capital projects funds	-	(907,135)	(907,135)
	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	<u>681,045</u>	<u>(907,135)</u>	<u>(226,090)</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	<u>\$ 970,328</u>	<u>\$ 121</u>	<u>\$ 970,449</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Tuition	\$ 6,176	\$ -	\$ 6,176
Transportation	4,908	-	4,908
Earnings on investments	1,341	-	1,341
Charges for services	327,170	-	327,170
Extracurricular activities	193,618	-	193,618
Classroom materials and fees	177,984	-	177,984
Rentals	60,049	117,214	177,263
Contributions and donations	134,894	-	134,894
Contract services	44,755	-	44,755
Other local revenues	99,365	-	99,365
Intergovernmental - State	1,296,250	-	1,296,250
Intergovernmental - Federal	1,596,002	-	1,596,002
Total revenue	3,942,512	117,214	4,059,726
Expenditures:			
Current:			
Instruction:			
Regular	264,393	61,596	325,989
Special	1,056,880	-	1,056,880
Support services:			
Pupil	183,152	-	183,152
Instructional staff	105,850	-	105,850
Administration	1,192	-	1,192
Operations and maintenance of plant	51,874	-	51,874
Pupil transportation	774	5,336	6,110
Central	13,720	-	13,720
Operation of non-instructional services:			
Food service operations	442,056	-	442,056
Other non-instructional services	1,296,384	-	1,296,384
Extracurricular activities	321,699	-	321,699
Facilities acquisition and construction	-	292,550	292,550
Debt service:			
Interest and fiscal charges	-	11,500	11,500
Total expenditures	3,737,974	370,982	4,108,956
Excess of revenues over (under) expenditures	204,538	(253,768)	(49,230)
Other financing sources:			
Transfers in	210,926	-	210,926
Total other financing sources	210,926	-	210,926
Net change in fund balances	415,464	(253,768)	161,696
Fund balances (deficit) at beginning of year	265,581	(653,367)	(387,786)
Fund balances (deficit) at end of year	\$ 681,045	\$ (907,135)	\$ (226,090)

ROCKY RIVER CITY SCHOOL DISTRICT

FUND DESCRIPTIONS - NONMAJOR 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:

Food Service Fund

This fund accounts for the financial transactions related to the food service operations of the District.

Uniform School Supplies Fund

This fund accounts for the purchase and sale of school supplies for use in the District. Profits derived from such sales are used for school purposes or activities connected with the school.

Beach Building Fund

This fund accounts for the revenues and expenditures related to the operation of the Beach School facility that is leased to outside educational and service organizations for the benefit of the school community at-large.

Building Rotary Fund

This fund accounts for curricular and related activities (e.g. field trips) within a school building that are paid for mainly by student fees.

Public School Support Fund

A fund provided to account for specific local revenue sources (i.e. profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Grants Fund

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

District Managed Activity Fund

A fund provided to account for monies for those student activity programs which have student participation in the activity but do not have student management of the programs.

Auxiliary Services Fund

A fund provided to account for monies which provide services and materials to pupils attending non-public schools within the School District.

Education Management Information System Fund

A fund provided to account for hardware and software development, or other costs associated with the management information system.

Entry Year Programs Fund

To implement entry-year programs pursuant to Section 3317.024(T) of the Revised Code.

Data Communication Fund

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

Title VI-B Fund

A fund provided to account for federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

ROCKY RIVER CITY SCHOOL DISTRICT

FUND DESCRIPTIONS - NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

Education Stabilization Fund

Grant from the American Recovery and Reinvestment Act (ARRA) in State Fiscal Stabilization Funds (SFSF) to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

Title III Fund

A fund provided to account for federal monies used to assist the School District in meeting the special needs of children of limited English proficiency.

Title I Fund

To account for State of Ohio and federal grants that provide financial assistance to meet the special needs of educationally deprived children.

Title V Fund

To account for State of Ohio and federal tech-prep grants that provide for assessing students' vocational interests and aptitudes, and planning and implementing intervention for those students at risk.

Drug Free Schools Grant Fund

A fund provided to account for federal monies which support the implementation of programs for drug abuse education and prevention.

Preschool Disability Fund

To account for monies received for the improvement and expansion of services for handicapped children ages three through five years.

Title II-A Fund

To account for grant monies used for the hiring of additional teachers.

Miscellaneous Federal Grants Fund

To account for monies received from the federal government which are not classified elsewhere.

THIS PAGE INTENTIONALLY LEFT BLANK

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Food Service	Uniform School Supplies	Beach Building	Building Rotary
Assets:				
Equity in pooled cash and cash equivalents	\$ 99,357	\$ 17,789	\$ 12,540	\$ 156,737
Receivables:				
Accounts	-	-	-	-
Accrued interest	303	-	-	-
Intergovernmental	-	-	-	-
Materials and supplies inventory	2,000	-	-	-
Inventory held for resale	6,488	6,207	-	-
Total assets	\$ 108,148	\$ 23,996	\$ 12,540	\$ 156,737
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 874	\$ 7,043
Accrued wages and benefits	7,355	-	326	553
Interfund loan payable	-	-	-	-
Intergovernmental payable	1,321	-	315	35
Unearned revenue	-	-	-	-
Deferred revenue	274	-	-	-
Pension obligation payable	8,226	-	799	186
Total liabilities	17,176	-	2,314	7,817
Fund Balances:				
Reserved for encumbrances	423	-	148	3,540
Unreserved, undesignated (deficit)	90,549	23,996	10,078	145,380
Total fund balances (deficit)	90,972	23,996	10,226	148,920
Total liabilities and fund balances	\$ 108,148	\$ 23,996	\$ 12,540	\$ 156,737

Public School Support	Other Grants	District Managed Student Activity	Auxiliary Services	Education Management Information Systems	Data Communication
\$ 77,693	\$ 11,230	\$ 5,861	\$ 149,755	\$ 4,247	\$ 5,145
-	-	250	-	-	-
-	-	-	414	-	-
-	-	-	111,269	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 77,693</u>	<u>\$ 11,230</u>	<u>\$ 6,111</u>	<u>\$ 261,438</u>	<u>\$ 4,247</u>	<u>\$ 5,145</u>
\$ 1,886	\$ -	\$ 2,635	\$ 6,851	\$ -	\$ -
-	-	3	1,503	671	-
-	-	-	-	-	-
-	-	80	215	37	-
-	-	-	-	-	-
-	-	-	414	-	-
-	-	-	1,471	1,094	-
<u>1,886</u>	<u>-</u>	<u>2,718</u>	<u>10,454</u>	<u>1,802</u>	<u>-</u>
2,386	406	3,652	21,855	3,054	4,000
<u>73,421</u>	<u>10,824</u>	<u>(259)</u>	<u>229,129</u>	<u>(609)</u>	<u>1,145</u>
<u>75,807</u>	<u>11,230</u>	<u>3,393</u>	<u>250,984</u>	<u>2,445</u>	<u>5,145</u>
<u>\$ 77,693</u>	<u>\$ 11,230</u>	<u>\$ 6,111</u>	<u>\$ 261,438</u>	<u>\$ 4,247</u>	<u>\$ 5,145</u>

-- Continued

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2010

	Title VI-B	Education Stabilization	Title III	Title I
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 6,332	\$ 35	\$ 22,183
Receivables:				
Accounts	-	-	-	-
Accrued interest	-	-	-	-
Intergovernmental	260,219	-	-	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets.	<u>\$ 260,219</u>	<u>\$ 6,332</u>	<u>\$ 35</u>	<u>\$ 22,183</u>
Liabilities:				
Accounts payable	\$ 4,180	\$ -	\$ -	\$ 2,253
Accrued wages and benefits	7,180	-	218	3,060
Interfund loan payable	88,084	-	-	-
Intergovernmental payable	1,761	370	78	1,174
Unearned revenue	-	-	-	2,711
Deferred revenue	124,364	-	-	-
Pension obligation payable	654	-	-	630
Total liabilities.	<u>226,223</u>	<u>370</u>	<u>296</u>	<u>9,828</u>
Fund Balances:				
Reserved for encumbrances	45,482	-	-	297
Unreserved, undesignated (deficit)	(11,486)	5,962	(261)	12,058
Total fund balances (deficit).	<u>33,996</u>	<u>5,962</u>	<u>(261)</u>	<u>12,355</u>
Total liabilities and fund balances	<u>\$ 260,219</u>	<u>\$ 6,332</u>	<u>\$ 35</u>	<u>\$ 22,183</u>

Drug Free Schools Grant	Preschool Disability	Title II-A	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 9,103	\$ 578,007
-	-	-	250
-	-	-	717
914	4,257	-	376,659
-	-	-	2,000
-	-	-	12,695
<u>\$ 914</u>	<u>\$ 4,257</u>	<u>\$ 9,103</u>	<u>\$ 970,328</u>
\$ -	\$ -	\$ 3,019	\$ 28,741
-	-	58	20,927
-	4,257	-	92,341
-	-	151	5,537
-	-	-	2,711
914	-	-	125,966
-	-	-	13,060
<u>914</u>	<u>4,257</u>	<u>3,228</u>	<u>289,283</u>
-	-	433	85,676
-	-	5,442	595,369
-	-	5,875	681,045
<u>\$ 914</u>	<u>\$ 4,257</u>	<u>\$ 9,103</u>	<u>\$ 970,328</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Food Service	Uniform School Supplies	Beach Building	Building Rotary
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ 1,815
Transportation	-	-	-	4,908
Earnings on investments	479	-	-	-
Charges for services	327,170	-	-	-
Extracurricular activities	-	-	-	5,096
Classroom materials and fees	-	22,235	-	155,749
Rentals	-	-	60,049	-
Contributions and donations	-	-	-	2,057
Contract services	-	-	-	44,755
Other local revenues	-	-	-	57,759
Intergovernmental - State	2,189	-	-	-
Intergovernmental - Federal	107,895	-	-	-
Total revenue	437,733	22,235	60,049	272,139
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	112,994
Special	-	-	-	-
Support services:				
Pupil	-	-	-	101,208
Instructional staff	-	-	-	47,452
Administration	-	-	-	-
Operations and maintenance of plant	-	-	51,874	-
Pupil transportation	-	-	-	-
Central	-	-	-	6,460
Operation of non-instructional services:				
Food service operations	442,056	-	-	-
Other non-instructional services	-	22,846	-	-
Extracurricular activities	-	-	-	-
Total expenditures	442,056	22,846	51,874	268,114
Excess of revenues over (under) expenditures	(4,323)	(611)	8,175	4,025
Other financing sources:				
Transfers in	-	-	-	124,926
Total other financing sources	-	-	-	124,926
Net change in fund balances	(4,323)	(611)	8,175	128,951
Fund balances (deficit) at beginning of year	95,295	24,607	2,051	19,969
Fund balances (deficit) at end of year	\$ 90,972	\$ 23,996	\$ 10,226	\$ 148,920

Public School Support	Other Grants	District Managed Activity	Auxiliary Services	Education Management Information Systems	Entry Year Programs	Data Communication
\$ 4,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	39	823	-	-	-
-	-	188,522	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
42,074	25,400	65,363	-	-	-	-
-	-	-	-	-	-	-
36,827	-	4,755	-	-	24	-
-	-	-	1,279,916	5,000	-	9,145
-	-	-	-	-	-	-
<u>83,262</u>	<u>25,400</u>	<u>258,679</u>	<u>1,280,739</u>	<u>5,000</u>	<u>24</u>	<u>9,145</u>
-	21,100	-	-	-	-	4,000
1,293	1,019	-	-	-	-	-
74,396	182	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
574	200	-	-	-	-	-
-	-	-	-	7,260	-	-
-	-	-	-	-	-	-
-	-	-	1,094,020	-	-	-
-	1,500	320,199	-	-	-	-
<u>76,263</u>	<u>24,001</u>	<u>320,199</u>	<u>1,094,020</u>	<u>7,260</u>	<u>-</u>	<u>4,000</u>
<u>6,999</u>	<u>1,399</u>	<u>(61,520)</u>	<u>186,719</u>	<u>(2,260)</u>	<u>24</u>	<u>5,145</u>
-	-	86,000	-	-	-	-
-	-	86,000	-	-	-	-
6,999	1,399	24,480	186,719	(2,260)	24	5,145
68,808	9,831	(21,087)	64,265	4,705	(24)	-
<u>\$ 75,807</u>	<u>\$ 11,230</u>	<u>\$ 3,393</u>	<u>\$ 250,984</u>	<u>\$ 2,445</u>	<u>\$ -</u>	<u>\$ 5,145</u>

- - Continued

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Title VI-B	Education Stabilization	Title III	Title I
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ -	\$ -
Transportation.	-	-	-	-
Earnings on investments	-	-	-	-
Charges for services.	-	-	-	-
Extracurricular activities	-	-	-	-
Classroom materials and fees.	-	-	-	-
Rentals	-	-	-	-
Contributions and donations	-	-	-	-
Contract services	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	988,639	85,050	15,209	297,261
Total revenue	988,639	85,050	15,209	297,261
Expenditures:				
Current:				
Instruction:				
Regular.	-	79,088	14,566	-
Special	773,869	-	-	254,745
Support services:				
Pupil	-	-	-	-
Instructional staff.	6,877	-	465	22,169
Administration	-	-	-	1,192
Operations and maintenance of plant	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services.	173,636	-	-	4,783
Extracurricular activities	-	-	-	-
Total expenditures	954,382	79,088	15,031	282,889
Excess of revenues over (under) expenditures	34,257	5,962	178	14,372
Other financing sources:				
Transfers in.	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	34,257	5,962	178	14,372
Fund balances (deficit) at beginning of year	(261)	-	(439)	(2,017)
Fund balances (deficit) at end of year	\$ 33,996	\$ 5,962	\$ (261)	\$ 12,355

<u>Drug Free Schools Grant</u>	<u>Preschool Disability</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,176
-	-	-	-	4,908
-	-	-	-	1,341
-	-	-	-	327,170
-	-	-	-	193,618
-	-	-	-	177,984
-	-	-	-	60,049
-	-	-	-	134,894
-	-	-	-	44,755
-	-	-	-	99,365
-	-	-	-	1,296,250
<u>7,366</u>	<u>25,954</u>	<u>66,823</u>	<u>1,805</u>	<u>1,596,002</u>
<u>7,366</u>	<u>25,954</u>	<u>66,823</u>	<u>1,805</u>	<u>3,942,512</u>
-	-	32,645	-	264,393
-	25,954	-	-	1,056,880
7,366	-	-	-	183,152
-	-	27,362	1,525	105,850
-	-	-	-	1,192
-	-	-	-	51,874
-	-	-	-	774
-	-	-	-	13,720
-	-	-	-	442,056
-	-	819	280	1,296,384
-	-	-	-	321,699
<u>7,366</u>	<u>25,954</u>	<u>60,826</u>	<u>1,805</u>	<u>3,737,974</u>
<u>-</u>	<u>-</u>	<u>5,997</u>	<u>-</u>	<u>204,538</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,926</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,926</u>
<u>-</u>	<u>-</u>	<u>5,997</u>	<u>-</u>	<u>415,464</u>
<u>-</u>	<u>-</u>	<u>(122)</u>	<u>-</u>	<u>265,581</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,875</u>	<u>\$ -</u>	<u>\$ 681,045</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 2,500	\$ 500	\$ 450	\$ (50)
Charges for services	440,100	356,100	327,170	(28,930)
Intergovernmental - State	3,925	3,925	2,189	(1,736)
Intergovernmental - Federal	71,000	67,000	73,642	6,642
<i>Total revenues.</i>	<u>517,525</u>	<u>427,525</u>	<u>403,451</u>	<u>(24,074)</u>
Expenditures:				
Current:				
Operation of non-instructional services - food service operations:				
Salaries and wages	169,088	169,088	153,267	15,821
Fringe benefits	52,890	52,890	50,774	2,116
Purchased services	15,100	15,685	10,327	5,358
Materials and supplies	277,923	278,717	183,370	95,347
Capital outlay	22,553	21,174	17,863	3,311
Total operation of non-instructional services - food service operations	<u>537,554</u>	<u>537,554</u>	<u>415,601</u>	<u>121,953</u>
<i>Total expenditures</i>	<u>537,554</u>	<u>537,554</u>	<u>415,601</u>	<u>121,953</u>
<i>Net change in fund balance</i>	(20,029)	(110,029)	(12,150)	97,879
<i>Fund balance at beginning of year</i>	110,661	110,661	110,661	-
<i>Prior year encumbrances appropriated.</i>	423	423	423	-
<i>Fund balance at end of year.</i>	<u>\$ 91,055</u>	<u>\$ 1,055</u>	<u>\$ 98,934</u>	<u>\$ 97,879</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Classroom materials and fees	\$ 26,500	\$ 26,500	\$ 22,235	\$ (4,265)
<i>Total revenues.</i>	<u>26,500</u>	<u>26,500</u>	<u>22,235</u>	<u>(4,265)</u>
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Materials and supplies.	26,400	26,400	21,507	4,893
Total operation of non-instructional services - other non-instructional services	<u>26,400</u>	<u>26,400</u>	<u>21,507</u>	<u>4,893</u>
<i>Total expenditures</i>	<u>26,400</u>	<u>26,400</u>	<u>21,507</u>	<u>4,893</u>
<i>Net change in fund balance</i>	100	100	728	628
<i>Fund balance at beginning of year</i>	17,061	17,061	17,061	-
<i>Fund balance at end of year.</i>	<u>\$ 17,161</u>	<u>\$ 17,161</u>	<u>\$ 17,789</u>	<u>\$ 628</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BEACH BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Rentals	\$ 88,711	\$ 60,711	\$ 60,049	\$ (662)
<i>Total revenues.</i>	<u>88,711</u>	<u>60,711</u>	<u>60,049</u>	<u>(662)</u>
Expenditures:				
Current:				
Support services-operations and maintenance:				
Salaries and wages	5,000	6,200	6,157	43
Fringe benefits	823	923	923	-
Purchased services	82,818	47,118	46,658	460
Materials and supplies.	500	500	-	500
Total support services-operations and maintenance	<u>89,141</u>	<u>54,741</u>	<u>53,738</u>	<u>1,003</u>
<i>Total expenditures</i>	<u>89,141</u>	<u>54,741</u>	<u>53,738</u>	<u>1,003</u>
<i>Net change in fund balance</i>	(430)	5,970	6,311	341
<i>Fund balance at beginning of year</i>	2,963	2,963	2,963	-
<i>Prior year encumbrances appropriated.</i>	<u>3,118</u>	<u>3,118</u>	<u>3,118</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 5,651</u>	<u>\$ 12,051</u>	<u>\$ 12,392</u>	<u>\$ 341</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING ROTARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Tuition	\$ 2,000	\$ 2,000	\$ 1,815	\$ (185)
Transportation	7,500	7,500	4,908	(2,592)
Extracurricular activities	-	-	5,096	5,096
Classroom materials and fees	163,725	163,725	155,749	(7,976)
Other local revenues	-	71,100	102,016	30,916
<i>Total revenues</i>	<u>173,225</u>	<u>244,325</u>	<u>269,584</u>	<u>25,259</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	-	3,400	3,395	5
Fringe benefits	-	500	487	13
Purchased services	1,300	9,300	8,544	756
Materials and supplies	116,401	98,211	98,202	9
Capital outlay	445	4,837	4,391	446
Other	-	300	247	53
<i>Total instruction-regular</i>	<u>118,146</u>	<u>116,548</u>	<u>115,266</u>	<u>1,282</u>
Support services-pupil:				
Salaries and wages	-	825	825	-
Fringe benefits	-	150	130	20
Purchased services	42,500	48,150	48,129	21
Materials and supplies	23,085	6,188	6,085	103
Capital outlay	-	2,000	1,418	582
Other	4,000	47,950	47,945	5
<i>Total support services-pupil</i>	<u>69,585</u>	<u>105,263</u>	<u>104,532</u>	<u>731</u>
Support services-instructional staff:				
Purchased services	-	47,500	47,452	48
Materials and supplies	-	960	-	960
<i>Total support services-instructional staff</i>	<u>-</u>	<u>48,460</u>	<u>47,452</u>	<u>1,008</u>
Support services-central:				
Other	-	7,300	7,266	34
<i>Total support services-central</i>	<u>-</u>	<u>7,300</u>	<u>7,266</u>	<u>34</u>
Operation of non-instructional services - other non-instructional services:				
Fringe benefits	-	10	8	2
<i>Total operation of non-instructional services - other non-instructional services</i>	<u>-</u>	<u>10</u>	<u>8</u>	<u>2</u>
<i>Total expenditures</i>	<u>187,731</u>	<u>277,581</u>	<u>274,524</u>	<u>3,057</u>
<i>Excess of revenues (under) expenditures</i>	<u>(14,506)</u>	<u>(33,256)</u>	<u>(4,940)</u>	<u>28,316</u>
Other financing sources (uses):				
Other uses of funds	-	(1,150)	(1,150)	-
Transfers in	-	-	124,926	124,926
Sale of capital assets	250	250	2,555	2,305
<i>Total other financing sources (uses)</i>	<u>250</u>	<u>(900)</u>	<u>126,331</u>	<u>127,231</u>
<i>Net change in fund balance</i>	<u>(14,256)</u>	<u>(34,156)</u>	<u>121,391</u>	<u>155,547</u>
<i>Fund balance at beginning of year</i>	<u>20,287</u>	<u>20,287</u>	<u>20,287</u>	<u>-</u>
<i>Prior year encumbrances appropriated</i>	<u>4,661</u>	<u>4,661</u>	<u>4,661</u>	<u>-</u>
<i>Fund balance (deficit) at end of year</i>	<u>\$ 10,692</u>	<u>\$ (9,208)</u>	<u>\$ 146,339</u>	<u>\$ 155,547</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Tuition	\$ -	\$ 900	\$ 4,361	\$ 3,461
Contributions and donations	36,000	54,691	42,074	(12,617)
Other local revenues	7,000	13,000	36,827	23,827
<i>Total revenues.</i>	<u>43,000</u>	<u>68,591</u>	<u>83,262</u>	<u>14,671</u>
Expenditures:				
Current:				
Instruction-regular:				
Capital outlay	5,000	-	-	-
Total instruction-regular.	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Instruction-special:				
Materials and supplies.	-	3,300	2,662	638
Total instruction-special	<u>-</u>	<u>3,300</u>	<u>2,662</u>	<u>638</u>
Support services-pupil:				
Purchased services	12,050	13,150	13,132	18
Materials and supplies.	23,921	37,921	37,884	37
Capital outlay	6,082	5,232	4,234	998
Other	9,045	21,445	21,444	1
Total support services-pupil.	<u>51,098</u>	<u>77,748</u>	<u>76,694</u>	<u>1,054</u>
Support services-pupil transportation				
Purchased services	-	600	574	26
Total support services-pupil transportation	<u>-</u>	<u>600</u>	<u>574</u>	<u>26</u>
<i>Total expenditures</i>	<u>56,098</u>	<u>81,648</u>	<u>79,930</u>	<u>1,718</u>
<i>Net change in fund balance</i>	(13,098)	(13,057)	3,332	16,389
<i>Fund balance at beginning of year</i>	66,002	66,002	66,002	-
<i>Prior year encumbrances appropriated.</i>	4,098	4,098	4,098	-
<i>Fund balance at end of year.</i>	<u>\$ 57,002</u>	<u>\$ 57,043</u>	<u>\$ 73,432</u>	<u>\$ 16,389</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Contributions and donations	\$ -	\$ 25,400	\$ 25,400	\$ -
<i>Total revenues.</i>	<u>-</u>	<u>25,400</u>	<u>25,400</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	247	732	350	382
Materials and supplies.	2,621	4,335	2,950	1,385
Capital outlay	3,720	21,281	19,007	2,274
<i>Total instruction-regular.</i>	<u>6,588</u>	<u>26,348</u>	<u>22,307</u>	<u>4,041</u>
Instruction-special:				
Purchased services	-	425	425	-
Materials and supplies.	24	654	594	60
Capital outlay	213	86	-	86
<i>Total instruction-special.</i>	<u>237</u>	<u>1,165</u>	<u>1,019</u>	<u>146</u>
Support services-pupil:				
Purchased services	182	182	182	-
Materials and supplies.	55	55	-	55
Capital outlay	50	50	-	50
<i>Total support services-pupil.</i>	<u>287</u>	<u>287</u>	<u>182</u>	<u>105</u>
Support services-instructional staff:				
Purchased services	250	250	-	250
Materials and supplies.	258	258	-	258
Other	2,441	2,441	-	2,441
<i>Total support services-instructional staff.</i>	<u>2,949</u>	<u>2,949</u>	<u>-</u>	<u>2,949</u>
Support services-pupil transportation:				
Purchased services	-	200	200	-
<i>Total support services-pupil transportation.</i>	<u>-</u>	<u>200</u>	<u>200</u>	<u>-</u>
Extracurricular activities:				
Purchased services	300	300	-	300
Capital outlay	-	1,500	1,500	-
<i>Total extracurricular activities.</i>	<u>300</u>	<u>1,800</u>	<u>1,500</u>	<u>300</u>
<i>Total expenditures</i>	<u>10,361</u>	<u>32,749</u>	<u>25,208</u>	<u>7,541</u>
<i>Net change in fund balance</i>	(10,361)	(7,349)	192	7,541
<i>Fund balance at beginning of year</i>	9,777	9,777	9,777	-
<i>Prior year encumbrances appropriated.</i>	855	855	855	-
<i>Fund balance at end of year.</i>	<u>\$ 271</u>	<u>\$ 3,283</u>	<u>\$ 10,824</u>	<u>\$ 7,541</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 39	\$ 39
Extracurricular activities	154,620	214,526	188,272	(26,254)
Contributions and donations	1,700	6,850	65,363	58,513
Other local revenue.	124,732	124,732	4,755	(119,977)
<i>Total revenues.</i>	<u>281,052</u>	<u>346,108</u>	<u>258,429</u>	<u>(87,679)</u>
Expenditures:				
Current:				
Extracurricular activities:				
Salaries and wages	18,450	15,900	15,208	692
Fringe benefits	1,685	2,185	2,150	35
Purchased services	72,350	124,018	123,491	527
Materials and supplies.	139,635	132,501	132,408	93
Capital outlay	16,300	38,350	38,067	283
Other	42,774	44,805	44,278	527
Total extracurricular activities.	<u>291,194</u>	<u>357,759</u>	<u>355,602</u>	<u>2,157</u>
<i>Total expenditures</i>	<u>291,194</u>	<u>357,759</u>	<u>355,602</u>	<u>2,157</u>
<i>Excess of revenues under expenditures</i>	<u>(10,142)</u>	<u>(11,651)</u>	<u>(97,173)</u>	<u>(85,522)</u>
Other financing sources:				
Transfers in	-	-	86,000	86,000
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>86,000</u>	<u>86,000</u>
<i>Net change in fund balance</i>	(10,142)	(11,651)	(11,173)	478
<i>Fund balance at beginning of year</i>	2,924	2,924	2,924	-
<i>Prior year encumbrances appropriated.</i>	10,175	10,175	10,175	-
<i>Fund balance at end of year.</i>	<u>\$ 2,957</u>	<u>\$ 1,448</u>	<u>\$ 1,926</u>	<u>\$ 478</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 1,834	\$ 1,835	\$ 823	\$ (1,012)
Intergovernmental - State.	<u>677,486</u>	<u>1,168,647</u>	<u>1,168,647</u>	<u>-</u>
<i>Total revenues.</i>	<u>679,320</u>	<u>1,170,482</u>	<u>1,169,470</u>	<u>(1,012)</u>
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Salaries and wages	-	26,124	25,714	410
Fringe benefits	-	8,027	8,027	-
Purchased services	23,531	770,936	717,418	53,518
Materials and supplies.	723,898	334,437	290,540	43,897
Capital outlay	<u>49,006</u>	<u>146,345</u>	<u>123,502</u>	<u>22,843</u>
Total operation on non-instructional services - other non-instructional services	<u>796,435</u>	<u>1,285,869</u>	<u>1,165,201</u>	<u>120,668</u>
<i>Total expenditures</i>	<u>796,435</u>	<u>1,285,869</u>	<u>1,165,201</u>	<u>120,668</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(117,115)</u>	<u>(115,387)</u>	<u>4,269</u>	<u>119,656</u>
Other financing sources:				
Refund of prior year's expenditures.	-	115	115	-
<i>Total other financing sources.</i>	<u>-</u>	<u>115</u>	<u>115</u>	<u>-</u>
<i>Net change in fund balance</i>	(117,115)	(115,272)	4,384	119,656
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Prior year encumbrances appropriated.</i>	<u>117,115</u>	<u>117,115</u>	<u>117,115</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ 1,843</u>	<u>\$ 121,499</u>	<u>\$ 119,656</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION MANAGEMENT INFORMATION SYSTEMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ 8,000	\$ 6,151	\$ 5,000	\$ (1,151)
<i>Total revenues.</i>	<u>8,000</u>	<u>6,151</u>	<u>5,000</u>	<u>(1,151)</u>
Expenditures:				
Current:				
Support services-central:				
Salaries and wages	4,000	7,069	7,069	-
Fringe benefits	658	883	624	259
Purchased services	<u>3,342</u>	<u>4,051</u>	<u>1,966</u>	<u>2,085</u>
Total support services-central	<u>8,000</u>	<u>12,003</u>	<u>9,659</u>	<u>2,344</u>
<i>Total expenditures</i>	<u>8,000</u>	<u>12,003</u>	<u>9,659</u>	<u>2,344</u>
<i>Net change in fund balance</i>	-	(5,852)	(4,659)	1,193
<i>Fund balance at beginning of year</i>	<u>5,852</u>	<u>5,852</u>	<u>5,852</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 5,852</u>	<u>\$ -</u>	<u>\$ 1,193</u>	<u>\$ 1,193</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTRY YEAR PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ 4,500	\$ 3,500	\$ 3,500	\$ -
Total revenues	<u>4,500</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	1,000	-	-	-
Total instruction-regular	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	3,500	3,500	3,500	-
<i>Fund balance (deficit) at beginning of year</i>	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ -	\$ 8,000	\$ 9,145	\$ 1,145
Total revenues	<u>-</u>	<u>8,000</u>	<u>9,145</u>	<u>1,145</u>
Expenditures:				
Current:				
Instruction-regular:				
Materials and supplies	-	1,153	1,153	-
Capital outlay	-	6,847	6,847	-
Total instruction-regular	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	1,145	1,145
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,145</u>	<u>\$ 1,145</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 1,119,193	\$ 1,122,764	\$ 858,975	\$ (263,789)
<i>Total revenues.</i>	<u>1,119,193</u>	<u>1,122,764</u>	<u>858,975</u>	<u>(263,789)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	-	83,248	79,386	3,862
Fringe benefits	932	33,491	31,869	1,622
Purchased services	22,021	776,461	678,354	98,107
Materials and supplies	1,099,211	-	-	-
Capital outlay	-	25,000	24,412	588
<i>Total instruction-special.</i>	<u>1,122,164</u>	<u>918,200</u>	<u>814,021</u>	<u>104,179</u>
Support services-instructional staff:				
Purchased services	-	7,500	6,877	623
<i>Total support services-instructional staff.</i>	<u>-</u>	<u>7,500</u>	<u>6,877</u>	<u>623</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	8,967	210,682	186,236	24,446
Materials and supplies	1,690	-	-	-
<i>Total operation of non-instructional services - other non-instructional services.</i>	<u>10,657</u>	<u>210,682</u>	<u>186,236</u>	<u>24,446</u>
<i>Total expenditures.</i>	<u>1,132,821</u>	<u>1,136,382</u>	<u>1,007,134</u>	<u>129,248</u>
<i>Net change in fund balance.</i>	(13,628)	(13,618)	(148,159)	(134,541)
<i>Fund balance (deficit) at beginning of year</i>	(8,312)	(8,312)	(8,312)	-
<i>Prior year encumbrances appropriated.</i>	21,930	21,930	21,930	-
<i>Fund balance (deficit) at end of year.</i>	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ (134,541)</u>	<u>\$ (134,541)</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION STABILIZATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ -	\$ 85,177	\$ 85,050	\$ (127)
<i>Total revenues.</i>	<u>-</u>	<u>85,177</u>	<u>85,050</u>	<u>(127)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	-	79,343	71,633	7,710
Fringe benefits	-	328	328	-
Purchased services	-	5,506	6,757	(1,251)
Total instruction-regular.	<u>-</u>	<u>85,177</u>	<u>78,718</u>	<u>6,459</u>
<i>Total expenditures</i>	<u>-</u>	<u>85,177</u>	<u>78,718</u>	<u>6,459</u>
<i>Net change in fund balance</i>	-	-	6,332	6,332
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,332</u>	<u>\$ 6,332</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ -	\$ 15,209	\$ 15,209	\$ -
<i>Total revenues.</i>	<u>-</u>	<u>15,209</u>	<u>15,209</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	-	11,365	11,365	-
Fringe benefits	-	3,344	3,344	-
<i>Total instruction-regular.</i>	<u>-</u>	<u>14,709</u>	<u>14,709</u>	<u>-</u>
Support services-instructional staff:				
Purchased services	-	500	465	35
<i>Total support services-instructional staff.</i>	<u>-</u>	<u>500</u>	<u>465</u>	<u>35</u>
<i>Total expenditures</i>	<u>-</u>	<u>15,209</u>	<u>15,174</u>	<u>35</u>
<i>Net change in fund balance.</i>	-	-	35	35
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35</u>	<u>\$ 35</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 314,994	\$ 319,957	\$ 319,957	\$ -
<i>Total revenues.</i>	<u>314,994</u>	<u>319,957</u>	<u>319,957</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	2,435	133,534	130,525	3,009
Fringe benefits	814	23,878	27,561	(3,683)
Purchased services	-	10,852	10,852	-
Materials and supplies	269,230	61,249	61,249	-
Capital outlay	2,100	24,596	24,596	-
<i>Total instruction-special</i>	<u>274,579</u>	<u>254,109</u>	<u>254,783</u>	<u>(674)</u>
Support services-instructional staff:				
Salaries and wages	7,268	3,750	1,990	1,760
Fringe benefits	1,243	710	316	394
Purchased services	9,086	22,024	20,214	1,810
<i>Total support services-instructional staff</i>	<u>17,597</u>	<u>26,484</u>	<u>22,520</u>	<u>3,964</u>
Support services-administration				
Salaries and wages	-	1,100	1,014	86
Fringe benefits	-	400	163	237
<i>Total support services-administration.</i>	<u>-</u>	<u>1,500</u>	<u>1,177</u>	<u>323</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	-	14,140	-	14,140
Materials and supplies	500	2,556	2,682	(126)
Capital outlay	-	2,247	2,232	15
<i>Total operation of non-instructional services - other non-instructional services</i>	<u>500</u>	<u>18,943</u>	<u>4,914</u>	<u>14,029</u>
<i>Total expenditures</i>	<u>292,676</u>	<u>301,036</u>	<u>283,394</u>	<u>17,642</u>
<i>Net change in fund balance</i>	22,318	18,921	36,563	17,642
<i>Fund balance (deficit) at beginning of year</i>	(29,322)	(29,322)	(29,322)	-
<i>Prior year encumbrances appropriated.</i>	12,392	12,392	12,392	-
<i>Fund balance at end of year.</i>	<u>\$ 5,388</u>	<u>\$ 1,991</u>	<u>\$ 19,633</u>	<u>\$ 17,642</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE V FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Materials and supplies	\$ 110	\$ -	\$ -	\$ -
Total operation of non-instructional services - other non-instructional services	110	-	-	-
<i>Total expenditures</i>	110	-	-	-
<i>Net change in fund balance</i>	(110)	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance (deficit) at end of year</i>	\$ (110)	\$ -	\$ -	\$ -

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 7,187	\$ 8,279	\$ 7,366	\$ (913)
<i>Total revenues.</i>	<u>7,187</u>	<u>8,279</u>	<u>7,366</u>	<u>(913)</u>
Expenditures:				
Current:				
Support services-pupil:				
Purchased services	6,800	7,366	7,366	-
<i>Total support services-pupil.</i>	<u>6,800</u>	<u>7,366</u>	<u>7,366</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	-	913	-	913
Materials and supplies.	387	-	-	-
<i>Total operation of non-instructional services - other non-instructional services.</i>	<u>387</u>	<u>913</u>	<u>-</u>	<u>913</u>
<i>Total expenditures</i>	<u>7,187</u>	<u>8,279</u>	<u>7,366</u>	<u>913</u>
<i>Net change in fund balance.</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRESCHOOL DISABILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 25,954	\$ 25,954	\$ 21,697	\$ (4,257)
<i>Total revenues.</i>	<u>25,954</u>	<u>25,954</u>	<u>21,697</u>	<u>(4,257)</u>
Expenditures:				
Current:				
Instruction-special:				
Purchased services	-	25,954	25,954	-
Materials and supplies.	25,954	-	-	-
<i>Total instruction-special.</i>	<u>25,954</u>	<u>25,954</u>	<u>25,954</u>	<u>-</u>
<i>Total expenditures.</i>	<u>25,954</u>	<u>25,954</u>	<u>25,954</u>	<u>-</u>
<i>Net change in fund balance.</i>	-	-	(4,257)	(4,257)
<i>Fund balance at beginning of year.</i>	-	-	-	-
<i>Fund balance (deficit) at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,257)</u>	<u>\$ (4,257)</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE II-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 75,950	\$ 75,535	\$ 75,535	\$ -
<i>Total revenues.</i>	<u>75,950</u>	<u>75,535</u>	<u>75,535</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	-	28,064	28,064	-
Fringe benefits	-	4,732	4,648	84
<i>Total instruction-regular.</i>	<u>-</u>	<u>32,796</u>	<u>32,712</u>	<u>84</u>
Support services-instructional staff:				
Salaries and wages	-	5,093	4,857	236
Fringe benefits	-	848	830	18
Purchased services	67,888	22,923	22,614	309
Materials and supplies	-	1,000	-	1,000
<i>Total support services-instructional staff.</i>	<u>67,888</u>	<u>29,864</u>	<u>28,301</u>	<u>1,563</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	-	4,813	819	3,994
<i>Total operation of non-instructional services - other non-instructional services.</i>	<u>-</u>	<u>4,813</u>	<u>819</u>	<u>3,994</u>
<i>Total expenditures.</i>	<u>67,888</u>	<u>67,473</u>	<u>61,832</u>	<u>5,641</u>
<i>Net change in fund balance.</i>	8,062	8,062	13,703	5,641
<i>Fund balance (deficit) at beginning of year . .</i>	(8,703)	(8,703)	(8,703)	-
<i>Prior year encumbrances appropriated. . . .</i>	651	651	651	-
<i>Fund balance at end of year.</i>	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 5,651</u>	<u>\$ 5,641</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 1,790	\$ 1,805	\$ 1,805	\$ -
<i>Total revenues.</i>	<u>1,790</u>	<u>1,805</u>	<u>1,805</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Capital outlay	1,790	-	-	-
Total instruction-regular.	<u>1,790</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services-instructional staff:				
Purchased services	-	1,525	1,525	-
Total support services-instructional staff	<u>-</u>	<u>1,525</u>	<u>1,525</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Materials and supplies	-	280	280	-
Total operation of non-instructional services - other non-instructional services	<u>-</u>	<u>280</u>	<u>280</u>	<u>-</u>
<i>Total expenditures</i>	<u>1,790</u>	<u>1,805</u>	<u>1,805</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ROCKY RIVER CITY SCHOOL DISTRICT

FUND DESCRIPTION - NONMAJOR CAPITAL PROJECTS FUND

The capital project fund accounts for financial resources to be used for the construction or acquisition of major capital facilities (other than those financed by proprietary funds and trust funds). A description of the District's capital project fund follows:

Building Fund

A fund provided to account for all transactions related to the acquiring, construction, or improving of such permanent improvements.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	\$ 1,297	\$ 1,297	\$ 1,297	\$ -
Capital outlay	-	60,420	60,299	121
Total instruction-regular	<u>1,297</u>	<u>61,717</u>	<u>61,596</u>	<u>121</u>
Support services-pupil transportation:				
Capital outlay	-	5,336	5,336	-
Total support services-pupil transportation	<u>-</u>	<u>5,336</u>	<u>5,336</u>	<u>-</u>
Total expenditures	<u>1,297</u>	<u>67,053</u>	<u>66,932</u>	<u>121</u>
Excess of revenues (under) expenditures	<u>(1,297)</u>	<u>(67,053)</u>	<u>(66,932)</u>	<u>121</u>
Other financing sources:				
Proceeds from sale of notes	-	60,420	60,420	-
Total other financing sources	<u>-</u>	<u>60,420</u>	<u>60,420</u>	<u>-</u>
Net change in fund balance	(1,297)	(6,633)	(6,512)	121
Fund balance at beginning of year	<u>6,633</u>	<u>6,633</u>	<u>6,633</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,336</u>	<u>\$ -</u>	<u>\$ 121</u>	<u>\$ 121</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
FUND DESCRIPTIONS - FIDUCIARY FUNDS**

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into two classifications: private purpose trust and agency funds. Private purpose trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results.

Private-Purpose Trust Fund

Special Trust Fund

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

Agency Fund

Student Managed Activities Fund

This fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 572	\$ 672	\$ 218	\$ (454)
Contributions and donations	<u>29,500</u>	<u>52,200</u>	<u>49,508</u>	<u>(2,692)</u>
<i>Total revenues</i>	<u>30,072</u>	<u>52,872</u>	<u>49,726</u>	<u>(3,146)</u>
Expenses:				
Other	<u>28,215</u>	<u>51,015</u>	<u>34,360</u>	<u>16,655</u>
<i>Total expenses</i>	<u>28,215</u>	<u>51,015</u>	<u>34,360</u>	<u>16,655</u>
<i>Net change in fund equity.</i>	1,857	1,857	15,366	13,509
<i>Fund equity at beginning of year.</i>	<u>50,118</u>	<u>50,118</u>	<u>50,118</u>	<u>-</u>
<i>Fund equity at end of year</i>	<u>\$ 51,975</u>	<u>\$ 51,975</u>	<u>\$ 65,484</u>	<u>\$ 13,509</u>

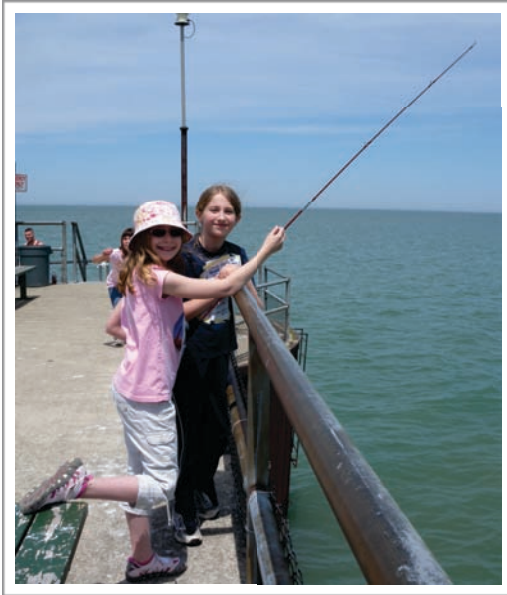
**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Beginning Balance July 1, 2009	Additions	Deletions	Ending Balance June 30, 2010
Student Managed Activities				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 110,696	\$ 203,976	\$ 199,402	\$ 115,270
Receivables				
Accrued interest	254	330	254	330
Total assets	\$ 110,950	\$ 204,306	\$ 199,656	\$ 115,600
Liabilities:				
Accounts payable.	\$ 553	\$ 2,092	\$ 553	\$ 2,092
Due to students.	110,397	202,214	199,103	113,508
Total liabilities	\$ 110,950	\$ 204,306	\$ 199,656	\$ 115,600

Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2010

Statistical Section



ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	124-135
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the	136-143
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	144-147
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	148-149
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	150-161

Sources: Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 10,925,096	\$ 10,230,730	\$ 8,737,992	\$ 8,356,023
Restricted	5,547,810	4,906,042	4,928,512	4,196,704
Unrestricted	(4,666,245)	(5,525,069)	(6,173,832)	(4,774,288)
Total governmental activities net assets	<u>\$ 11,806,661</u>	<u>\$ 9,611,703</u>	<u>\$ 7,492,672</u>	<u>\$ 7,778,439</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 341,648	\$ 295,026
Unrestricted	-	-	34,200	39,385
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,848</u>	<u>\$ 334,411</u>
Primary government				
Invested in capital assets, net of related debt	\$ 10,925,096	\$ 10,230,730	\$ 9,079,640	\$ 8,651,049
Restricted	5,547,810	4,906,042	4,928,512	4,196,704
Unrestricted	(4,666,245)	(5,525,069)	(6,139,632)	(4,734,903)
Total primary government net assets	<u>\$ 11,806,661</u>	<u>\$ 9,611,703</u>	<u>\$ 7,868,520</u>	<u>\$ 8,112,850</u>

Source: School District financial records.

Note (1): In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

Note (2): The District implemented GASB Statement No. 34 in fiscal year 2001.

2006	2005	2004	2003	2002	2001 (2)
\$ 7,597,331	\$ 7,268,356	\$ 6,142,045	\$ 4,349,221	\$ 4,276,001	\$ 2,467,127
3,466,093	3,278,482	3,608,820	4,669,876	5,681,352	7,437,474
(4,648,254)	(4,997,534)	(240,144)	496,171	2,049,851	175,223
<u>\$ 6,415,170</u>	<u>\$ 5,549,304</u>	<u>\$ 9,510,721</u>	<u>\$ 9,515,268</u>	<u>\$ 12,007,204</u>	<u>\$ 10,079,824</u>
\$ 303,835	\$ 305,639	\$ 321,849	\$ 333,205	\$ 331,722	\$ 293,167
56,717	52,327	64,756	103,447	113,693	131,367
<u>\$ 360,552</u>	<u>\$ 357,966</u>	<u>\$ 386,605</u>	<u>\$ 436,652</u>	<u>\$ 445,415</u>	<u>\$ 424,534</u>
\$ 7,901,166	\$ 7,573,995	\$ 6,463,894	\$ 4,682,426	\$ 4,607,723	\$ 2,760,294
3,466,093	3,278,482	3,608,820	4,669,876	5,681,352	7,437,474
(4,591,537)	(4,945,207)	(175,388)	599,618	2,163,544	306,590
<u>\$ 6,775,722</u>	<u>\$ 5,907,270</u>	<u>\$ 9,897,326</u>	<u>\$ 9,951,920</u>	<u>\$ 12,452,619</u>	<u>\$ 10,504,358</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 15,090,090	\$ 14,733,245	\$ 14,272,906	\$ 13,861,514
Special	4,802,387	4,068,587	3,884,987	3,717,779
Vocational	462,821	397,153	443,201	409,280
Other	53,441	29,452	28,836	28,320
Support services:				
Pupil	1,985,548	1,861,316	2,001,434	1,752,641
Instructional staff	1,101,615	874,144	803,996	811,663
Board of education	34,022	41,586	36,505	33,198
Administration	1,889,108	2,150,914	2,230,446	1,743,637
Fiscal	864,956	757,846	765,655	489,910
Business	462,926	466,440	472,923	383,535
Operations and maintenance	3,732,605	4,030,992	3,515,979	3,235,860
Pupil transportation	1,505,943	1,608,530	1,579,159	1,458,464
Central	801,557	757,888	710,439	876,022
Operation of non-instructional services:				
Food service operations	459,772	446,698	-	-
Other non-instructional services	1,346,330	1,705,982	1,589,312	1,561,863
Extracurricular activities	1,108,610	1,206,220	1,160,128	1,163,814
Interest and fiscal charges	1,089,502	1,195,718	1,229,402	1,276,812
Total governmental activities expenses	<u>36,791,233</u>	<u>36,332,711</u>	<u>34,725,308</u>	<u>32,804,312</u>
Business-type activities:				
Food service	-	-	520,334	504,529
Uniform school supplies	-	-	26,144	27,002
Community programs	-	-	344,804	347,036
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>891,282</u>	<u>878,567</u>
Total primary government expenses	<u>\$ 36,791,233</u>	<u>\$ 36,332,711</u>	<u>\$ 35,616,590</u>	<u>\$ 33,682,879</u>

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001 (2)</u>
\$	13,050,129	\$ 13,350,039	\$ 12,507,709	\$ 11,997,416	\$ 11,354,919	\$ 6,732,218
	3,496,076	3,117,764	3,189,411	3,015,213	2,992,102	2,938,803
	356,268	507,790	223,699	272,121	254,075	339,407
	25,934	30,999	-	-	-	-
	1,698,202	1,741,857	1,638,968	1,455,209	1,372,246	1,441,604
	674,629	1,231,668	906,393	843,360	715,646	1,197,071
	23,938	231,170	22,850	29,123	130,178	20,275
	1,451,888	1,626,494	1,518,691	1,495,752	1,268,525	2,374,172
	821,449	836,877	664,869	630,446	676,445	799,415
	392,739	387,559	478,341	327,517	481,778	1,052,019
	3,366,885	3,369,609	3,344,093	3,010,065	2,725,763	2,967,923
	1,277,514	1,248,582	1,410,415	1,050,482	852,648	896,795
	697,162	936,664	594,391	635,583	648,400	2,303,118
	-	-	-	-	-	-
	1,291,828	1,487,234	1,301,536	1,352,962	1,244,624	1,196,061
	951,808	743,811	1,253,542	926,228	812,311	808,624
	1,325,848	1,474,379	1,411,684	1,458,885	1,510,459	1,585,232
	<u>30,902,297</u>	<u>32,322,496</u>	<u>30,466,592</u>	<u>28,500,362</u>	<u>27,040,119</u>	<u>26,652,737</u>
	454,896	468,612	459,559	442,704	425,612	403,527
	22,860	32,643	21,370	25,223	22,444	25,404
	334,881	334,067	303,886	290,065	253,247	334,427
	<u>812,637</u>	<u>835,322</u>	<u>784,815</u>	<u>757,992</u>	<u>701,303</u>	<u>763,358</u>
\$	<u>31,714,934</u>	<u>\$ 33,157,818</u>	<u>\$ 31,251,407</u>	<u>\$ 29,258,354</u>	<u>\$ 27,741,422</u>	<u>\$ 27,416,095</u>

-- continued

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET ASSETS - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 470,407	\$ 304,643	\$ 201,032	\$ 194,811
Special	698	-	-	-
Support services:				
Pupil	142,131	62,949	37,392	54,668
Instructional staff	47,800	-	-	-
Board of education	555	-	3,683	-
Administration	-	2,272	2,103	-
Fiscal	-	3,186	911	-
Business	1,043	-	5,468	-
Operations and maintenance	133,966	191,234	120,793	183,697
Pupil transportation	2,710	83,687	95,793	-
Central	12,018	12,235	1,006	-
Operation of non-instructional services:				
Food service operations	327,170	351,342	-	-
Other non-instructional services	11,248	31,665	-	-
Extracurricular activities	193,277	327,396	312,012	333,815
Operating grants and contributions:				
Instruction:				
Regular	170,212	108,650	121,565	81,500
Special	1,151,662	751,431	581,242	579,995
Vocational	-	-	-	-
Support services:				
Pupil	49,130	73,944	123,347	106,874
Instructional staff	60,014	68,877	52,438	29,379
Administration	1,088	-	-	250
Pupil transportation	107,742	99,680	617	69,392
Central	5,000	7,937	9,410	9,125
Operation of non-instructional services				
Food service operations	110,176	111,136	-	-
Other non-instructional services	1,485,982	1,491,222	1,583,365	1,498,419
Extracurricular activities	66,989	10,794	7,457	5,038
Capital grants and contributions:				
Instruction:				
Regular	-	-	19,188	-
Support services:				
Operations and maintenance	-	-	-	3,869
Pupil transportation	-	22,028	87,131	19,245
Operation of non-instructional services	-	-	-	-
Total governmental program revenues	<u>4,551,018</u>	<u>4,116,308</u>	<u>3,365,953</u>	<u>3,170,077</u>
Business-type activities:				
Charges for services:				
Food service	-	-	364,937	378,379
Uniform school supplies	-	-	24,096	24,950
Community programs	-	-	240,631	243,447
Operating grants and contributions:				
Food service	-	-	112,969	101,179
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>742,633</u>	<u>747,955</u>
Total primary government program revenue	<u>\$ 4,551,018</u>	<u>\$ 4,116,308</u>	<u>\$ 4,108,586</u>	<u>\$ 3,918,032</u>
Net (Expense)/Revenue				
Governmental activities	(32,240,215)	(32,216,403)	(31,359,355)	(29,634,235)
Business-type activities	-	-	(148,649)	(130,612)
Total primary government net expense	<u>\$ (32,240,215)</u>	<u>\$ (32,216,403)</u>	<u>\$ (31,508,004)</u>	<u>\$ (29,764,847)</u>

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001 (2)</u>
\$	222,426	\$ 245,703	\$ 152,570	\$ -	\$ 345,856	\$ 222,513
	-	-	-	157,949	-	-
	-	-	39,731	101,077	46,112	23,664
	-	-	119,609	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	220,420	435,848	146,517	145,753	54,378	150,996
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	161,421	200,644	230,704	237,144	211,870	160,418
	116,214	128,139	118,397	58,030	83,808	83,746
	565,052	504,261	341,721	414,167	214,180	205,303
	595	-	-	-	-	-
	125,889	86,261	35,173	46,345	44,263	22,158
	49,684	75,560	28,369	52,201	15,015	14,770
	521	-	-	-	-	-
	1,278	-	-	-	-	-
	8,907	8,302	9,493	9,387	9,122	21,618
	-	-	-	-	-	-
	1,485,947	1,414,531	1,319,171	1,189,099	1,241,607	1,139,879
	5,212	4,119	58,087	55,356	5,589	-
	-	22,575	12,000	49,190	22,700	70,102
	-	-	-	-	-	-
	-	-	-	15,611	16,623	17,637
	-	-	-	-	-	36,569
	<u>2,963,566</u>	<u>3,125,943</u>	<u>2,611,542</u>	<u>2,531,309</u>	<u>2,311,123</u>	<u>2,169,373</u>
	388,335	375,545	353,749	370,478	356,716	362,545
	27,041	27,622	25,147	26,951	23,881	26,682
	298,381	301,436	272,209	279,325	215,939	186,234
	89,299	96,418	78,887	68,293	64,113	59,535
	<u>803,056</u>	<u>801,021</u>	<u>729,992</u>	<u>745,047</u>	<u>660,649</u>	<u>634,996</u>
	<u>\$ 3,766,622</u>	<u>\$ 3,926,964</u>	<u>\$ 3,341,534</u>	<u>\$ 3,276,356</u>	<u>\$ 2,971,772</u>	<u>\$ 2,804,369</u>
	(27,938,731)	(29,196,553)	(27,855,050)	(25,969,053)	(24,728,996)	(24,483,364)
	(9,581)	(34,301)	(54,823)	(12,945)	(40,654)	(128,362)
	<u>\$ (27,948,312)</u>	<u>\$ (29,230,854)</u>	<u>\$ (27,909,873)</u>	<u>\$ (25,981,998)</u>	<u>\$ (24,769,650)</u>	<u>\$ (24,611,726)</u>

-- continued

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CHANGES IN NET ASSETS - (Continued)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 25,250,490	\$ 24,814,979	\$ 22,319,494	\$ 22,597,480
Debt service	2,817,174	3,016,324	3,305,489	3,151,471
Grants and entitlements not restricted				
to specific programs	6,227,352	5,891,502	5,102,939	4,622,584
Investment earnings	81,327	142,032	289,371	406,434
Gain on sale of capital assets	-	-	-	-
Miscellaneous	58,830	94,749	56,295	259,535
Transfers	-	-	-	(40,000)
Total governmental activities	<u>34,435,173</u>	<u>33,959,586</u>	<u>31,073,588</u>	<u>30,997,504</u>
Business-type activities:				
Investment earnings	-	-	4,663	5,273
Miscellaneous	-	-	185,423	59,198
Transfers	-	-	-	40,000
Total business-type activities	<u>-</u>	<u>-</u>	<u>190,086</u>	<u>104,471</u>
Total primary government	<u>\$ 34,435,173</u>	<u>\$ 33,959,586</u>	<u>\$ 31,263,674</u>	<u>\$ 31,101,975</u>
Change in Net Assets				
Governmental activities	2,194,958	1,743,183	(285,767)	1,363,269
Business-type activities	-	-	41,437	(26,141)
Total primary government	<u>\$ 2,194,958</u>	<u>\$ 1,743,183</u>	<u>\$ (244,330)</u>	<u>\$ 1,337,128</u>

Note (1): In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

Note (2): The District implemented GASB Statement No. 34 in fiscal year 2001.

Source: School District financial records.

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001 (2)</u>
\$	21,672,596	\$ 17,833,031	\$ 20,408,336	\$ 16,560,615	\$ 18,808,983	\$ 16,754,585
	2,724,776	2,622,588	2,909,441	2,437,060	3,393,332	3,231,309
	4,439,789	4,443,667	4,432,768	4,264,539	4,043,817	3,831,578
	253,614	174,957	94,157	160,029	412,505	988,182
	-	5,942	-	-	-	6,016
	185,323	154,951	5,801	54,874	52,078	153,417
	-	-	-	-	-	(54,000)
	<u>29,276,098</u>	<u>25,235,136</u>	<u>27,850,503</u>	<u>23,477,117</u>	<u>26,710,715</u>	<u>24,911,087</u>
	3,197	-	898	1,515	2,602	5,414
	8,970	5,662	3,878	2,667	4,594	43,014
	-	-	-	-	-	54,000
	<u>12,167</u>	<u>5,662</u>	<u>4,776</u>	<u>4,182</u>	<u>7,196</u>	<u>102,428</u>
\$	<u>29,288,265</u>	# \$ <u>25,240,798</u>	\$ <u>27,855,279</u>	\$ <u>23,481,299</u>	\$ <u>26,717,911</u>	\$ <u>25,013,515</u>
	1,337,367	(3,961,417)	(4,547)	(2,491,936)	1,981,719	427,723
	2,586	(28,639)	(50,047)	(8,763)	(33,458)	(25,934)
\$	<u>1,339,953</u>	\$ <u>(3,990,056)</u>	\$ <u>(54,594)</u>	\$ <u>(2,500,699)</u>	\$ <u>1,948,261</u>	\$ <u>401,789</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>
General Fund:				
Reserved	\$ 3,787,100	\$ 4,097,095	\$ 3,377,689	\$ 2,878,496
Unreserved	(3,416,462)	(4,378,385)	(5,048,840)	(3,497,628)
Total general fund	<u>\$ 370,638</u>	<u>\$ (281,290)</u>	<u>\$ (1,671,151)</u>	<u>\$ (619,132)</u>
All Other Governmental Funds:				
Reserved	\$ 4,729,827	\$ 4,637,940	\$ 4,189,258	\$ 3,701,362
Unreserved, reported in:				
Special revenue funds	595,369	157,608	245,941	172,108
Capital projects funds	(846,687)	(559,461)	(426,111)	(62,930)
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ 4,478,509</u>	<u>\$ 4,236,087</u>	<u>\$ 4,009,088</u>	<u>\$ 3,810,540</u>
Total governmental funds	<u>\$ 4,849,147</u>	<u>\$ 3,954,797</u>	<u>\$ 2,337,937</u>	<u>\$ 3,191,408</u>

Source: School District financial records.

Note (1): In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

Note: Prior to 2005, the fund balance of the bond retirement fund was reported as "unreserved, reported in debt service funds". Beginning in 2005, this amounts is reported as a component of "reserved" fund balance.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 2,509,215 (3,247,658)	\$ 2,959,435 (3,714,265)	\$ 3,916,515 3,235	\$ 2,758,577 1,050,818	\$ 4,395,473 1,290,213	\$ 2,848,735 1,493,764
<u>\$ (738,443)</u>	<u>\$ (754,830)</u>	<u>\$ 3,919,750</u>	<u>\$ 3,809,395</u>	<u>\$ 5,685,686</u>	<u>\$ 4,342,499</u>
\$ 3,223,074	\$ 3,142,625	\$ 1,271,044	\$ 926,268	\$ 1,361,732	\$ 1,150,679
288,723 (336,449) -	101,848 (419,205) -	190,557 (787,440) 2,595,902	164,196 947,189 2,488,390	333,755 1,310,726 2,317,805	165,748 1,614,950 2,285,147
<u>\$ 3,175,348</u>	<u>\$ 2,825,268</u>	<u>\$ 3,270,063</u>	<u>\$ 4,526,043</u>	<u>\$ 5,324,018</u>	<u>\$ 5,216,524</u>
<u>\$ 2,436,905</u>	<u>\$ 2,070,438</u>	<u>\$ 7,189,813</u>	<u>\$ 8,335,438</u>	<u>\$ 11,009,704</u>	<u>\$ 9,559,023</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>
Revenues				
From local sources:				
Taxes	\$ 27,857,601	\$ 28,099,864	\$ 25,419,002	\$ 25,666,088
Tuition	62,507	75,650	89,613	87,308
Transportation	7,308	13,819	2,340	-
Earnings on investments	83,742	144,994	291,928	405,647
Charges for services	327,170	351,342	-	-
Extracurricular	193,618	261,450	209,092	232,094
Classroom materials and fees	213,890	217,594	23,026	16,277
Contributions and donations	136,144	122,470	95,691	65,102
Rentals	338,166	295,270	273,984	201,196
Contract services	161,023	-	-	-
Other local revenues	158,195	310,233	279,509	508,575
Intergovernmental - State	7,630,815	7,402,508	6,659,186	6,089,404
Intergovernmental - Federal	1,596,002	1,063,772	918,098	870,993
Total revenues	<u>38,766,181</u>	<u>38,358,966</u>	<u>34,261,469</u>	<u>34,142,684</u>
Expenditures				
Current:				
Instruction:				
Regular	14,410,989	14,417,955	13,326,223	13,218,752
Special	4,586,956	3,923,212	3,715,276	3,548,628
Vocational	445,609	378,009	413,149	404,383
Other	51,038	28,300	26,948	26,574
Current:				
Pupil	1,951,138	1,819,965	1,873,323	1,732,285
Instructional staff	1,009,683	815,644	861,608	798,914
Board of education	32,757	40,458	38,499	31,896
Administration	1,932,072	1,924,195	2,053,567	1,721,160
Fiscal	824,275	726,228	714,321	468,239
Business	447,419	445,663	450,682	362,302
Operations and maintenance	3,643,025	3,812,350	3,329,102	3,120,493
Pupil transportation	1,441,001	1,631,701	1,845,272	1,277,071
Central	740,188	712,942	664,206	896,374
Operation of non-instructional services				
Food service operations	442,056	470,604	-	-
Other non-instructional services	1,320,582	1,644,408	1,576,174	1,561,811
Extracurricular activities	1,097,727	1,202,554	1,110,154	1,100,494
Facilities acquisitions and construction	331,290	75,280	34,638	2,425
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	2,442,268	2,324,123	2,192,469	2,085,918
Interest and fiscal charges	721,758	797,726	889,329	990,462
Total expenditures	<u>37,871,831</u>	<u>37,191,317</u>	<u>35,114,940</u>	<u>33,348,181</u>
Excess of revenues over (under) expenditures	894,350	1,167,649	(853,471)	794,503
Other Financing Sources (Uses)				
Transfers in	210,926	31,000	-	231,148
Transfers (out)	(210,926)	(31,000)	-	(271,148)
Lease-purchase transactions	-	321,818	-	-
Sale of assets	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>321,818</u>	<u>-</u>	<u>(40,000)</u>
Net change in fund balances	<u>\$ 894,350</u>	<u>\$ 1,489,467</u>	<u>\$ (853,471)</u>	<u>\$ 754,503</u>
Capital expenditures (included in expenditures above)	597,337	768,906	656,267	458,047
Debt service as a % of noncapital expenditures	8.49%	8.57%	8.94%	9.35%

Source: School District financial records.

Note (1): In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	24,240,672	\$ 20,851,323	\$ 23,364,027	\$ 19,029,507	\$ 21,845,773	\$ 19,429,224
	117,209	132,903	257,255	235,612	237,665	165,032
	-	-	119,609	101,077	57,811	50,026
	257,199	171,372	94,157	160,029	412,505	988,182
	-	-	-	-	-	-
	161,421	200,644	165,750	159,481	211,870	160,418
	18,354	13,595	-	-	-	-
	82,263	39,420	92,997	84,382	49,022	23,664
	165,420	165,848	146,517	145,753	150,870	158,451
	-	-	-	-	-	-
	272,186	254,156	5,801	54,874	52,078	153,417
	5,818,963	5,828,143	6,310,864	6,050,505	5,617,061	5,443,360
	897,862	820,849	-	-	-	-
	<u>32,031,549</u>	<u>28,478,253</u>	<u>30,556,977</u>	<u>26,021,220</u>	<u>28,634,655</u>	<u>26,571,774</u>
	12,449,859	12,993,678	11,947,488	10,552,236	10,010,024	9,308,947
	3,427,201	3,203,256	2,802,837	2,885,559	2,554,350	2,471,026
	351,372	481,957	223,699	272,121	251,032	339,407
	24,803	26,928	-	-	-	-
	1,671,187	1,656,203	1,431,489	1,355,789	1,317,073	1,247,248
	723,752	1,096,046	849,848	787,712	730,385	713,446
	22,987	229,603	23,573	28,340	24,156	20,275
	1,371,377	1,473,548	1,393,006	1,370,287	1,246,165	1,110,961
	793,486	792,747	674,754	622,920	683,643	610,468
	370,679	381,943	435,357	325,115	284,907	290,860
	3,220,950	3,083,886	3,030,354	2,775,288	2,632,355	2,445,296
	1,138,481	1,153,653	1,071,030	1,046,926	871,363	932,466
	638,532	873,912	631,871	691,370	667,325	444,069
	-	-	-	-	-	-
	1,296,794	1,506,059	1,316,648	1,352,924	1,202,083	1,209,458
	928,085	1,057,464	953,534	913,470	747,362	773,846
	9,683	510,675	-	-	-	-
	-	229,845	1,882,525	658,375	630,039	4,767,246
	1,999,419	1,902,967	1,780,000	1,729,348	1,922,867	1,851,461
	1,084,854	1,179,045	1,254,589	1,327,706	1,408,845	1,492,505
	<u>31,523,501</u>	<u>33,833,415</u>	<u>31,702,602</u>	<u>28,695,486</u>	<u>27,183,974</u>	<u>30,028,985</u>
	508,048	(5,355,162)	(1,145,625)	(2,674,266)	1,450,681	(3,457,211)
	-	1,324	33,668	56,061	71,778	-
	-	(1,324)	(33,668)	(56,061)	(71,778)	(54,000)
	-	-	-	-	-	-
	-	5,942	-	-	-	6,016
	-	5,942	-	-	-	(47,984)
\$	<u>508,048</u>	<u>(5,349,220)</u>	<u>(1,145,625)</u>	<u>(2,674,266)</u>	<u>1,450,681</u>	<u>(3,505,195)</u>
	92,209	1,235,538	1,178,435	251,820	345,097	4,135,091
	9.81%	9.45%	9.94%	10.75%	12.41%	12.91%

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2010 (3)	708,948,780	\$ 2,025,567,943	\$ -	\$ -	\$ 6,680,600	\$ 7,591,591
2009	735,800,820	2,102,288,057	4,651,620	74,425,920	6,322,670	7,184,852
2008	728,712,840	2,082,036,686	8,975,082	143,601,312	6,044,760	6,869,045
2007 (2)	722,592,150	2,064,549,000	12,471,366	99,770,928	8,839,250	10,044,602
2006	655,102,590	1,871,721,686	13,668,520	72,898,773	9,304,440	10,573,227
2005	666,296,240	1,903,703,543	15,226,500	66,202,174	10,341,880	11,752,136
2004 (3)	663,153,590	1,894,724,543	18,767,823	78,199,263	10,150,730	11,534,920
2003	604,957,220	1,728,449,200	20,434,063	81,736,252	10,146,330	11,529,920
2002	610,185,370	1,743,386,771	22,528,229	90,112,916	10,476,890	11,905,557
2001 (2)	601,385,550	1,718,244,429	21,603,344	86,413,376	13,190,950	14,989,716

Source: Cuyahoga County Auditor's Office

(1) This amount is calculated based on the following percentages:

Real estate is assessed at 35% of actual value.

Public utility personal is assessed at 88% of actual value.

For collection year 2010, capital assets and inventory for tangible personal property is phased-out.

For collection years 2008 and 2009, capital assets and inventory for tangible personal property is assessed at 6.25% of actual value.

For collection year 2007, capital assets and inventory for tangible personal property is assessed at 12.5% of actual value.

For collection year 2006, capital assets and inventory for tangible personal property was assessed at 18.75% of actual value.

For collection years 1998-2005, capital assets for tangible personal property was assessed at 25% of actual value.

For collection years 1998-2005, inventory for tangible personal property was assessed at 23% actual value.

(2) Reappraisal of property values.

(3) Triennial update of property values.

Total			
Assessed Value	Estimated Actual Value	%	Direct Tax Rates
\$ 715,629,380	\$ 2,033,159,534	35.20%	82.70
746,775,110	2,183,898,829	34.19%	82.70
743,732,682	2,232,507,043	33.31%	77.10
743,902,766	2,174,364,530	34.21%	77.20
678,075,550	1,955,193,686	34.68%	77.00
691,864,620	1,981,657,853	34.91%	72.00
692,072,143	1,984,458,726	34.87%	72.00
635,537,613	1,821,715,372	34.89%	72.40
643,190,489	1,845,405,244	34.85%	67.50
636,179,844	1,819,647,520	34.96%	68.00

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Tax Year/ Collection Year	Overlapping Rates			Direct Rates			
	County	Library	City	Voted		Unvoted	Total
				General	Bond		
2009/2010	18.10	6.10	10.90	73.60	4.53	4.57	82.70
2008/2009	18.10	6.10	10.90	73.55	4.58	4.57	82.70
2007/2008	18.20	6.10	10.90	67.70	4.83	4.57	77.10
2006/2007	18.20	61.00	10.90	67.70	4.93	4.57	77.20
2005/2006	18.30	6.10	10.90	67.70	4.73	4.57	77.00
2004/2005	18.30	6.10	10.90	62.80	4.63	4.57	72.00
2003/2004	18.00	4.70	9.90	62.80	4.63	4.57	72.00
2002/2003	16.20	4.70	9.90	62.80	5.03	4.57	72.40
2001/2002	16.20	4.70	9.90	57.90	5.03	4.57	67.50
2000/2001	16.20	4.70	9.90	57.90	5.53	4.57	68.00

Source: Cuyahoga County Auditor's Office

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2008 AND DECEMBER 31, 1999

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Westgate Mall, LLC	\$ 13,003,730	1	1.83%
Westwood Town Center	7,274,720	2	1.03%
Cleveland Electric Illuminating Co.	5,640,600	3	0.80%
Normandy Associates, Ltd.	5,324,110	4	0.75%
Presidential Apartments Ltd.	3,992,940	5	0.56%
Beachcliff Properties	3,633,500	6	0.51%
Westwood Country Club	3,262,770	7	0.46%
W & F Plaza Investments	2,624,310	8	0.37%
Linden Apartments Co.	2,548,600	9	0.36%
Gross Management, Inc.	2,500,790	10	0.35%
Total	<u>\$ 49,806,070</u>		<u>7.03%</u>
Total Real Estate Valuation	<u>\$ 708,948,780</u>		

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Westgate Joint Venture	\$ 13,922,200	1	2.32%
Westwood Town Center	5,259,560	2	0.87%
Normandy Associates, Ltd.	4,649,260	3	0.77%
Presidential Apartments Ltd.	3,927,840	4	0.65%
Gross Management, Inc.	2,964,820	5	0.49%
Westgate Joint Venture	2,798,500	6	0.47%
Linden Apartments Co.	2,744,460	7	0.46%
Higbee Company	2,458,890	8	0.41%
Missouri River Corporation	2,239,830	9	0.37%
Rockport Assoc. Co. Ltd.	2,235,100	10	0.37%
Total	<u>\$ 43,200,460</u>		<u>7.18%</u>
Total Real Estate Valuation	<u>\$ 601,385,550</u>		

Source: Cuyahoga County Auditor's Office

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY AND PUBLIC UTILITY PROPERTY TAX
DECEMBER 31, 2008 AND DECEMBER 31, 1999

December 31, 2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Personal Property and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 5,640,600	1	84.43%
East Ohio Gas	746,780	2	11.18%
American Transmission Systems Corp.	444,080	3	6.65%
Ohio Bell Telephone Company	265,280	4	3.97%
Total	<u>\$ 7,096,740</u>		<u>106.24%</u>
Total Tangible Personal Property and Public Utility Assessed Valuation	<u>\$ 6,680,600</u> *		

* The reason the total reflected here is less than the sum of the top five taxpayers shown here is due to the fact that the total is the total certified by the State Dept. of Taxation as of 1/1/2010, while the totals reflected for the individual taxpayers shown above are the updated totals for tax year 2010 as of 11/15/2010.

December 31, 2000			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Personal Property and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 6,270,840	1	18.02%
Ohio Bell Telephone Company	4,035,360	2	11.60%
Higbee Co.	3,573,880	3	10.27%
East Ohio Gas	2,195,850	4	6.31%
Target Corporation	915,070	5	2.63%
Riser Food Company	795,250	6	2.29%
Home Depot	786,910	7	2.26%
Lesco, Inc.	602,890	8	1.73%
Hyland Software, Inc.	472,780	9	1.36%
Marc Glassman, Inc.	452,780	10	1.30%
Total	<u>\$ 20,101,610</u>		<u>57.76%</u>
Total Tangible Personal Property and Public Utility Assessed Valuation	<u>34,794,294</u>		

Source: Cuyahoga County Auditor's Office

Note: Per Ohio House Bill 66 that was signed into law effective 7/1/2005, all tangible personal property previously taxed under Ohio was no longer taxable with the exception of telephone company legacy property, local telephone company property placed into use after 1995 and all long distance and cellular property starting 1/1/2009.

THIS PAGE IS INTENTIONALLY LEFT BLANK

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2009/2010	\$ 32,124,787	\$ 1,318,363	\$ 33,443,150	\$ 30,939,802	96.31%
2008/2009	32,504,011	1,191,057	33,695,068	31,583,352	97.17%
2007/2008	28,241,365	1,137,993	29,379,358	27,363,631	96.89%
2006/2007	27,707,351	1,081,982	28,789,333	25,588,848	92.35%
2005/2006	25,290,081	926,743	26,216,824	24,113,013	95.35%
2004/2005	25,109,123	1,070,529	26,179,652	23,985,396	95.52%
2003/2004	24,772,327	1,521,061	26,293,388	24,182,240	97.62%
2002/2003	21,942,966	1,704,967	23,647,933	21,209,241	96.66%
2001/2002	22,372,013	1,309,954	23,681,967	21,772,318	97.32%
2000/2001	21,734,779	701,301	22,436,080	21,407,883	98.50%

Source: Cuyahoga County Auditor's Office

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 682,471	\$ 31,622,273	94.56%
754,216	32,337,568	95.97%
885,454	28,249,085	96.15%
596,088	26,184,936	90.95%
493,234	24,606,247	93.86%
593,588	24,578,984	93.89%
698,404	24,880,644	94.63%
767,998	21,977,239	92.94%
446,303	22,218,621	93.82%
208,654	21,616,537	96.35%

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				(a) Total Primary Government	(b) Per Capita	(b) Per ADM	(c) Percentage of Personal Income
	General Obligation Bonds	Bond Anticipation Notes	Lease Purchase Obligations	Capital Leases				
2010	\$ 14,494,842	\$ -	\$ 214,499	\$ -	\$ 14,709,341	722	5,563	2.08%
2009	16,470,932	-	296,767	-	16,767,699	823	6,254	2.37%
2008	18,314,079	78,800	-	49,072	18,441,951	905	6,866	2.61%
2007	20,115,503	-	-	96,541	20,212,044	992	7,497	2.86%
2006	21,865,363	-	-	142,459	22,007,822	1,080	8,336	3.12%
2005	23,575,348	-	-	186,878	23,762,226	1,146	9,059	N/A
2004	25,148,563	-	-	-	25,148,563	1,213	9,680	N/A
2003	26,765,768	-	-	-	26,765,768	1,291	10,394	N/A
2002	28,328,371	-	-	29,348	28,357,719	1,368	11,266	N/A
2001	30,162,928	-	-	57,215	30,220,143	1,457	12,295	N/A

Sources:

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, population and enrollment information.

(c) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, and population. Personal income equals per capita personal income times population.

N/A - Data Not Accessible

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2010	\$ 14,494,842	\$ 14,494,842	0.71%	711
2009	16,470,932	16,470,932	0.75%	808
2008	18,314,079	18,314,079	0.82%	899
2007	20,115,503	20,115,503	0.93%	987
2006	21,865,363	21,865,363	1.12%	1,073
2005	23,575,348	23,575,348	1.19%	1,137
2004	25,148,563	25,148,563	1.27%	1,213
2003	26,765,768	26,765,768	1.47%	1,291
2002	28,328,371	28,328,371	1.54%	1,366
2001	30,162,928	30,162,928	1.66%	1,455

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt:			
Rocky River City School District	\$ 16,767,699	100.00%	\$ 16,767,699
Total direct debt	<u>16,767,699</u>		<u>16,767,699</u>
Overlapping debt:			
City of Rocky River	18,185,000	96.85%	17,612,173
Cuyahoga County	336,472,572	2.41%	8,108,989
Regional Transit Authority	163,025,000	2.41%	3,928,903
City of Fairview Park	27,659,992	3.15%	871,290
Total overlapping debt	<u>545,342,564</u>		<u>30,521,354</u>
Total direct and overlapping debt	<u>\$ 562,110,263</u>		<u>\$ 47,289,053</u>

Source: Ohio Municipal Advisory Council

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2010	\$ 64,406,644	\$ 14,494,842	4,644,106	\$ 9,850,736	\$ 54,555,908	15.29%
2009 (1)	66,791,114	16,470,932	4,509,591	11,961,341	54,829,773	17.91%
2008 (1)	66,128,184	18,314,079	4,070,534	14,243,545	51,884,639	21.54%
2007 (1)	65,555,924	20,115,503	3,471,661	16,643,842	48,912,082	25.39%
2006	61,026,800	21,865,363	3,054,434	18,810,929	42,215,871	30.82%
2005	62,267,816	23,575,348	3,062,031	20,513,317	41,754,499	32.94%
2004	62,286,493	25,148,563	3,064,003	22,084,560	40,201,933	35.46%
2003	57,198,385	26,765,768	2,806,234	23,959,534	33,238,851	41.89%
2002	57,887,144	28,328,371	3,006,437	25,321,934	32,565,210	43.74%
2001	57,256,186	30,162,928	2,594,000	27,568,928	29,687,258	48.15%

Source: Cuyahoga County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

(1) In accordance with House Bill No. 66, the assessed valuation of tangible personal property is excluded the total assessed valuation used to calculate the voted debt limit.

House Bill No. 66.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Total Personal Income (4)</u>	<u>Median Age(1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rates (3)</u>		
						<u>Cuyahoga County</u>	<u>Ohio</u>	<u>United States</u>
2010	20,375	\$ 34,663	\$ 706,258,625	44	2,644	9.7%	10.0%	9.6%
2009	20,375	34,663	706,258,625	44	2,681	10.2%	11.2%	10.2%
2008	20,375	34,663	706,258,625	44	2,686	8.1%	6.6%	5.5%
2007	20,375	34,663	706,258,625	44	2,696	6.5%	6.1%	4.5%
2006	20,375	34,663	706,258,625	44	2,640	4.8%	5.1%	4.4%
2005	20,735	N/A	N/A	N/A	2,623	6.1%	5.9%	5.0%
2004	20,735	N/A	N/A	N/A	2,598	6.2%	5.7%	5.1%
2003	20,735	N/A	N/A	N/A	2,575	6.2%	5.5%	5.7%
2002	20,735	N/A	N/A	N/A	2,517	5.6%	5.3%	6.0%
2001	20,735	N/A	N/A	N/A	2,458	4.4%	4.8%	5.8%

(1) U. S. Census Bureau - 2000 Census

(2) District records

(3) www.economagic.com

(4) "population" times "per capital personal income"

N/A - Data Not Accessible

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

PRINCIPAL EMPLOYERS
CURRENT YEAR

<u>Employer</u>	<u>December 31, 2009</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment per Number of Employees</u>
City of Rocky River	774	5.35%
Rocky River City School District	611	4.22%
Normandy Manor of Rocky River	436	3.01%
Riser Foods	298	2.06%
Marc Glassman Inc.	261	1.80%
Cleveland Yacht Club Inc.	235	1.62%
Heinens Inc.	210	1.45%
Magnificat High School	205	1.42%
Lowe's	204	1.41%
Cuyahoga County Auditor	106	0.73%
Total	<u>3,340</u>	<u>23.09%</u>
Total Number of Employees (1), (2)	<u><u>14,464</u></u>	

Source: City of Rocky River; City of Cleveland - Central Collection Agency (CCA).

the portion of the Rocky River City School District located in the City of Fairview Park was not available.

(2) Total City employment based upon an estimate from the central collection agency on number of W-2's filed

Note: Information for nine years earlier is not available.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS**

<u>Type</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Professional Staff:										
Teaching Staff:										
Elementary	26.60	27.50	26.25	28.00	27.75	28.10	28.10	28.10	N/A	N/A
Intermediate	33.27	33.27	31.52	31.27	32.76	34.57	34.82	33.94	N/A	N/A
Middle	37.67	37.82	38.20	37.40	37.16	37.53	38.35	38.45	N/A	N/A
High	52.43	52.28	52.73	51.13	50.93	50.78	49.93	49.93	N/A	N/A
Tutors	22.67	18.72	17.12	16.20	17.94	15.89	13.66	14.55	N/A	N/A
Others	1.50	0.00	0.00	2.00	2.00	2.00	2.00	2.00	N/A	N/A
Administration	17.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	N/A	N/A
Auxiliary Positions:										
Counselors	5.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	N/A	N/A
Speech	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	N/A	N/A
Mental Health Specialists	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	N/A	N/A
Support Staff:										
Secretarial	30.62	30.04	30.70	30.40	30.20	29.20	30.20	29.20	N/A	N/A
Aides	19.10	19.57	20.47	21.80	20.12	19.40	18.80	19.61	N/A	N/A
Learning Assistants	1.94	1.94	3.89	4.96	6.86	6.73	7.68	5.76	N/A	N/A
Lunch and Hall Monitors/Security	6.00	6.19	6.19	7.11	5.31	5.20	4.90	4.90	N/A	N/A
Cooks/Food Service	4.74	4.52	5.35	5.91	5.88	4.60	5.10	4.66	N/A	N/A
Custodial	21.23	20.74	17.10	19.16	21.46	21.86	19.85	19.87	N/A	N/A
Maintenance	7.00	7.00	8.00	6.00	7.00	7.00	8.00	8.00	N/A	N/A
Bus Driver	12.07	14.07	12.20	11.67	12.58	10.77	11.83	11.89	N/A	N/A
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	N/A	N/A
Athletic Trainer	*	*	*	*	*	0.70	0.70	0.70		
Other Central Support	0.50	1.50	1.17	1.17	1.17	1.17	1.17	1.17	N/A	N/A
Total	305.89	303.71	299.69	302.98	307.92	304.30	303.89	301.53	0.00	0.00
<u>Function</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Instruction:										
Regular	136.23	138.00	136.60	136.10	136.70	139.28	140.25	139.72	N/A	N/A
Special	50.10	49.35	50.31	49.39	48.18	47.83	48.28	46.07	N/A	N/A
Vocational	**	**	**	**	**	**	**	**	N/A	N/A
Other	15.06	13.35	14.90	17.08	18.05	14.89	12.51	13.25	N/A	N/A
Support Services:										
Pupil	7.75	7.75	8.00	8.00	8.00	8.00	8.00	8.00	N/A	N/A
Instructional staff	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	N/A	N/A
Administration	18.80	17.80	17.80	17.80	18.00	18.00	18.00	18.00	N/A	N/A
Fiscal	4.40	4.00	4.00	4.00	4.20	4.20	4.20	4.20	N/A	N/A
Business	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	N/A	N/A
Operations and maintenance	30.23	28.74	25.10	27.16	30.46	30.86	29.85	29.87	N/A	N/A
Pupil transportation	18.38	18.38	16.76	15.67	16.58	14.77	15.83	15.89	N/A	N/A
Central	3.27	3.67	4.17	4.17	4.17	4.17	4.17	4.17	N/A	N/A
Food Service Operations	5.97	5.97	5.35	6.91	6.88	5.60	6.10	5.66	N/A	N/A
Extracurricular activities	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	N/A	N/A
Total	305.89	302.71	298.69	301.98	306.92	303.30	302.89	300.53	0.00	0.00

Source: School District records.

* A portion of these services were contracted out to a third party in lieu of being provided by a staff member.

** These services were contracted out through the Lakewood City School District as part of a career technical planning district that includes the Districts of Rocky River, Lakewood, Westlake and Bay Village.

N/A - Information Not Accessible.

THIS PAGE IS INTENTIONALLY LEFT BLANK

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2010	2009	2008	2007	2006	2005
Instruction:						
Regular, Special and Vocational						
Enrollment (students)	2,644	2,681	2,686	2,696	2,640	2,623
Graduation Count	210	244	211	229	186	199
Graduation Rate	98.60%	99.20%	99.10%	96.90%	98.00%	98.00%
Student attendance rate	96.30%	96.60%	96.50%	96.40%	96.60%	96.30%
Support services:						
Board of education						
Regular meetings per year (based on calendar year)	22	22	21	22	22	22
Special meetings per year (based on calendar year)	13	10	14	18	6	4
Administration						
Teacher attendance rate	95.30%	95.30%	95.50%	94.90%	95.40%	95.70%
Fiscal						
Nonpayroll checks issued	4,152	4,363	4,157	4,374	4,533	5,369
Payroll checks/direct deposits issued	10,079	10,926	10,836	10,771	10,891	11,305
Operations and maintenance						
Work orders completed	* 950	1,200	1,220	900	1,100	1,100
Square footage maintained	451,773	451,773	451,773	451,773	451,773	451,773
Pupil transportation						
Avg. students transported daily	1,116	1,179	1,230	1,455	1,366	1,497
Food service operations						
Meals served to students	** 90,338	104,621	104,800	110,719	112,953	109,467
Milk served to students	** 52,399	56,687	64,926	61,564	60,888	60,797
Percentage of students receiving free/reduced cost meals	11.53%	9.66%	7.55%	7.12%	12.45%	10.02%

Source: School District records.

* In addition to processing these work orders, the facilities department processes numerous routine maintenance-type jobs as well as emergency that would not be tracked through a formal work order.

** The District does not operate a lunch program for its two elementary buildings, but does serve milk to these students in these buildings.

2004	2003	2002	2001
2,598	2,575	2,517	2,458
202	190	145	183
95.30%	95.00%	94.80%	97.30%
96.50%	96.40%	96.30%	95.50%
22	22	22	22
7	5	3	2
95.90%	96.60%	96.20%	96.50%
5,279	5,468	5,339	5,681
11,013	10,850	10,584	10,541
1,100	1,100	1,100	1,100
451,773	451,773	451,773	451,773
1,549	1,525	1,421	1,406
106,170	98,199	92,627	94,306
59,270	58,251	53,579	51,933
8.95%	9.56%	5.02%	6.95%

y requests

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>
Land	\$ 770,821	\$ 770,821	\$ 722,230	\$ 722,230
Construction in progress	292,550	-	-	-
Land improvements	1,240,900	1,275,515	1,297,873	1,588,029
Building/improvements	19,916,232	20,882,476	21,870,716	23,561,292
Furniture/equipment	1,042,833	1,077,834	785,235	839,466
Vehicles	666,739	679,979	598,938	295,675
Total Governmental Activities				
Capital Assets, net	<u>\$ 23,930,075</u>	<u>\$ 24,686,625</u>	<u>\$ 25,274,992</u>	<u>\$ 27,006,692</u>

Source: School District financial records.

Note (1): In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

Note: The District implemented GASB Statement No. 34 in fiscal year 2001.

Note: Amounts above are presented net of accumulated depreciation.

<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230
-	-	108,213	-	-	-
1,698,598	1,711,678	920,719	969,461	1,014,454	1,374,792
24,879,954	30,093,136	31,415,477	32,183,211	33,538,235	34,913,837
653,439	1,044,361	883,709	885,349	970,586	957,090
379,697	531,159	599,027	452,940	457,069	449,321
<u>\$ 28,333,918</u>	<u>\$ 34,102,564</u>	<u>\$ 34,649,375</u>	<u>\$ 35,213,191</u>	<u>\$ 36,702,574</u>	<u>\$ 38,417,270</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Goldwood Elementary (1927)					
Square feet	55,070	55,070	55,070	55,070	55,070
Capacity (students)	588	588	588	588	588
Enrollment	561	563	558	568	559
Kensington Intermediate (1926)					
Square feet	71,720	71,720	71,720	71,720	71,720
Capacity (students)	596	596	596	596	596
Enrollment	575	584	588	577	566
Rocky River Middle School (2000)					
Square feet***	110,000	110,000	110,000	110,000	110,000
Capacity (students)	659	659	659	659	659
Enrollment	615	606	631	643	626
Rocky River High School (1950)					
Square feet	141,631	141,631	141,631	141,631	141,631
Capacity (students)	936	936	936	936	936
Enrollment	893	928	909	908	889
Beach Education Center (1930)					
Square feet	37,780	37,780	37,780	37,780	37,780
Capacity (students)	404	404	404	404	404
Enrollment	*	*	*	*	*
Wooster Road Elementary (1955)					
Square feet	19,172	19,172	19,172	19,172	19,172
Capacity (students)	205	205	205	205	205
Enrollment	**	**	**	**	**
Board of Education Administrative Offices (1927)					
Square feet	16,400	16,400	16,400	16,400	16,400
Capacity (students)	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A
Total Square Feet	451,773	451,773	451,773	451,773	451,773
Total Capacity	3,388	3,388	3,388	3,388	3,388
Total Enrollment	2,644	2,681	2,686	2,696	2,640

Source: School District records.

Note: Year of original construction is in parentheses. Any increases in square footage and capacity are the result of new construction, renovations and additions.

Capacity is expressed in the estimated number of students a building is equipped to handle and is subject to changes in federal, state or local standards as well as modifications to physical building characteristics.

* Only a small portion of this building was being utilized for pre-kindergarten special education students through the 2004-2005 school year. This program was moved to Goldwood Primary School of the 2005-2006 school year. A portion of this building is now being leased out to a private pre-school and the Cuyahoga County Board of Mental Retardation and Developmental Disabilities.

** This building has not been needed for pre-kindergarten through 12 educational purposes during the last 10 years and is currently being leased to the Cleveland Clinic Health System for use as a healthcare facility.

N/A - Data Not Available or Not Applicable

2005	2004	2003	2002	2001
55,070	55,070	55,070	55,070	55,070
588	588	588	588	588
519	514	543	533	541
71,720	71,720	71,720	71,720	71,720
596	596	596	596	596
591	603	597	587	586
110,000	110,000	110,000	110,000	110,000
659	659	659	659	659
640	623	602	594	568
141,631	141,631	141,631	141,631	141,631
936	936	936	936	936
844	827	795	769	748
37,780	37,780	37,780	37,780	37,780
404	404	404	404	404
29	31	38	34	15
19,172	19,172	19,172	19,172	19,172
205	205	205	205	205
**	**	**	**	**
16,400	16,400	16,400	16,400	16,400
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
451,773	451,773	451,773	451,773	451,773
3,388	3,388	3,388	3,388	3,388
2,623	2,598	2,575	2,517	2,458

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities (2)		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2010	\$ 34,707,805	\$ 13,127	\$ 35,701,731	\$ 13,503	2,644	-1.38%
2009	34,069,468	12,708	35,136,993	13,106	2,681	-0.19%
2008	32,033,142	11,926	33,495,906	12,471	2,686	-0.37%
2007	30,271,801	11,228	31,527,500	11,694	2,696	2.12%
2006	28,434,728	10,771	29,571,949	11,201	2,640	0.65%
2005	30,751,403	11,724	30,848,117	11,761	2,623	0.96%
2004	28,210,549	10,859	29,054,984	11,184	2,598	0.89%
2003	25,608,776	9,945	27,011,865	10,490	2,575	2.30%
2002	23,852,262	9,476	25,324,173	10,061	2,517	2.40%
2001	26,751,965	10,884	25,067,505	10,198	2,458	2.54%

Source: District records

Note: In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2001.

N/A - Data Not Accessible

Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
166	15.93	96.30%
166	16.15	96.60%
162	16.58	96.50%
163	16.54	96.40%
165	16.00	96.60%
169	15.52	96.30%
162	16.04	96.50%
161	15.99	96.40%
161	15.63	96.30%
161	15.27	95.50%

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

CERTIFICATED TEACHING STAFF EDUCATION, EXPERIENCE AND AVERAGE SALARY INFORMATION
LAST TEN FISCAL YEARS

	<u>2010</u>		<u>2009</u>		<u>2008</u>		<u>2007</u>	
Education								
<i>College Degree Attained (Number of Staff/% of Total)</i>								
Bachelor's Degree	6	3.61%	9	5.42%	7	4.32%	8	4.91%
Bachelor's Degree + 9 hours	9	5.42%	10	6.02%	9	5.56%	13	7.98%
Bachelor's Degree + 18 hours	21	12.65%	18	10.84%	24	14.81%	16	9.82%
Master's Degree	48	28.92%	49	29.52%	41	25.31%	47	28.83%
Master's Degree + 9 hours	27	16.27%	28	16.87%	27	16.67%	26	15.95%
Master's Degree + 18 hours	18	10.84%	16	9.64%	17	10.49%	16	9.82%
Master's Degree + 27 hours	14	8.43%	14	8.43%	13	8.02%	13	7.98%
Master's Degree + 36 hours	23	13.86%	22	13.25%	24	14.81%	24	14.72%
Ph. D.	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	166	100.00%	166	100.00%	162	100.00%	163	100.00%
Experience								
<i>Range of Years' Experience (Number of Staff/% of Total)</i>								
0 - 5	33	19.88%	26	15.66%	20	12.35%	20	12.27%
6 - 10	21	12.65%	29	17.47%	31	19.14%	33	20.25%
11 and over	112	67.47%	111	66.87%	111	68.52%	110	67.48%
Total	166	100.00%	166	100.00%	162	100.00%	163	100.00%
Average Teacher Salary	\$70,850		\$67,535		\$65,596		\$64,697	

Source: School District Records and Ohio Department of Education.

Note: Excludes administrators, tutors and other certificated personnel that are certified teachers under Ohio law.

2006		2005		2004		2003		2002		2001	
8	4.85%	11	6.51%	10	6.17%	19	11.80%	19	11.80%	18	11.18%
11	6.67%	10	5.92%	9	5.56%	7	4.35%	7	4.35%	13	8.07%
17	10.30%	18	10.65%	19	11.73%	24	14.91%	24	14.91%	17	10.56%
47	28.48%	52	30.77%	50	30.86%	50	31.06%	50	31.06%	52	32.30%
29	17.58%	24	14.20%	23	14.20%	23	14.29%	23	14.29%	19	11.80%
18	10.91%	18	10.65%	15	9.26%	9	5.59%	9	5.59%	13	8.07%
14	8.48%	15	8.88%	14	8.64%	12	7.45%	12	7.45%	9	5.59%
21	12.73%	21	12.43%	22	13.58%	17	10.56%	17	10.56%	20	12.42%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
165	100.00%	169	100.00%	162	100.00%	161	100.00%	161	100.00%	161	100.00%
19	11.52%	26	15.38%	33	20.37%	45	27.95%	45	27.95%	45	27.95%
47	28.48%	46	27.22%	54	33.33%	42	26.09%	42	26.09%	37	22.98%
99	60.00%	97	57.40%	75	46.30%	74	45.96%	74	45.96%	79	49.07%
165	100.00%	169	100.00%	162	100.00%	161	100.00%	161	100.00%	161	100.00%
\$63,161		\$59,376		\$57,168		\$51,730		\$50,040		\$47,700	

THIS PAGE IS INTENTIONALLY LEFT BLANK



Michael Poe
Grade 9

ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County, Ohio



Klajd Moshko
Grade 12

Rr Globally Competitive
Exceptional Opportunities
Caring Environment
Successful Students



Mary Taylor, CPA
Auditor of State

ROCKY RIVER CITY SCHOOL DISTRICT

CUYAHOGA 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
JANUARY 11, 2011**