



Dave Yost • Auditor of State

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Expenditures</u>	<u>Non-Cash Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education:</i>					
Child Nutrition Cluster:					
National School Lunch Program	10.555	\$66,732	\$15,211	\$66,732	\$15,211
Special Milk Program	10.556	8,120	0	8,120	0
Total Child Nutrition Cluster		<u>74,852</u>	<u>15,211</u>	<u>74,852</u>	<u>15,211</u>
Total U.S. Department of Agriculture		<u>74,852</u>	<u>15,211</u>	<u>74,852</u>	<u>15,211</u>
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education Grants - FY 2010	84.027	43,594	0	3,140	0
Special Education Grants - FY 2010 - ARRA	84.391	90,475	0	42,844	0
Special Education Grants - FY 2011	84.027	600,986	0	567,203	0
Special Education Grants - FY 2011 - ARRA	84.391	365,985	0	433,678	0
Subtotal Special Education Grants		<u>1,101,040</u>	<u>0</u>	<u>1,046,865</u>	<u>0</u>
Preschool Grant - FY 2011	84.173	10,583	0	10,583	0
Preschool Grant - FY 2010 - ARRA	84.392	4,258	0	0	0
Preschool Grant - FY 2011 - ARRA	84.392	14,191	0	14,191	0
Subtotal Preschool Grant		<u>29,032</u>	<u>0</u>	<u>24,774</u>	<u>0</u>
Total Special Education Cluster		<u>1,130,072</u>	<u>0</u>	<u>1,071,639</u>	<u>0</u>
Safe and Drug-Free Schools and Communities Safe Grants - FY 2011	84.186	914	0	914	0
Title I, Part A Cluster:					
Title I Grants to Local Education Agencies - FY 2010	84.010	(11,989)	0	0	0
Title I Grants to Local Education Agencies - FY 2010 - ARRA	84.389	(10,194)	0	0	0
Title I Grants to Local Education Agencies - FY 2011	84.010	211,559	0	206,541	0
Title I Grants to Local Education Agencies - FY 2011 - ARRA	84.389	64,184	0	62,861	0
Total Title I, Part A Cluster		<u>253,560</u>	<u>0</u>	<u>269,402</u>	<u>0</u>
Educational Technology - FY 2011	84.318	665	0	665	0
English Language Acquisition Grants - FY 2010	84.365	(35)	0	0	0
English Language Acquisition Grants - FY 2011	84.365	13,382	0	13,646	0
Total English Language Acquisition Grants		<u>13,347</u>	<u>0</u>	<u>13,646</u>	<u>0</u>
Improving Teacher Quality - FY 2010	84.367	(5,823)	0	3,279	0
Improving Teacher Quality - FY 2011	84.367	73,151	0	73,151	0
Total Improving Teacher Quality		<u>67,328</u>	<u>0</u>	<u>76,430</u>	<u>0</u>
Education Stabilization Fund - FY 2010 - ARRA	84.394	0	0	6,332	0
Education Stabilization Fund - FY 2011 - ARRA	84.394	102,640	0	102,640	0
Total Education Stabilization Fund		<u>102,640</u>	<u>0</u>	<u>108,972</u>	<u>0</u>
Total U.S. Department of Education		<u>1,568,526</u>	<u>0</u>	<u>1,541,668</u>	<u>0</u>
Total Federal Assistance		<u>\$1,643,378</u>	<u>\$15,211</u>	<u>\$1,616,520</u>	<u>\$15,211</u>

The accompanying notes to this schedule are an integral part of this schedule.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2011**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (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 2011, the District received and passed through \$11,148 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 amounts from 2010 to 2011 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred from 2010 to 2011</u>
Title I Grants to Local Educational Agencies	84.010	\$11,989
Title I Grants to Local Educational Agencies – ARRA	84.389	10,194
English Language Acquisition Grants	84.365	35
Improving Teacher Quality State Grant	84.367	5,823



Dave Yost • 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
1101 Morewood Parkway
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 the Rocky River City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2011, wherein we noted the District implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and restated June 30, 2010 fund balances due to a change in fund structure. 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*.

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 23, 2011.

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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

December 23, 2011



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

Rocky River City School District
Cuyahoga County
1101 Morewood Parkway
Rocky River, Ohio 44116

To the Board of Education:

Compliance

We have audited the compliance of the 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 the Rocky River City School District's major federal program for the year ended June 30, 2011. 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, 2011.

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.

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.

Schedule of Federal Awards Receipts and Expenditures

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Rocky River City School District (the District) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 23, 2011, wherein we noted the District implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and restated the June 30, 2010 fund balances due to a change in fund structure. 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 schedule of federal awards receipts and expenditures 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.

Rocky River City School District
Cuyahoga County
Independent Accountants' Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control Over
Compliance Required By OMB Circular A-133 and the Schedule of Federal
Awards Receipts and Expenditures
Page 3

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State

December 23, 2011

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**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011**

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

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Rocky River City School District
Cuyahoga County
1101 Morewood Parkway
Rocky River, Ohio 44116

To the Board of Education:

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

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

1. We noted the Board amended its anti-harassment policy at its meeting on February 17, 2011 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

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Dave Yost
Auditor of State

December 23, 2011

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Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2011



Sophie Story
Grade 6

ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County • Ohio



Michael Malloy
Grade 6

ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2011

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, 2011
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Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2011

Introductory Section



ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio



December 23, 2011

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, 2011. 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 2,612 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 2010 U. S. Census data reports a population of 20,213 in the City of Rocky River with 10,181 housing units and 1,987 businesses (year 2007 data). The median household income is \$67,374 (year 2009 data) and the per capita income is \$41,207 (year 2009 data). The median home value is \$211,100 (year 2009 data). In 2005 the average sale price for a single family home was \$288,506 with 65 days on the market. As of 10/31/2011, there were a total of 200 homes listed for sale with the least expensive home listed at \$12,000 and the most expensive listed at \$4,500,000. For the month of October 2011, there were 15 homes that sold with an average sale price of \$177,267 (lowest at \$31,500 and highest at \$385,000) with an average of 106 days on the market. The housing price trend in Rocky River as of October 2011 is stable.

Per the 2010 U.S. Census, the median age for residents of Rocky River is 45.6 and families (non-single residences) represent 56.3% of the population. The racial makeup of the city was 95.4% White, 1.0% African American, 0.1% Native American, 1.8% Asian, 0.01% Pacific Islander, 0.4% from other races, and 1.3% from two or more races. Hispanic or Latino of any race was 1.8% of the population.

There were 9,329 households out of which 24.2% had children under the age of 18 living with them, 45.8% were married couples living together, 7.7% had a female householder with no husband present, and 39.7% were single/non-family households. 25% of all households were made up of individuals under 18 years of age and 36% included individuals 65 years of age or older. The average household size was 2.16 and the average family size was 2.95. In the city the population was spread amongst age groupings with 23.4% under the age of 20, 3.2% from 20 to 24, 9.5% from 25 to 34, 13.1% from 35 to 44, 15.3% from 45 to 54, 13.2% from 55 – 64 and 22.5% who were 65 years of age or older.

² Primary sources of data used for this section are http://realtymtimes.com/rtmcrloc/Ohio~Rocky_River, <http://factfinder2.census.gov> and <http://quickfacts.census.gov/qfd/states/39/3968056.html>

Per the 2000 U.S. Census, 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 51.7% (year 2009 data) have at least a bachelor's degree. Businesses within the community are predominantly retail and service oriented.

The District receives almost over 70% 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 over 10% 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 2011

During fiscal year 2011, the District continued working towards the goals as outlined in the District's Strategic 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 Strategic 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 2012

One of the primary goals for 2012 is to continue the implementation components of the aforementioned Strategic Plan. As of December 2011, 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)

- The strategic plan was shared with the District's Instructional Leadership Team, 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.

Action (Completed 10-11)

- The strategic plan was presented to new staff members during orientation meetings in August.
- The strategic plan update was posted on the District website.

Result # 2: Students understand and support the achievement of the mission.

Action (Completed 09-10)

- 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.

Action (Completed 10-11)

- The mission, beliefs, and strategic objectives are included in student planners and teachers presented them to students in an age-appropriate manner during the first week of school.

Result # 3: Parents, alumni, civic leaders, and community members understand, support and work toward the accomplishment of the mission.

Action (Completed 09-10)

- 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.

Action (Completed 10-11)

- The strategic plan update 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.
- The strategic plan update was presented at the State of the Schools in February, 2011.
- The strategic plan update was posted on the District website.

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)

- 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 are used 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:

- Guidance K-12

- Foreign Language 7-12
- Technology 6-8

Course Of Study alignment and pacing:

- Math K-8
- Social Studies K-12

Practice alignment:

- 3-12 writing assessments and rubrics

Action (Completed 10-11)

Course of Study revisions:

- Fitness/Health K-12

Crosswalking from 2003 Ohio Academic Content Standards to:

- CCSS for Math and English/Language Arts
- 2010 Revised ODE Standards for Science and Social Studies

Result #2: Data guides instruction, appropriate to an individual's skills, needs and developmental stages.

Action (Completed 09-10)

New staff:

- 2 tutors at KIS for Response to Intervention data tracking and student intervention

Acquisition:

- New laptops for district tutoring staff used to maintain and monitor student progress
- New electronic IEP program purchased and implemented

New implementation:

- AIMSweb data tracking and progress monitoring 6-8

Practice alignment:

- K-5 Response to Intervention /Intervention Assistance Team data tracking

Action (Completed 10-11)

- After school tutoring program for at-risk students implemented at Kensington Intermediate School, to include snack and transportation.

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:

- Grade 8 Honors Science (for HS credit)

New courses of study written for 10-11:

- Grade 9 World History Honors
- Freshman Mentoring Program
- Introduction to Differential Calculus and Statistics

Action (Completed 10-11)

New courses 10-11:

- Grade 9 World History Honors
- Freshman Mentoring Program
- Introduction to Differential Calculus and Statistics

New courses of study written for 11-12:

- College and Career Readiness 7 & 8
- AP Government

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:

- Formative assessment training provided to cadre of 35 District teachers

Writing Assessment:

- 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)

- Acquisition: 30 new computers in each GPS and KIS labs
- Video streaming of WVIZ content enabled at RRHS

Action (Completed 10-11)

- Google Apps for Educators and Students roll out

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)

- 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)

- 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 was finalized in January 2010 prior to the initiation of a bond issue. The master plan recommended facilities that are globally competitive for all students.
- On May 4, 2010 a 3.2 mill bond issue was approved by residents.

Result #3: District facilities meet instructional and operational technology needs for all students, faculty, staff and administrators.

Goldwood

Action (Completed 2011)

- A portion of the existing roof was replaced during the summer of 2011.

Action (In-progress 2011)

- A small addition to house administrative offices and a new passive security entry is being planned, along with a renovation of the existing second grade classrooms. The design of this is ongoing, with bidding scheduled to occur by April 2012.
- The front building of the property (formerly the Board of Education Building) is going to be razed. It was determined that renovating this building would cost significantly more than renovating Beach School, so Beach was renovated and now houses the Board of Education offices. The hazardous materials abatement and demolition of this building will occur during the summer of 2012 with the office and entry addition to follow and be completed by the spring of 2013.
- Remaining areas for the complete roof replacement are scheduled to take place during the summer of 2012.

Kensington Intermediate School:

Action (In-progress 2011)

- The new addition, which will house the Administrative offices and the new passive security entry, will be occupied in early January 2012.
- The existing auditorium, which is being renovated into a new commons, will be occupied in January 2012. This space will temporarily be without new flooring because the rear of the space will not be completed until the summer of 2012, when the existing computer classroom can be moved, the dividing wall knocked down, and that space incorporated into the commons.
- The existing cafeteria will be renovated into a computer classroom, tutoring spaces, and a teacher workroom after the school vacates the space in January. Work in this area will be completed by late spring 2012.
- Renovation work in the remaining spaces of the building, which includes HVAC upgrades and new wall and ceiling finishes, as well as replacement of all existing roofs, will occur during the summer of 2012.

Rocky River Middle School:

Action (Completed 2011)

- This building is the newest in the district. WiFi, or wireless Internet connectivity for computers, was installed during the summer of 2011.

Rocky River High School:

Action (Completed 2011)

- The track surface was replaced during the summer of 2011.

Action (In-progress 2011)

- Construction of the new two-story Science Wing, Music Wing and Administrative Office additions is scheduled to be under roof before January 2012. These spaces will be ready for occupancy at the start of the 2012-13 school year.
- Renovation of the existing locker rooms is on-going.
- The first part of the main gym renovation will occur after basketball season and both spaces will be open by August 1, 2012. The second part of the main gym renovation (new floor, bleachers, basketball backstops, divider curtain, and painting) will take place next year, using the same time frame (between the end of basketball season and August 1, 2013).
- A small addition and renovation of the Wrestling Room will begin in the spring of 2012 and be complete for the start of the 2012-2013 wrestling season.
- An addition to the bus garage will take place during the 2012-2013 school year.
- The existing Pirate's Cove and the south half of the existing Media Center will be renovated during the summer of 2012 into a new commons area and guidance offices. At the same time, the remaining portion of the Media Center and the existing guidance offices adjacent to it will be renovated into a new Media Center, new Media Center computer classroom, and workroom.
- The existing computer and business classrooms will be renovated during the summer of 2012.

- Once the new additions are occupied, renovations to the existing classrooms and adjoining spaces will begin. During this time, the existing science classrooms will be used as “swing space,” or classrooms for other departments as their existing classrooms are under construction. Renovations to these classrooms will include HVAC, electrical, and technology upgrades as well as new ceiling, wall, and floor finishes. This phased renovation work will be ongoing through the end of the summer of 2013.
- The entry addition and renovation to the Wagar Road entrance will start in spring of 2013 and be completed for the start of the 2013-14 school year.
- Two small additions to the existing Fieldhouse will begin in late 2012 and be completed in mid-Summer of 2013.
- Renovation of the existing facilities areas and maintenance building will occur during the summer of 2013.
- Repair/replacement of existing parking and drive areas will occur during the summers of 2012 and 2013.

Beach School/Board of Education Building:

Action (Completed 2011)

- This renovated building was finished during the fall of 2011. It now houses the Board of Education and administrative offices.

Result #4: A facilities master plan provides a blueprint for non-instructional buildings and services (transportation, maintenance, Beach, Wooster and Board of Education Offices).

Action (Completed 2009)

- 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 non-instructional buildings.
- An additional community engagement was completed in January 2010 and was facilitated by Triad Research.
- The facilities master plan was finalized in January 2010 prior to the initiation of a bond issue. The master plan recommended facilities that are globally competitive for all students.
- On May 4, 2010 a 3.2 mill bond issue was approved by residents.

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

Action (In-progress 2010-2011)

- A Board of Education partnership is being fostered with the RRHS Science Department to provide direction on the new landscaping and rainwater detention/retention areas.

Action (Completed 2009-2010)

- 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.

Action (Completed 2010-2011)

- 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-public partnerships to address facility needs.
- The City of Rocky River has been approached to partner with the 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 are estimated at \$11,260,000 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, projections for interest reimbursement are estimated at \$18,000,000 over 34 years.
- Historic Tax Credits were explored for Beach School renovations. This program is not available for the District.
- A letter was sent to the Cleveland Clinic seeking a partnership to develop a lecture hall facility at Rocky River High School.

Strategic Objective: Finance

Strategy: Provide traditional and non-traditional fiscal resources to meet our mission.

Result #1: Alternative revenue streams supplement traditional funding sources for all District programs.

Action (Completed 2009-2010)

- 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 for 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 (Completed 2010-2011)

- Continued utilization of the American Express Corporate Card program - An additional \$4,200 worth of equivalent points redeemed for technology equipment and Home Depot gift cards as of November 2011. This card program was converted to a direct cash rebate program in the spring of 2011 whereas the District will earn up to a 1% cash rebate on all eligible purchases.
- 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 (3.2 mill) bond issue passed by the voters in May 2010. It is anticipated that these bonds were 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, provided in excess of \$25 million in federal funding to offset a substantial portion of interest cost related to the bonds. A portion of this \$25 million was also utilized 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.

Action (In Progress 2011)

- Private-public partnerships and shared services are explored with outside entities.

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

Action (Completed 2009-2010)

- 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 the 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.
- 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.

Action (Completed 2010-2011)

- Entered into an electric energy purchase agreement with First Energy Solutions through the Power4Schools group contract resulting in savings of over 29% vs. standard utility pricing.

Action (In Progress 2011)

- Started the implementation of the eSchoolmall online requisitioning and purchasing web-based application in order to streamline purchasing procedures within the District and to realize hard-dollar savings on everyday purchases by utilizing group catalogue purchasing with higher frequency.
- Began a review of banking services to determine if there are additional services available that will lead to efficiencies in processing daily/monthly transactions, provide additional security over transaction processing, provide additional investment opportunities and to ensure that our current fee structure for services is competitive.
- Started investigating possible outsourcing opportunities for payroll processing with third-party vendors in conjunction with another school district as well as the Cuyahoga County Educational Services Center.
- Began the implementation of the Adaptive Planning budgeting, forecasting and reporting financial model to improve forecasting and financial reporting abilities for internal and external stakeholders.

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

Action (Completed 10-11)

- Provided financial information for the Superintendent to present to the community during his annual State of the Schools update and a community meeting regarding the impact of state funding reductions that were proposed as part of the State of Ohio's biennial budget process.
- Prepared and released a Comprehensive Annual Financial Report for the fiscal year ending June 30, 2010.

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.
- Preparation of Comprehensive Annual Financial Report for the fiscal year ending June 30, 2011.

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.

Action (Completed 09-10)

09-10 District-Offered Professional Development Opportunities:

- 4-workshop Autism series, *A Deeper Understanding*
- Tech I & Tech II Certification courses
- Atomic Learning (online video tutorials) purchased for all District staff
- Align, Assess, Achieve formative assessment training for 35 staff members
- Wilson Reading System® Level I Certification earned by 11 certified staff members
- New Teacher Transition Program opportunities for qualified staff
- 6 District teachers obtained official SMART Technologies Certification.

Action (Completed 10-11)

10-11 District Offered Professional Development Opportunities:

- Gifted series with Dr. Susan Rakow
- Google Apps PD series for staff
- Moodle PD series
- Dyslexia PD series for special education and tutoring staff
- 504 Legal Update for administrators, guidance counselors, psychologist and learning resource coordinators
- Embedded IEP PD and support for P-12 special ed staff with Bobbe Miller
- Tech I & Tech II Certification courses continue
- Wilson Reading System® Level II Certification begun by 6 certified staff members
- Standard training for all administrators on interview practices and protocol

Result #2: Collaborative opportunities are provided in each building during the workday.

Action (Completed 09-10)

- Rocky River High School Professional Learning Community was expanded to 27 weekly department meetings.

Action (Completed 10-11)

- All buildings have collaborative opportunities during the workday at least once weekly.
- K-5 collaborative meetings reorganized to include vertical subject area meetings in addition to grade level meetings.
- K-5 subject area representatives introduced

Result #3: Administrators research, promote and communicate available, pertinent training opportunities for non-certified employees.

Action (Completed 09-10)

- 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 on technology (12 different sessions)
- SMART Board training was provided for District substitute teachers.

Action (Completed 10-11)

- Substitute Teacher Training Workshop at ESC-CC
- Tech I and Tech II Certification courses continue
- Google Apps, Content Management System, and Online Facilities Use Request workshops held for secretaries.

Result #4: A comprehensive approach is in place to assure the district continues to recruit and hire exceptional employees.

Action (Completed 09-10)

- 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

Action (Completed 10-11)

- Comprehensive interview PD for all district administrators on interview practices and protocol
- Creation of new District interview protocol for certificated staff positions
- Expansion of online application and interview warehouse, AppliTrack
- Membership in HR professional organizations, to include NEOASPA and OMRC

Action (Completed 09-10)

Master Teacher Program (ongoing):

- Recognition of honor given to 10 certified District staff members to date

Action (Completed 10-11)

- Two new district staff members become Master Teachers

Strategic Objective: Technology

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

Result #1: All students have equal access and opportunities to use technology.

Action (Completed 09-10)

- 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
- 120 refurbished desktops deployed throughout the District

Action (Completed 10-11)

- 84 refurbished desktops deployed in RRMS science labs
- 26 refurbished desktops deployed in RRMS computer lab
- RRMS science lab probes and probeware installed
- 4 iMacs for RRHS broadcasting lab
- Laptop cart battery replacement (30)
- 12 iPads deployed for special education students
- 14 iPads deployed in elementary and high school classrooms

Action (In Progress)

- 30 Chromebooks and computer cart - pilot program at RRMS

Result #2: A culture is established where technological literacy is expected at all levels of the organization.

Action (Completed 09-10)

- 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 and II Certification Courses 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 (Completed 10-11)

- Google Apps PD for parents, PTA officers and community members
- Graduate technology classes for staff: Google Apps, Tech I & II Certification, Taking Tech to the Next Level
- Technology curriculum revised in grades 3-8 to include Google Apps

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 and II Certification Courses
- More consistent use of Trouble Trakker by staff to report technology issues.
- New certified and classified staff orientation includes technology component

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

Action (Completed 09-10)

- Technology Audit conducted

Action (Completed 10-11)

- Updated backup system installed
- UPS replaced
- FitnessGram Server installed
- New phone system installed at new Board of Education offices

- Google Apps for Education accounts created for students in grades 3-12
- 10 new laptops for administrative and instructional staff
- 12 new desktops for administrative and secretarial staff
- 30 laptops in cart for staff development
- Copiers networked at Goldwood and Board of Education
- District Safety Plan Website created - accessible from administrative mobile devices

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.
- Develop a Data Disaster Recovery Plan

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 revised 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 carefully developing, monitoring and adjusting short-term and long-term financial projections and expenditures based on educational needs and objectives and attempting to anticipate and react to various outside factors such as state funding changes and major cost drivers.
- To secure a new operating funding source in the form of a new 5.9 mill property tax levy that is scheduled to be on the March 6, 2012 ballot. This will entail executing a comprehensive communication plan that involves dialogue with all stakeholders of the District in order to gain voter support for this initiative.
- 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 2011 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 funding such as the accelerated phase-out of the tangible personal property tax and public utility tax reimbursement subsidies that were implemented as part of the states biennial budget that became effective on July 1, 2011.

- To continue to assure the District's property tax base remains strong and stable by working through 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 Rocky River City School District continues to experience many financial challenges based on the current state of the economy and the continued erosion of state funding support. As the preceding information shows, the District heavily depends on its property taxpayers. The most recent operating levy of 5.9 mills was passed back in May of 2008 for a continuing period of time. That levy was planned to enable the District to continue its currently excellent education program level for a three-year levy cycle. However, with the continued emphasis on controlling costs and becoming more efficient with available resources, the District was able to stretch the planned three-year levy cycle to four years. This was in spite of a loss of over \$800,000 in state funding starting in fiscal year 2012.

The District will continue with its District-wide facilities upgrades during 2012 thanks to the funding from a \$42.9 million bond issue in September 2010. The master 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 has progressed through the design phase for the high school, primary school and intermediate school. As of June 2011, the project has entered the construction phase. The construction phase for renovated Board of Education administrative offices was substantially completed by July 15, 2011.

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. The District's Performance Index of 110.9 out of a possible 120 was the second highest of all public school districts within the state. The Ohio Department of Education and the State Board of Education are working on a new rating model that is required to be put in place for the 2011-2012 school year. Once the District has had a chance to review the new rating system, a determination can then be made on how best to adjust the educational program. Further, Kensington Intermediate School was recently awarded the distinction of becoming a national Blue Ribbon School for 2011 and Rocky River High School was recently nominated to apply for this award in 2012.

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 tenth 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 2011. 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 Dave Yost, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2011. 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, 2010.

This was the twentieth 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, Janice Denham, Margaret Donnelly, Jeanne MacLaren 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 Executive Director of Communications and Organizational Development, 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,

A handwritten signature in black ink, appearing to read "Greg R. Markus". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Greg R. Markus, CPA
Treasurer/CFO

A handwritten signature in black ink, appearing to read "Michael G. Shoaf". The signature is cursive and includes a period at the end.

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

Rocky River City School District

Principal Officials

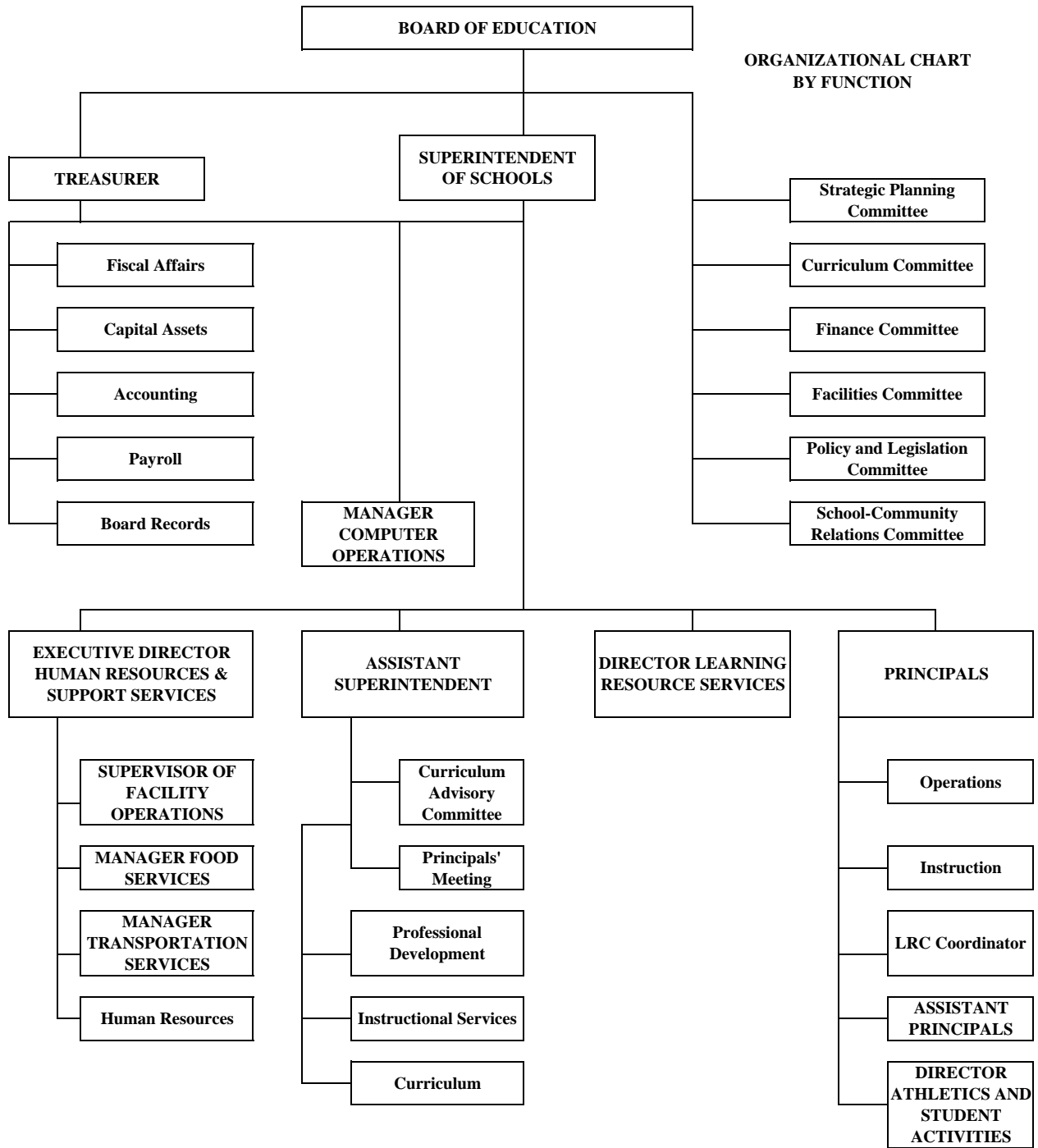
June 30, 2011

Board of Education

Scott E. Swartz President
Kathleen Goepfert Vice-President
Jon Fancher Member
Jay Milano Member
Jean A. Rounds Member

Administration

Michael G. Shoaf, Ed.D Superintendent
Elizabeth Anderson Assistant Superintendent
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, 2010

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.



Linda C. Dandson

President

Jeffrey R. Emer

Executive Director

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Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2011

Financial Section



ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Rocky River City School District
Cuyahoga County
1101 Morewood Parkway
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 the Rocky River City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2011, 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 the Rocky River City School District, Cuyahoga County, Ohio, as of June 30, 2011, and the respective changes in financial position 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.

As described in Note 3, the District implemented Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and restated June 30, 2010 fund balances due to a change in fund structure.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2011, 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 provide additional analysis and are 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.



Dave Yost
Auditor of State

December 23, 2011

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(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, 2011. 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 2011 are as follows:

The District in accordance with GASB Statement 54 restated net assets at June 30, 2010 as described in Note 3. In total, net assets of the governmental activities decreased \$.7 million from a restated balance of \$11.9 million at June 30, 2010 to \$11.2 million at June 30, 2011.

Total governmental activities revenues increased \$1.4 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 35.

Total governmental activities expenses increased \$4.4 million or 11.99 percent. The increase was primarily due to the construction project that the District entered into in fiscal year 2011.

Program revenue, revenue from specific fees and grants, decreased to 11.05 percent of all revenue from 11.54 percent in 2010. Over eighty-eight percent of governmental activities revenues come from general revenues, primarily property taxes.

Total capital assets, net increased from \$23.9 million at June 30, 2010 to \$26.9 million at June 30, 2011. This occurred as construction in progress more than offset depreciation expenses.

The District's outstanding long-term obligations increased to \$61.4 million at June 30, 2011 from \$19.0 million at June 30, 2010.

The District's major governmental funds are the general fund, bond retirement fund and building fund. The general fund had \$32.6 million in revenues and \$31.6 million in expenditures and other financing uses. During fiscal 2011, the general fund's fund balance increased \$1.0 million from a restated balance of \$.6 million to a balance of \$1.6 million.

The bond retirement fund had \$3.9 million in revenues and other financing sources and \$4.7 million in expenditures. During fiscal 2011, the bond retirement fund's fund balance decreased \$0.8 million from \$4.6 million to \$3.8 million.

The building fund had \$43.6 million in revenues and other financing sources and \$5.5 million in expenditures. During fiscal 2011, the building fund's fund balance increased \$38.1 million from a deficit of \$0.9 million to a positive \$37.2 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, 2011
(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 2011?" 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 47-48 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 building capital projects fund.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(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 49-52 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 2011 compared to the two prior years.

TABLE 1
Net Assets
(In millions)

	Governmental Activities 2011	Restated Governmental Activities 2010	Governmental Activities 2009
<u>Assets</u>			
Current and other assets	\$ 74.5	\$ 35.7	\$ 33.8
Capital assets, net	<u>26.9</u>	<u>23.9</u>	<u>24.7</u>
Total assets	<u>101.4</u>	<u>59.6</u>	<u>58.5</u>
<u>Liabilities</u>			
Current liabilities	28.8	28.7	28.1
Long-term liabilities	<u>61.4</u>	<u>19.0</u>	<u>20.8</u>
Total liabilities	<u>90.2</u>	<u>47.7</u>	<u>48.9</u>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	9.7	10.9	10.2
Restricted	4.1	5.6	4.9
Unrestricted (deficit)	<u>(2.6)</u>	<u>(4.6)</u>	<u>(5.5)</u>
Total net assets	<u>\$ 11.2</u>	<u>\$ 11.9</u>	<u>\$ 9.6</u>

Total Assets increased by \$41.8 million. Current assets increased \$38.8 million primarily due to the issuance of bonds for the current construction project which increased cash and cash equivalents by \$38.8 million. Capital assets increased by \$3.0 million as capital additions exceeded depreciation expense. The District acquired \$4.7 million in capital assets in fiscal 2011 due to the current construction project.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

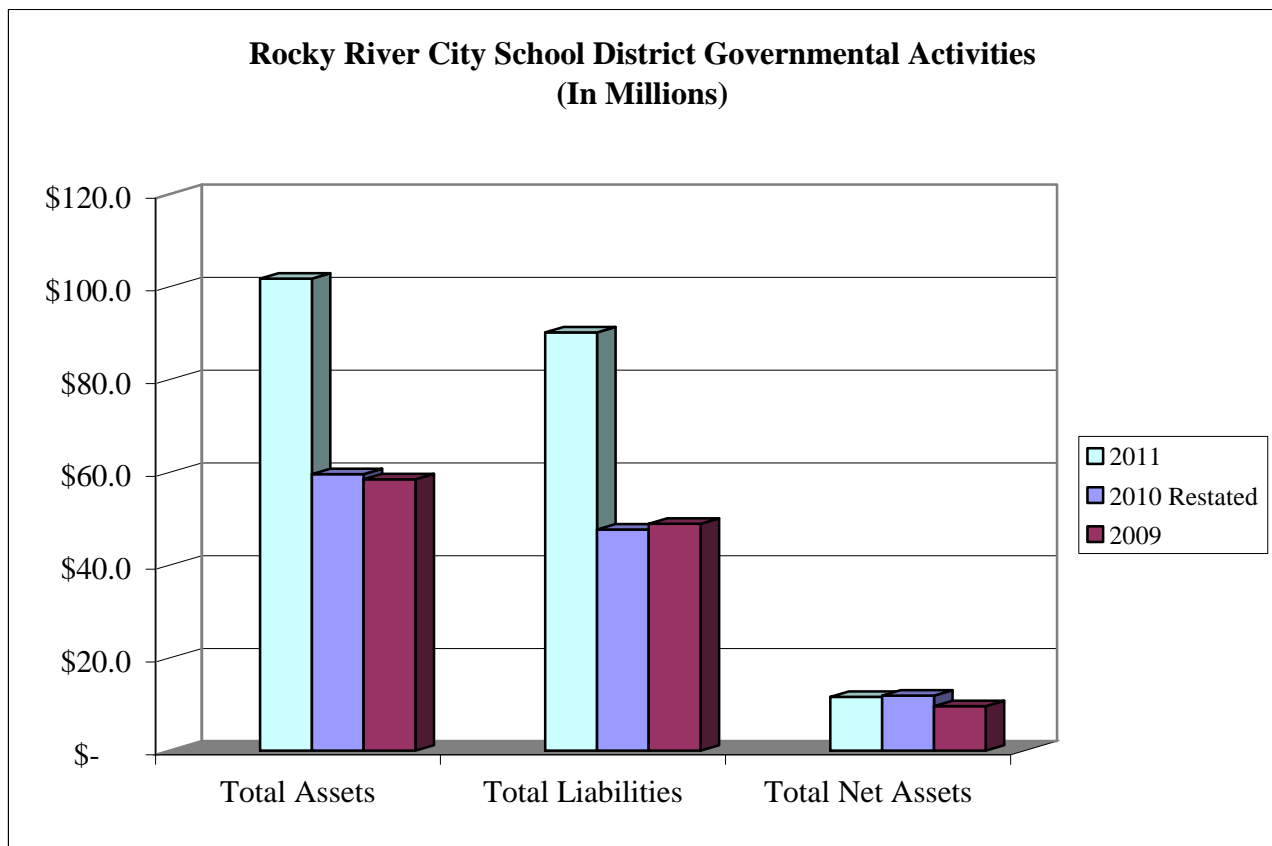
Total Liabilities increased by \$42.5 million. Long-term liabilities increased \$42.4 million as the District issued bonds to pay for the current construction project and other long-term obligations. Current liabilities increased by \$.1 million due to an increase in contracts and retainage payable due at June 30.

The unrestricted (deficit) portion of net assets of \$2.6 million at June 30, 2011 was a decrease of \$2.0 million from June 30, 2010.

Graph 1 below shows the District's governmental activities assets, liabilities and net assets for fiscal year 2011, 2010 and 2009.

Graph 1
Net Assets Governmental Activities
(In millions)

	2011	Restated 2010	2009
Total Assets	\$101.4	\$59.6	\$58.5
Total Liabilities	90.2	47.7	48.9
Total Net Assets	<u>\$11.2</u>	<u>\$11.9</u>	<u>\$9.6</u>



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

Governmental Activities

The District's assets increased by \$41.8 million, and total liabilities increased by \$42.5 million. As a result, net assets decreased \$0.7 million at the end of fiscal year 2011. Table 2 below shows the changes in governmental activities net assets for fiscal year 2011, 2010 and 2009.

Table 2
Changes in Net Assets
(In millions)

	Governmental Activities		
	2011	Restated 2010	2009
Revenues			
Program Revenues:			
Charges for Services and Sales	\$1.4	\$1.3	\$1.4
Operating Grants and Contributions	3.1	3.2	2.7
<i>Total Program Revenues</i>	<u>4.5</u>	<u>4.5</u>	<u>4.1</u>
General Revenues:			
Property Taxes	28.5	28.1	27.8
Grants and Entitlements	7.2	6.2	5.9
Other	0.3	0.3	0.2
<i>Total General Revenues</i>	<u>36.0</u>	<u>34.6</u>	<u>33.9</u>
<i>Total Revenues</i>	<u>40.5</u>	<u>39.1</u>	<u>38.0</u>
Program Expenses			
Instruction	21.5	20.4	19.2
Support Services:			
Pupils and Instructional Staff	3.3	3.1	2.7
Board of Education, Administration, Fiscal and Business	3.5	3.3	3.4
Operation and Maintenance of Plant	4.1	3.7	4.0
Pupil Transportation	1.8	1.5	1.6
Central	0.7	0.8	0.8
Operation of Non-Instructional Services:			
Food Service Operations	0.5	0.5	0.4
Other Non-Instructional Services	1.7	1.3	1.7
Extracurricular Activities	1.4	1.1	1.3
Interest and Fiscal Charges	2.7	1.1	1.2
<i>Total Expenses</i>	<u>41.2</u>	<u>36.8</u>	<u>36.3</u>
<i>Increase (Decrease) in Net Assets</i>	(0.7)	2.3	1.7
<i>Net Assets, July 1</i>	<u>11.9</u>	<u>9.6</u>	<u>7.9</u>
<i>Net Assets, June 30</i>	<u><u>\$11.2</u></u>	<u><u>\$11.9</u></u>	<u><u>\$9.6</u></u>

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

Total revenue for *governmental activities* increased \$1.4 million primarily due to an increase in tax revenue resulting from the amount of taxes available as an advance at June 30, 2011. In addition, the District had an increase in unrestricted grant and entitlement funding in fiscal year 2011 versus 2010 primarily due to Education Jobs revenue from the federal government.

Total expenses for *governmental activities* increased \$4.4 million.

Instruction expenses increased \$1.1 million primarily due to normal and customary wage and benefit increases coupled with increasing healthcare costs. This area accounts for 52.14 percent of District’s governmental activities expenses for 2011.

Support services expenses increased \$1.0 million primarily due to an increase in operations and maintenance program expenses. The increase is due to higher costs as the District began a construction project in fiscal 2011. Support services account for 32.50 percent of District’s governmental activities expenses for 2011.

Interest expenses increase \$1.6 million as the District issued new debt to pay for the construction project.

Program revenue support for governmental activities stayed the same as 2010. The percent of program revenue support stayed approximately the same as in 2010. Operating grants and contributions decreased primarily due to funding received from the federal government through the American Reinvestment and Recovery Act (ARRA) in 2010. The vast majority of revenue supporting governmental activities, over 88 percent, continues to be general revenue. 70.30 percent of total revenue, or \$28.5 million, for 2011 was property taxes paid by the residents in the District. Only \$7.2 million (17.74 percent of total revenue) came from unrestricted state or federal sources (general revenue source).

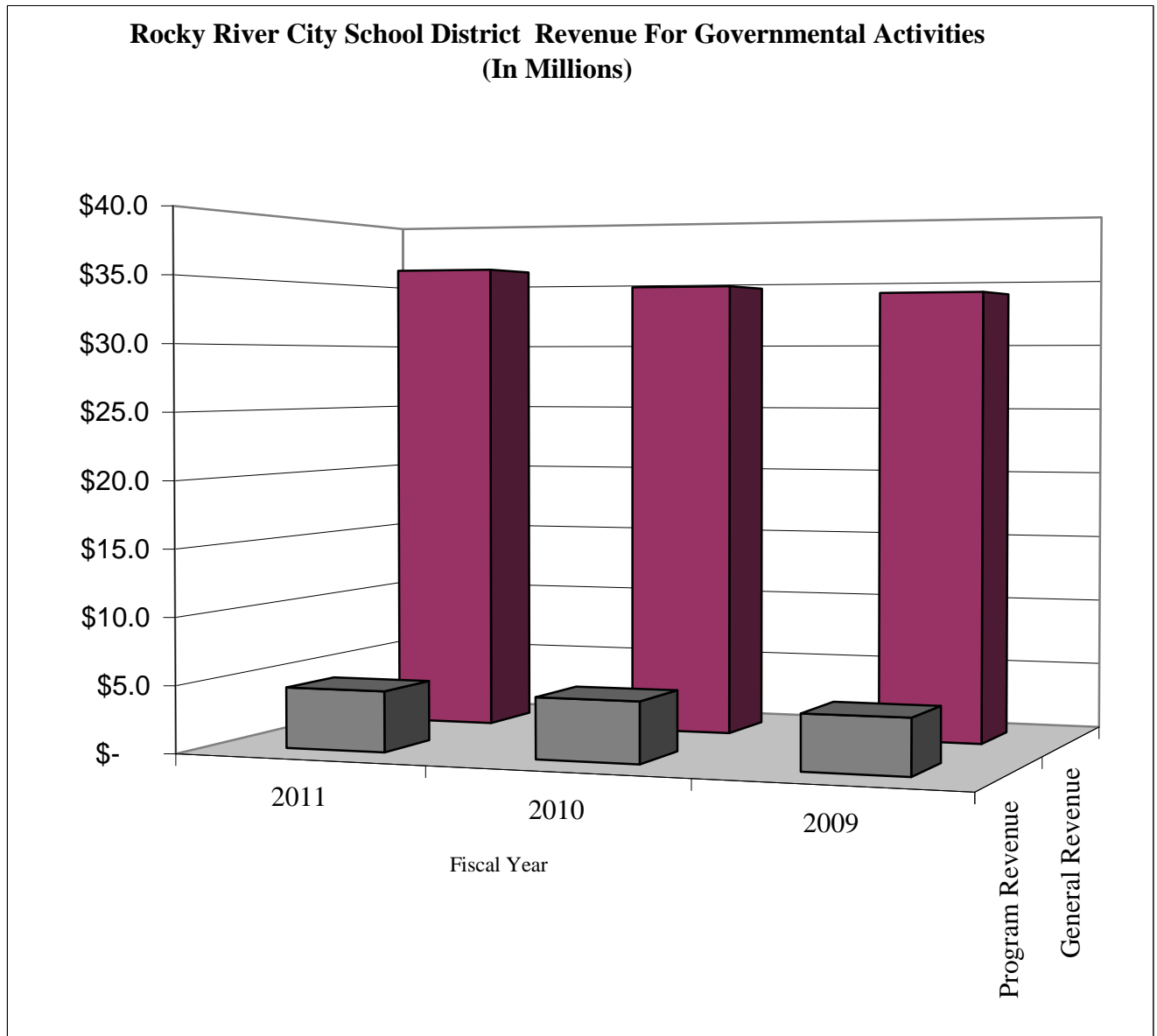
Graph 2 below shows a comparison of program revenues versus general revenue for the governmental activities for fiscal year 2011, 2010 and 2009.

Graph 2
Revenues for Governmental Activities
(In millions)

	2011	2010	2009
Program Revenue	\$4.5	\$4.5	\$4.1
General Revenue	36.0	34.6	33.9

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)



The District's property taxes increased \$0.4 million in 2011 due to the taxes available as an advance in fiscal 2011. 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, the District's dependency upon property taxes is 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 70.30 percent of revenues for governmental activities for District in fiscal year 2011.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(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 2011, 2010 and 2009.

Table 3
Governmental Activities
(In millions)

	2011		2010		2009	
	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	\$21.5	\$20.1	\$20.4	\$18.7	\$19.2	\$18.1
Support Services:						
Pupils and Instructional Staff	3.3	2.8	3.1	2.8	2.7	2.5
Board of Education, Administration, Fiscal and Business	3.5	3.4	3.3	3.3	3.4	3.4
Operation and Maintenance of Plant	4.1	4.0	3.7	3.6	4.0	3.8
Pupil Transportation	1.8	1.7	1.5	1.4	1.6	1.4
Central	0.7	0.7	0.8	0.8	0.8	0.7
Operation of Non-Instructional Services:						
Food service Operations	0.5	0.0	0.5	0.0	0.4	0.0
Other Non-Instructional Services	1.7	0.3	1.3	(0.2)	1.7	0.2
Extracurricular Activities	1.4	1.0	1.1	0.8	1.3	0.9
Interest and Fiscal Charges	2.7	2.7	1.1	1.1	1.2	1.2
Total	\$41.2	\$36.7	\$36.8	\$32.3	\$36.3	\$32.2

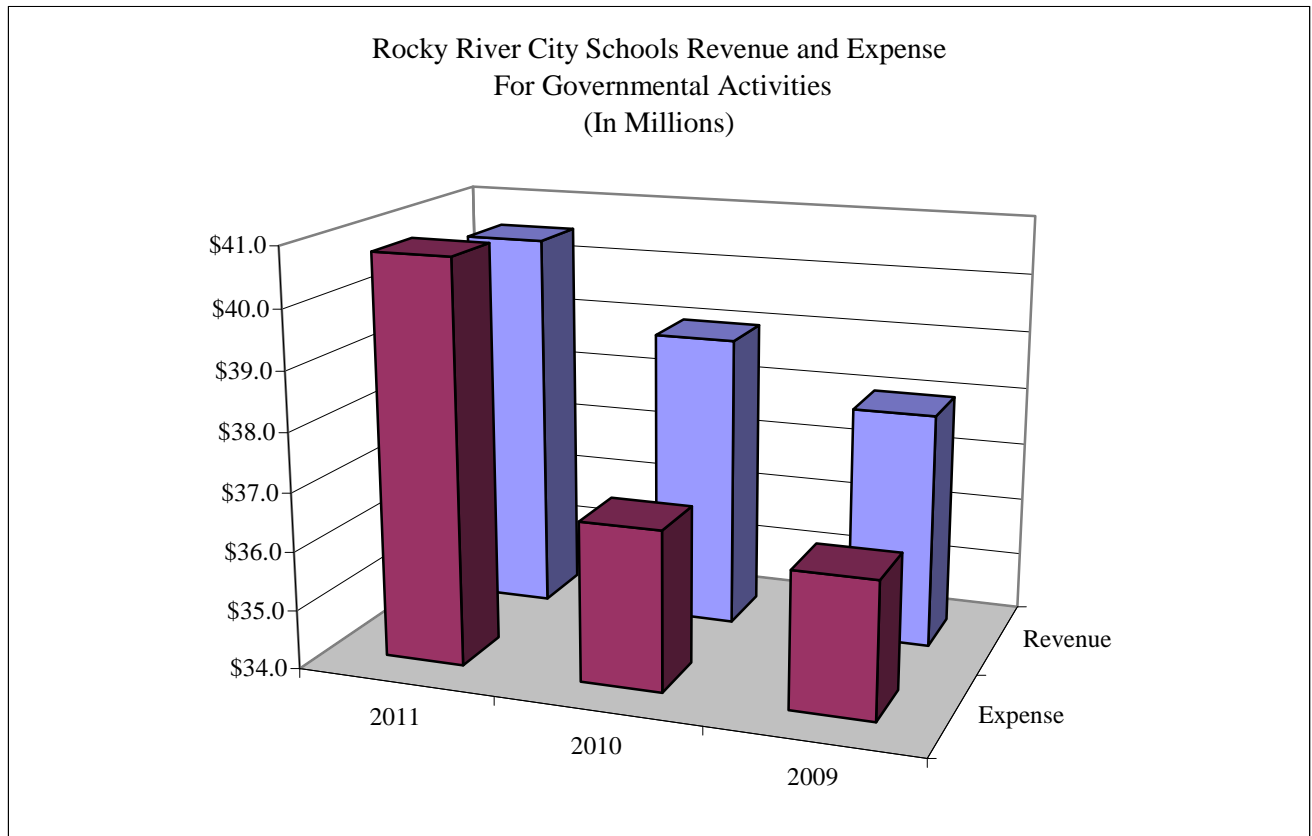
Graph 3 below shows the governmental activities revenues and expenses for fiscal year 2011, 2010 and 2009.

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

	2011	2010	2009
Revenue	\$40.5	\$39.0	\$38.0
Expense	41.2	36.8	36.3

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**



Program revenue for governmental activities in 2011 was \$4.5 million or 11.05 percent of all revenue. For 2010, program revenue was \$4.5 million, or 11.54 percent of all revenue. The largest expense area was instruction, comprising \$21.5 million, 52.14 percent of all governmental activity expenses.

The District's Governmental Funds

The District's major governmental funds are reported on pages 49 and 51. All governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$84.0 million and expenditures and other financing uses of \$46.0 million. The net change in fund balance for the year was most significant in the building fund. The building fund balance increased by \$38.1 million primarily due to the issuance of bonds during the year to pay for the District construction project. In addition, the general fund balance increased \$1.0 million. 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 6.5% 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, 2011
(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 2011, 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 of \$32.0 million was \$0.5 million higher than the original budget estimates of \$31.5 million. Final budgeted revenues were \$32.0 million which was the same as actual budget basis revenues.

Total expenditures on the budget basis (cash outlays plus encumbrances) were \$31.3 million. Actual expenditures were less than original budgeted expenditures of \$32.2 million and \$1.0 million less than final budgeted expenditures of \$32.3 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 53.

Capital Assets and Debt Administration

Capital Assets

Table 4 below reports the District's capital assets, net of accumulated depreciation, for fiscal year 2011, 2010 and 2009.

Table 4
Capital Assets, Net
(In millions)

	Governmental Activities		
	2011	2010	2009
Land and construction in progress	\$5.3	\$1.0	\$0.8
Land Improvements	1.2	1.2	1.3
Buildings and Improvements	18.7	20.0	20.9
Furniture and Equipment	1.1	1.0	1.0
Vehicles	0.6	0.7	0.7
<i>Total</i>	\$26.9	\$23.9	\$24.7

At the end of fiscal 2011, the District had \$26.9 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

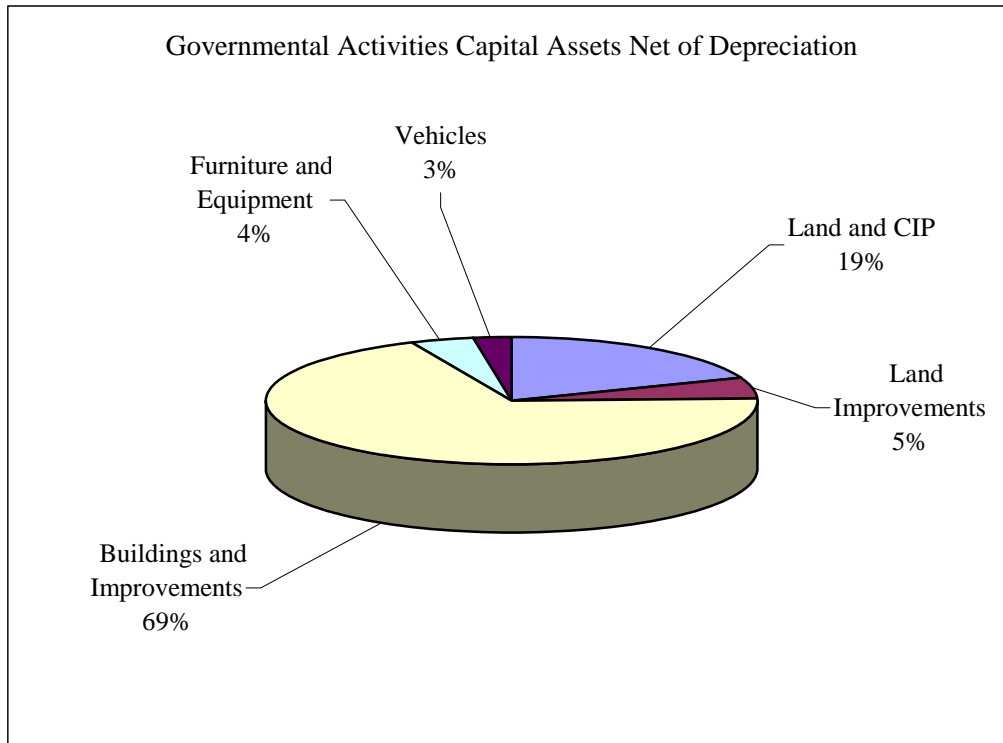
Total capital assets increased from \$23.9 million in 2010 to \$26.9 million for 2011. This increase was the result of capital acquisitions offsetting depreciation expense. The District acquired \$4.7 million in capital assets in fiscal 2011.

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

Graph 4 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, 2011.

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

	June 30, 2011
Land and construction in progress	\$5.3
Land Improvements	1.2
Building and Improvements	18.7
Furniture and Equipment	1.1
Vehicles	0.6
Total	\$26.9



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

Debt

At June 30, 2011 the District had \$55.2 million in bonds outstanding. Table 5 below summarizes the District's bonds outstanding at June 30, 2011, 2010 and 2009.

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

	Governmental Activities		
	2011	2010	2009
School Building General Obligation Bonds	\$54.2	\$12.6	\$13.9
School Building Refunding Bonds	1.0	1.9	2.6
<i>Total</i>	<u>\$55.2</u>	<u>\$14.5</u>	<u>\$16.5</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.

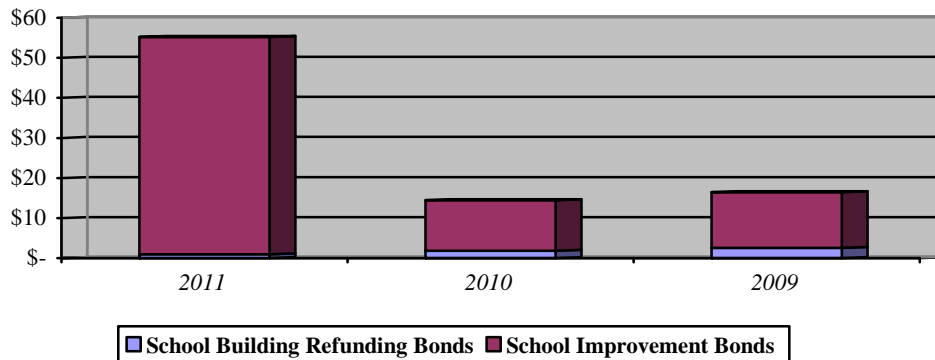
The School Building Refunding Bonds were issued in September 1996 in the amount of \$10.0 million to advance refund bonds issued in January 1991. The original issue of these bonds followed passage of a bond issue at the regular election held in November 1989.

The School Building Improvement Bonds were issued following the passage of the bond issue in May 2010. The bonds were issued in September 2010 in the amount of \$42.9 million. The proceeds of the issue are funding the construction project in the District.

For additional information on debt, see Note 11 to the basic financial statements. Graph 5 below shows the District's debt outstanding at June 30, 2011, 2010 and 2009.

Graph 5
Outstanding Debt at Year End

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



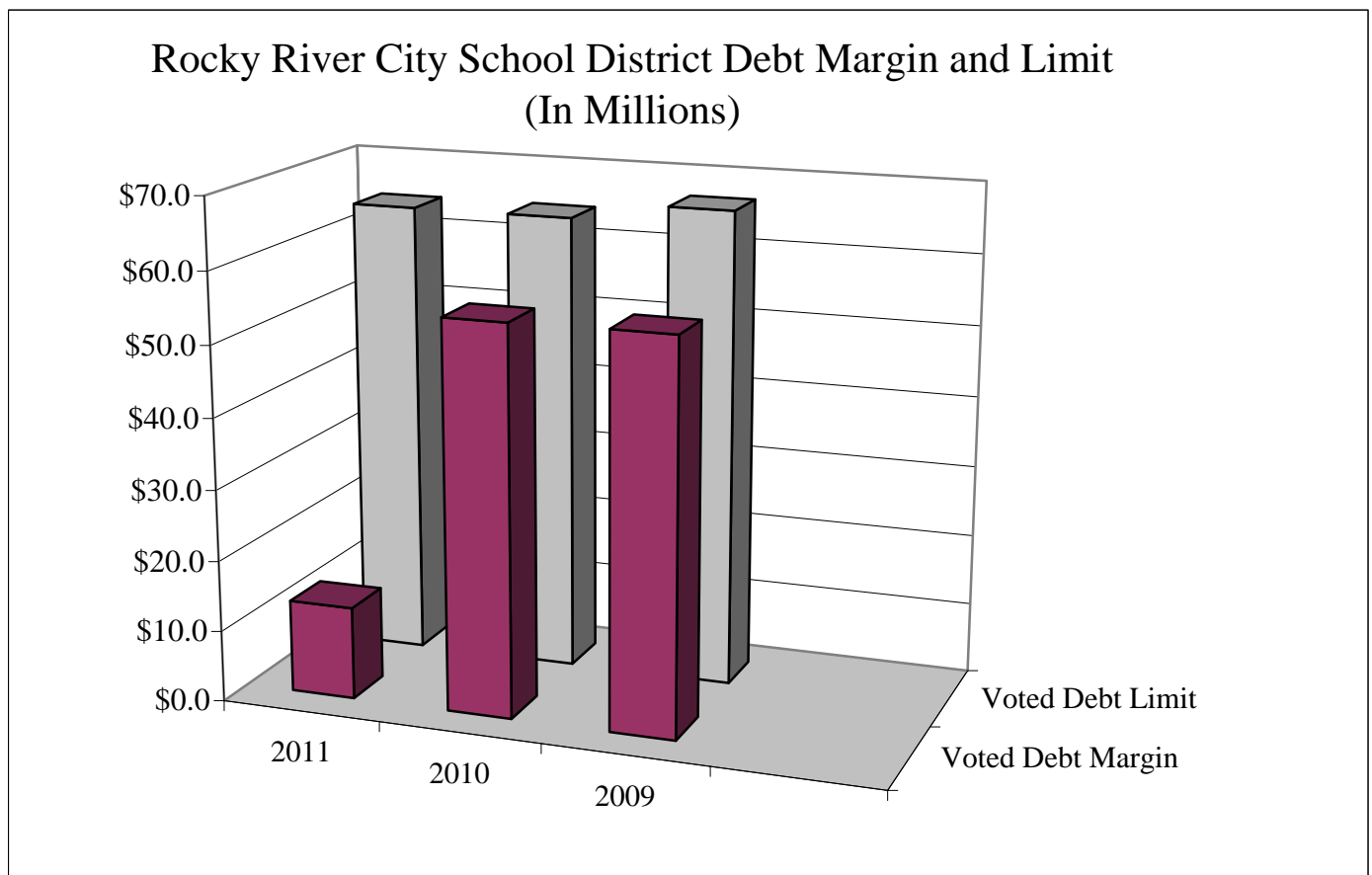
**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)**

Graph 6 below shows the District's legal debt limit and debt margin at June 30, 2011, 2010 and 2009.

Graph 6
Debt Limit and Margin
(In millions)

	2011	2010	2009
Voted Debt Limit	\$63.9	\$64.4	\$66.8
Voted Debt Margin	13.5	54.6	54.8



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(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 continued erosion of state funding support. As the preceding information shows, the District heavily depends on its property taxpayers. The most recent operating levy of 5.9 mills was passed back in May of 2008 for a continuing period of time. That levy was planned to enable the District to continue its currently excellent education program level for a three-year levy cycle. However, with the continued emphasis on controlling costs and becoming more efficient with available resources, the District was able to stretch the planned three-year levy cycle to four years. This was in spite of a loss of over \$800,000 in State of Ohio funding (describe in more detail below) starting in fiscal year 2012.

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 accelerated "phase out" of the personal property and public utility subsidy payments starting in fiscal year 2012) 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 to operate with a low General Fund cash balance in relation to total budget during fiscal year 2010 as well, although the District ended that year with a moderately larger unencumbered balance than it did at the end of fiscal year 2009. This trend continued to improve into fiscal year 2011 as the District ended the year slightly more than double the unencumbered balance from fiscal year 2010. 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.

The District continued some of the steps during fiscal year 2011 that were started back in fiscal year 2006 to stabilize the District's finances for the current fiscal year as well as for fiscal year 2012 and beyond in order to maintain and improve upon the District's educational and related programs. In March 2011, the District and both bargaining units agreed to a two-year contract for fiscal years 2012 and 2013 that did not include any base salary increases (only step increases). These agreements also called for significant concessions in health care, most notably the implementation of spousal language requiring spouses of employees to enroll in their employers' or retirement systems' insurance plan if certain conditions are met. These provisions also apply to all non-bargaining employees of the District. The District further addressed the employee health insurance 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, 2011
(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. This was significant going into fiscal year 2012 as the District had 23 employees (17 teachers, one administrator and five support staff) retire as of the end of fiscal year 2011, producing over \$700,000 in first-year savings for the District. 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 continued to be used during fiscal 2011, but are being eliminated for fiscal 2012, at which time those programs will need to be funded again for the most part by the District's General Fund.

As promised to the voters of the District during the last levy campaign in March 2008, the District included appropriations starting in fiscal year 2009 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 directing of resources continued during fiscal 2011 and has been addressed in the District's financial plan for fiscal year 2012 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 were 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 has progressed through the design phase for the high school, primary school and intermediate school, and as of June 2011, has entered the construction phase. The construction phase for renovated Board of Education administrative offices was substantially completed by July 15, 2011.

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. The District's Performance Index of 110.9 out of a possible 120 was the second highest of all public school districts within the state.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(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 no longer subjected to TPP tax. Ohio School Districts were to be fully "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 were then to be phased out starting in fiscal year 2014 through fiscal year 2018. The District began receiving these "hold harmless" payments in May of 2006. However, the revenue guarantee through fiscal 2013 was eliminated upon the adoption of Amended Substitute H.B. 153 that was signed into law on June 30, 2011. This house bill phases out the District's personal property tax reimbursement and the utility deregulation/SB3/KwH tax reimbursement revenue sources by fiscal year 2013. The impact on the District's revenues is a reduction of over \$815,236 for fiscal year 2012 and an *additional* \$445,684 in fiscal year 2013. The total reduction of revenue over the next four years of the District's forecast is \$3,465,908 over what was estimated based on previous law. This House Bill also removed all provisions of the "Evidenced Based Model" (EBM) that was in law previously. These changes along with the increasingly difficult climate for school levy passage will continue to create crucial issues to be dealt with by the District going forward.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, 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, 1101 Morewood Pkwy, 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, 2011

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 44,231,422
Receivables:	
Property taxes	29,357,283
Accounts	82,956
Accrued interest	21,755
Intergovernmental	386,967
Materials and supplies inventory	49,560
Inventory held for resale	18,297
Unamortized bond issuance costs	425,601
Capital assets:	
Land and construction in progress	5,343,174
Depreciable capital assets, net	21,559,129
Capital assets, net	26,902,303
 Total assets	 101,476,144
 Liabilities:	
Accounts payable	122,250
Contracts payable	926,769
Retainage payable	120,791
Accrued wages and benefits	2,568,251
Pension obligation payable	785,348
Intergovernmental payable	212,583
Unearned revenue	23,856,811
Accrued interest payable	263,892
Long-term liabilities:	
Due within one year	3,691,575
Due in more than one year	57,721,094
 Total liabilities	 90,269,364
 Net Assets:	
Invested in capital assets, net of related debt	9,708,418
Restricted for:	
Debt service	3,740,133
Locally funded programs	10,441
State funded programs	16,895
Federally funded programs	198,181
Student activities	19,659
Other purposes	69,157
Unrestricted (deficit)	(2,556,104)
 Total net assets	 \$ 11,206,780

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, 2011

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets
				Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 16,667,445	\$ 404,870	\$ 228,097	\$ (16,034,478)
Special	4,360,242	-	825,341	(3,534,901)
Vocational	423,993	-	-	(423,993)
Other	30,088	-	-	(30,088)
Support services:				
Pupil	2,639,569	74,474	330,673	(2,234,422)
Instructional staff	677,425	-	86,519	(590,906)
Board of education	36,911	-	-	(36,911)
Administration	2,104,742	43,429	4,138	(2,057,175)
Fiscal	814,365	9,619	-	(804,746)
Business	548,013	61,696	-	(486,317)
Operations and maintenance	4,085,468	53,775	-	(4,031,693)
Pupil transportation	1,803,409	6,947	95,618	(1,700,844)
Central	678,328	-	6,145	(672,183)
Operation of non-instructional services:				
Food service operations	459,911	317,847	112,829	(29,235)
Other non-instructional services	1,731,691	29,156	1,397,654	(304,881)
Extracurricular activities	1,394,445	372,949	18,441	(1,003,055)
Interest and fiscal charges	2,747,932	-	-	(2,747,932)
Totals	\$ 41,203,977	\$ 1,374,762	\$ 3,105,455	(36,723,760)

General Revenues:

Property taxes levied for:	
General purposes	25,017,106
Debt service	3,494,806
Grants and entitlements not restricted	
to specific programs	7,196,864
Investment earnings	166,881
Miscellaneous	203,200
Total general revenues	36,078,857
Change in net assets	(644,903)
Net assets at beginning of year (restated)	11,851,683
Net assets at end of year	\$ 11,206,780

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	<u>General</u>	<u>Bond Retirement</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 2,518,071	\$ 2,747,964	\$ 38,772,261	\$ 193,126	\$ 44,231,422
Receivables:					
Property taxes	25,432,777	3,924,506	-	-	29,357,283
Accounts	69,353	-	-	13,603	82,956
Accrued interest	3,584	-	17,967	204	21,755
Interfund loans	34,173	488,852	-	-	523,025
Intergovernmental	100,000	-	-	286,967	386,967
Materials and supplies inventory	46,873	-	-	2,687	49,560
Inventory held for resale	6,217	-	-	12,080	18,297
Total assets	<u>\$ 28,211,048</u>	<u>\$ 7,161,322</u>	<u>\$ 38,790,228</u>	<u>\$ 508,667</u>	<u>\$ 74,671,265</u>
Liabilities:					
Accounts payable	\$ 97,773	\$ -	\$ -	\$ 24,477	\$ 122,250
Contracts payable	-	-	926,769	-	926,769
Retainage payable	-	-	120,791	-	120,791
Accrued wages and benefits	2,533,648	-	2,742	31,861	2,568,251
Compensated absences payable	1,034,436	-	-	-	1,034,436
Intergovernmental payable	203,092	-	566	8,925	212,583
Pension obligation payable	763,589	-	3,867	17,892	785,348
Interfund loans payable	-	-	488,852	34,173	523,025
Deferred revenue	1,233,914	178,352	17,967	199,732	1,629,965
Unearned revenue	20,699,514	3,157,297	-	-	23,856,811
Total liabilities	<u>26,565,966</u>	<u>3,335,649</u>	<u>1,561,554</u>	<u>317,060</u>	<u>31,780,229</u>
Fund Balances:					
Nonspendable:					
Materials and supplies inventory	46,873	-	-	2,687	49,560
Inventory held for resale	6,217	-	-	12,080	18,297
Unclaimed monies	12,327	-	-	-	12,327
Restricted:					
Debt service	-	3,825,673	-	-	3,825,673
Capital improvements	-	-	37,228,674	-	37,228,674
Food service operations	-	-	-	64,945	64,945
Non-public schools	-	-	-	16,878	16,878
Special education	-	-	-	7,509	7,509
Other purposes	-	-	-	14,034	14,034
Extracurricular	-	-	-	19,659	19,659
Committed:					
Capital improvements	-	-	-	39,164	39,164
Other purposes	-	-	-	16,915	16,915
Assigned:					
Student instruction	69,569	-	-	-	69,569
Student and staff support	453,281	-	-	-	453,281
School supplies	22,881	-	-	-	22,881
Subsequent year appropriation	674,290	-	-	-	674,290
Unassigned	359,644	-	-	(2,264)	357,380
Total fund balances	<u>1,645,082</u>	<u>3,825,673</u>	<u>37,228,674</u>	<u>191,607</u>	<u>42,891,036</u>
Total liabilities and fund balances	<u>\$ 28,211,048</u>	<u>\$ 7,161,322</u>	<u>\$ 38,790,228</u>	<u>\$ 508,667</u>	<u>\$ 74,671,265</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, 2011

Total governmental fund balances		\$	42,891,036
<i>Amounts reported for governmental activities on 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.			26,902,303
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes receivable	\$	1,278,682	
Accounts receivable		130,000	
Accrued interest receivable		21,755	
Intergovernmental receivable		199,528	
Total		1,629,965	1,629,965
Unamortized bond issuance costs are not recognized in the funds.			425,601
Unamortized premiums on bond issuances are not recognized in the funds.			(433,711)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(263,892)
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		(55,237,640)	
Lease-purchase obligations		(212,619)	
Compensated absences		(4,494,263)	
Total		(59,944,522)	(59,944,522)
Net assets of governmental activities		\$	11,206,780

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, 2011

	<u>General</u>	<u>Bond Retirement</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Property taxes	\$ 25,067,115	\$ 3,454,325	\$ -	\$ -	\$ 28,521,440
Tuition	69,593	-	-	-	69,593
Transportation fees	7,004	-	-	-	7,004
Earnings on investments	62,702	-	86,131	1,491	150,324
Charges for services	-	-	-	317,847	317,847
Extracurricular	5,000	-	-	276,985	281,985
Classroom materials and fees	257,072	-	-	-	257,072
Rental income	60,138	-	136,916	72,149	269,203
Contributions and donations	56,788	-	-	41,287	98,075
Contract services	103,098	-	-	-	103,098
Other local revenues	137,608	-	7,575	141,977	287,160
Intergovernmental - state	6,035,999	468,296	-	1,206,773	7,711,068
Intergovernmental - federal	788,187	-	-	1,629,824	2,418,011
Total revenues	32,650,304	3,922,621	230,622	3,688,333	40,491,880
Expenditures:					
Current:					
Instruction:					
Regular	14,994,097	-	100,010	199,742	15,293,849
Special	3,385,193	-	-	842,960	4,228,153
Vocational	407,817	-	-	-	407,817
Other	28,808	-	-	-	28,808
Support services:					
Pupil	2,085,140	-	-	282,438	2,367,578
Instructional staff	622,517	-	-	89,514	712,031
Board of education	35,503	-	-	-	35,503
Administration	1,985,661	-	-	73,591	2,059,252
Fiscal	711,319	55,912	14,665	-	781,896
Business	398,799	-	94,057	45	492,901
Operations and maintenance	3,604,207	-	-	13,780	3,617,987
Pupil transportation	1,624,216	-	-	11,082	1,635,298
Central	677,378	-	-	11,986	689,364
Operation of non-instructional services:					
Food service operations	-	-	-	442,084	442,084
Other non-instructional services	24,054	-	-	1,641,109	1,665,163
Extracurricular activities	924,936	-	-	418,125	1,343,061
Facilities acquisition and construction	-	-	4,875,019	10,265	4,885,284
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	86,121	2,425,000	-	15,759	2,526,880
Interest and fiscal charges	8,665	2,268,441	11,062	2,235	2,290,403
Bond issuance costs	-	-	435,150	-	435,150
Total expenditures	31,604,431	4,749,353	5,529,963	4,054,715	45,938,462
Excess of revenues over (under) expenditures	1,045,873	(826,732)	(5,299,341)	(366,382)	(5,446,582)
Other financing sources (uses):					
Premium on bonds sold	-	8,299	435,150	-	443,449
Sale of bonds	-	-	42,900,000	-	42,900,000
Transfers in	-	-	-	30,378	30,378
Transfers (out)	(30,378)	-	-	-	(30,378)
Lease-purchase transaction	-	-	100,000	-	100,000
Total other financing sources (uses)	(30,378)	8,299	43,435,150	30,378	43,443,449
Net change in fund balances	1,015,495	(818,433)	38,135,809	(336,004)	37,996,867
Fund balances at beginning of year (restated)	629,587	4,644,106	(907,135)	527,611	4,894,169
Fund balances at end of year	\$ 1,645,082	\$ 3,825,673	\$ 37,228,674	\$ 191,607	\$ 42,891,036

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, 2011

Net change in fund balances - total governmental funds \$ 37,996,867

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.

Capital asset additions	\$ 4,678,023	
Current year depreciation	(1,705,795)	
Total		2,972,228

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Delinquent tax revenue	(9,528)	
Interest income	17,472	
Rental income	(15,000)	
Intergovernmental revenue	74,250	
Total		67,194

Repayment of bond and lease-purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were:

Bonds	2,425,000	
Lease-purchase	101,880	
Total		2,526,880

Issuance of bonds and lease-purchase transactions are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net assets:

Bonds	(42,900,000)	
Lease-purchase obligations	(100,000)	
Total		(43,000,000)

Premiums on bonds and bond issuance costs related to the issuance of bonds are amortized over the life of the issuance in the statement of activities. The following transactions occurred in the year:

Premiums on bonds issued	(443,449)	
Bond issuance costs incurred	435,150	
Total		(8,299)

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 in the statement of activities:

Increase in accrued interest payable	(189,920)	
Accretion of interest on "capital appreciation bonds"	(267,798)	
Amortization of bond issuance costs	(9,549)	
Amortization of bond premiums	9,738	
Total		(457,529)

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 the governmental funds.

(742,244)

Change in net assets of governmental activities **\$ (644,903)**

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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 25,273,521	\$ 24,974,363	\$ 24,882,962	\$ (91,401)
Tuition	60,000	60,000	61,433	1,433
Transportation fees	2,500	2,500	-	(2,500)
Earnings on investments	141,617	141,617	66,367	(75,250)
Classroom materials and fees	35,095	35,104	44,137	9,033
Rental income	70,000	70,000	88,687	18,687
Contributions and donations	500	5,500	50	(5,450)
Contract services	52,500	52,500	90,627	38,127
Other local revenues	20,000	20,000	1,108	(18,892)
Intergovernmental - state	5,831,408	5,820,117	5,955,876	135,759
Intergovernmental - federal	-	788,187	788,187	-
Total revenues	<u>31,487,141</u>	<u>31,969,888</u>	<u>31,979,434</u>	<u>9,546</u>
Expenditures:				
Current:				
Instruction:				
Regular	14,240,110	14,527,141	14,417,204	109,937
Special	3,491,353	3,559,415	3,553,558	5,857
Vocational	430,000	408,000	407,817	183
Other	31,136	47,660	47,298	362
Support services:				
Pupil	1,882,100	1,872,228	1,842,291	29,937
Instructional staff	752,595	744,091	694,246	49,845
Board of education	33,111	36,458	36,440	18
Administration	2,069,329	2,078,000	2,051,515	26,485
Fiscal	1,485,619	991,652	843,898	147,754
Business	549,700	550,549	398,702	151,847
Operations and maintenance	3,824,912	3,873,830	3,667,239	206,591
Pupil transportation	1,647,253	1,720,922	1,694,177	26,745
Central	893,310	908,164	719,129	189,035
Extracurricular activities	828,279	901,155	891,616	9,539
Facilities acquisition and construction	300	300	-	300
Debt service:				
Principal	40,000	40,000	40,000	-
Total expenditures	<u>32,199,107</u>	<u>32,259,565</u>	<u>31,305,130</u>	<u>954,435</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(711,966)</u>	<u>(289,677)</u>	<u>674,304</u>	<u>963,981</u>
Other financing sources (uses):				
Refund of prior year's expenditures	25,000	59,422	59,422	-
Transfers out	(70,000)	(84,274)	(37,791)	46,483
Sale of assets	500	3,010	3,237	227
Total other financing sources (uses)	<u>(44,500)</u>	<u>(21,842)</u>	<u>24,868</u>	<u>46,710</u>
Net change in fund balance	(756,466)	(311,519)	699,172	1,010,691
Fund balance at beginning of year (restated).	850,485	850,485	850,485	-
Prior year encumbrances appropriated	378,593	378,593	378,593	-
Fund balance at end of year	<u>\$ 472,612</u>	<u>\$ 917,559</u>	<u>\$ 1,928,250</u>	<u>\$ 1,010,691</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, 2011

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 19,352	\$ 111,964
Receivables:		
Accrued interest.	29	173
Total assets.	19,381	\$ 112,137
Liabilities:		
Accounts payable.	3,090	\$ 547
Due to students.	-	111,590
Total liabilities	3,090	\$ 112,137
Net assets:		
Held in trust for scholarships	16,291	
Total net assets	\$ 16,291	

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, 2011

	Private-Purpose Trust
	Scholarship
Additions:	
Interest.	\$ 56
Gifts and contributions.	27,082
Total additions.	27,138
 Deductions:	
Scholarships awarded	31,500
Change in net assets.	(4,362)
Net assets at beginning of year (restated) .	20,653
Net assets at end of year.	\$ 16,291

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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 certified, 146 non-certified and 17 administrative personnel who provide services to 2,612 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 187th largest by enrollment among the 918 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) guidance 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, 2011

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 2011. 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 \$91,637 to LNOCA during fiscal year 2011. 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 (Council) is a jointly governed organization among 126 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2011, the District paid participation fees of \$2,062 to the Council. Financial information can be obtained by contacting Dr. David A. 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, 2011

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

The District participates in the natural gas purchase program. This program allows the District to purchase natural gas at reduced rates. Energy USA served as the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. Compass Energy has been selected as the new supplier and program manager for the period from October 1, 2010 through March 31, 2013. There are currently 143 participants in the program including the Rocky River City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

The District also participates in the Council's Power4Schools Electric Program. This program has exclusively endorsed FirstEnergy Solutions as the program electric supplier for school districts in Ohio Edison, The Illuminating Company and Toledo Edison service areas for the period after June 1, 2011. Participating school districts receive a fixed price of 5.28 cents per kilowatt-hour for electric generation until May 2014. In May 2014, participating school districts can lock in either a new fixed price or a percent off the Price to Compare through December 2019 – whichever offers a greater savings for the school district.

INSURANCE PURCHASING POOL

Suburban Health Consortium

The Suburban Health Consortium (the "Consortium") is a shared health risk pool created on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverage's for their employees and the eligible dependents and designated beneficiaries of such employees. The Consortium was formed and operates as a legally separate entity under Ohio Revised Code Section 9.833. The Board of Directors shall be the governing body of the Consortium. The Board of Education of each Consortium Member shall appoint its Superintendent or such Superintendent's designee to be its representative of the Board of Directors. The officers of the Board of Directors shall consist of a Chairman, Vice-Chairman and Recording Secretary, who shall be elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium shall be exercised by or under the direction of the Board of Directors. The Board of Directors shall also set all premiums and other amounts to be paid by the Consortium Members, and the Board of Directors shall also have the authority to waive premiums and other payments. All members of the Board of Directors shall serve without compensation.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (North Royalton City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement. Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred eighty (180) days prior to the effective date of withdrawal.

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal, a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from Richard McIntosh, Treasurer of the North Royalton City School District (the "Fiscal Agent") at 6579 Royalton Road, North Royalton, Ohio 44133.

Ohio Schools' Council Workers' Compensation Group Rating Program

The Ohio Schools' Council Workers' Compensation Group Rating Program (the "Plan") is an insurance purchasing pool (see Note 13.C.). The plan is intended to reduce premiums for the participants. 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 Plan.

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, 2011

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 used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The bond retirement fund is used to account for and report financial resources that are restricted to expenditure for principal and interest.

Building fund - The building fund is used to account for and report financial resources that are restricted to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets not reported in the building fund and b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

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 four classifications: investment trust funds, pension trust funds, 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, 2011

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, 2011

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, 2011, but which were levied to finance fiscal year 2012 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, 2011 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, 2011

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 2011, investments were limited to non-negotiable certificates of deposit, Federal Home Loan Bank (FHLB) bonds, Federal Farm Credit bank (FFCB) bonds, commercial paper, 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 non-negotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2011. 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, 2011.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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 2011 amounted to \$62,702 which includes \$41,571 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.

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

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, 2011

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

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

<u>Description</u>	Governmental Activities <u>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 \$488,852 in interfund loans receivable/payable related to internal borrowings (manuscript bonds) between governmental funds and \$34,173 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, 2011

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, 2011, 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

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

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

N. 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.

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 food service operations and special trust funds.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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

Q. Unamortized Bond Issuance Costs and Bond Premiums

On government-wide financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight-line method. Unamortized issuance costs are recorded as a separate line item on the statement of net assets.

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

On the governmental fund financial statements, issuance costs and bond premiums are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net assets is presented in Note 11.

R. 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 2011.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2011, the District has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and GASB Statement No. 59, "Financial Instruments Omnibus".

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 also clarifies the definitions of governmental fund types.

GASB Statement No. 59 updates and improves guidance for financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of GASB Statement No. 59 did not have an effect on the financial statements of the District.

B. Fund Reclassifications

Fund reclassifications are required in order to report funds in accordance with GASB Statement No 54. In addition, the District reclassified certain private-purpose trust funds to the Special Trust special revenue fund to properly report the intended purpose of the funds. The permanent improvement fund is no longer reported as a major fund in fiscal year 2011 and the Building fund is considered a major fund in fiscal year 2011. The reclassification of these funds have been reflected in the table below so the restated balances at July 1, 2010 can be traced to the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental funds.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

These fund reclassifications mentioned above had the following effect on the District's governmental fund balances as previously reported:

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Building</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Fund balance as previously reported	\$ 370,638	\$ 4,644,106	\$ 60,493	\$ -	\$ (226,090)	\$ 4,849,147
Permanent improvement fund no longer major fund	-	-	(60,493)	-	60,493	-
Building fund now a major fund	-	-	-	(907,135)	907,135	-
Fund reclassifications: Private-purpose trust to nonmajor governmental	-	-	-	-	45,022	45,022
GASB No 54 reclassifications:						
Public school support fund	75,807	-	-	-	(75,807)	-
Building rotary fund	148,920	-	-	-	(148,920)	-
Beach building fund	10,226	-	-	-	(10,226)	-
Uniform school supplies fund	23,996	-	-	-	(23,996)	-
Total fund reclassifications	<u>258,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(213,927)</u>	<u>45,022</u>
Restated fund balance at July 1, 2010	<u>\$ 629,587</u>	<u>\$ 4,644,106</u>	<u>\$ -</u>	<u>\$ (907,135)</u>	<u>\$ 527,611</u>	<u>\$ 4,894,169</u>

Except for the fund reclassification from private-purpose trust to nonmajor governmental, the fund reclassifications did not have an effect on net assets as previously reported. The reclassification of funds from the private-purpose trust fund to the special trust nonmajor governmental fund had the following effect on net assets as previously reported in the private-purpose trust fund and the governmental activities:

	<u>Private-Purpose Trust</u>	<u>Governmental Activities</u>
Net assets as previously reported	\$ 65,675	\$ 11,806,661
Fund reclassification	<u>(45,022)</u>	<u>45,022</u>
Restated net assets ay July 1, 2010	<u>\$ 20,653</u>	<u>\$ 11,851,683</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Budgetary Prior Period Adjustment

In prior years certain funds that are legally budgeted in separate special revenue funds were considered part of the general fund on a budgetary basis. The District has elected to report only the legally budgeted general fund in the budgetary statement; therefore, a restatement to the beginning budgetary balance is required. The restatement of the general fund's budgetary-basis fund balance at June 30, 2010 is as follows:

	General Fund
Fund balance at June 30, 2010	\$ 862,812
Funds budgeted elsewhere	(12,327)
Restated fund balance at July 1, 2010	\$ 850,485

D. Deficit Fund Balances

Fund balances at June 30, 2011 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Title III	\$ 33
Title I	2,083
Title II-A	148

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 balances resulted from adjustments for accrued liabilities.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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, 2011

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, 2011, the carrying amount of all District deposits, including \$2,875,000 in non-negotiable certificates of deposit, was \$31,365,336. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2011, \$27,114,544 of the District’s bank balance of \$31,796,061 was exposed to custodial risk as discussed below, while \$4,681,517 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, 2011, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater Than 24 months</u>
FHLB bonds	\$ 3,018,360	\$ -	\$ -	\$ 1,019,300	\$ 999,870	\$ 999,190
FFCB bonds	1,753,343	-	-	-	1,753,343	-
Commercial paper	7,994,240	7,994,240	-	-	-	-
STAR Ohio	231,259	231,259	-	-	-	-
Total	\$ 12,997,202	\$ 8,225,499	\$ -	\$ 1,019,300	\$ 2,753,213	\$ 999,190

The weighted average maturity of investments is .84 years.

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, 2011

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The District's investments in federal agency securities were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. STAR Ohio was rated AAAM by Standard & Poor's. The commercial paper was rated A1+ and P1 by Moody's and Standard & Poor's, respectively. The District has no investment policy that would further limit its investment choices.

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 federal agency securities and commercial paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. 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, 2011:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLB bonds	\$ 3,018,360	23.22
FFCB bonds	1,753,343	13.49
Commercial paper	7,994,240	61.51
STAR Ohio	<u>231,259</u>	<u>1.78</u>
	<u>\$ 12,997,202</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, 2011:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 31,365,336
Investments	12,997,202
Cash on hand	<u>200</u>
Total	<u>\$ 44,362,738</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 44,231,422
Private-purpose trust fund	19,352
Agency fund	<u>111,964</u>
Total	<u>\$ 44,362,738</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund loans receivable/payable consisted of the following at June 30, 2011, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Bond retirement	Building fund	\$ 488,852
General fund	Nonmajor governmental funds	<u>34,173</u>
Total		<u>\$ 523,025</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 notes and bonds that were issued during fiscal year 2004, 2009 and 2010. During fiscal year 2011, the District retired \$454,706 in manuscript notes and reissued \$368,852 in manuscript notes. In addition, the District retired \$40,000 in manuscript bonds.

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, 2011, consisted of the following, as reported on the fund statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	<u>\$ 30,378</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
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 6 - PROPERTY TAXES - (Continued)

Property taxes include amounts levied against all real property and public utility property located within the District. Real property tax revenues received in calendar year 2011 represent the collection of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed values as of January 1, 2010, 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 2011 represent the collection of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien on December 31, 2009, were levied after April 1, 2010, 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.

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, 2011, are available to finance fiscal year 2011 operations. The amount available as an advance at June 30, 2011 was \$3,632,933 in the general fund and \$588,857 in the bond retirement debt service fund. This amount is recorded as revenue. The amount available for advance at June 30, 2010 was \$3,448,703 in the general fund and \$413,334 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 delinquent tangible personal property taxes which are measurable as of June 30, 2011 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.

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second Half Collections		2011 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 708,948,780	99.07	\$ 703,240,090	99.04
Public utility personal	<u>6,680,600</u>	<u>0.93</u>	<u>6,831,460</u>	<u>0.96</u>
Total	<u>\$ 715,629,380</u>	<u>100.00</u>	<u>\$ 710,071,550</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 82.70		\$ 84.30	

**ROCKY RIVER CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 7 - RECEIVABLES

Receivables at June 30, 2011 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:

Property taxes	\$ 29,357,283
Accounts	82,956
Intergovernmental	386,967
Accrued interest	<u>21,755</u>
Total governmental activities	<u>\$ 29,848,961</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 2011, 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 agreement bears an interest rate of 4.47%.

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 agreement bears interest rates of 4.81% and 4.294%.

Capital assets consisting of computers have been capitalized in the amount of \$421,818. 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 2011 of \$86,121 and \$15,759 were paid by the general fund and the permanent improvement fund (a nonmajor governmental fund), respectively.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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, 2011:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2012	\$ 101,230
2013	71,680
2014	<u>53,686</u>
Total minimum lease payments	226,596
Less amount representing interest	<u>(13,977)</u>
Total	<u>\$ 212,619</u>

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2011</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 770,821	\$ -	\$ -	\$ 770,821
Construction in progress	<u>292,550</u>	<u>4,279,803</u>	<u>-</u>	<u>4,572,353</u>
Total capital assets, not being depreciated	<u>1,063,371</u>	<u>4,279,803</u>	<u>-</u>	<u>5,343,174</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,313,549	10,800	-	2,324,349
Building/improvements	45,450,481	48,926	-	45,499,407
Furniture/equipment	4,396,221	338,494	(4,759)	4,729,956
Vehicles	<u>1,585,720</u>	<u>-</u>	<u>-</u>	<u>1,585,720</u>
Total capital assets, being depreciated	<u>53,745,971</u>	<u>398,220</u>	<u>(4,759)</u>	<u>54,139,432</u>
<i>Accumulated depreciation:</i>				
Land improvements	(1,072,649)	(59,671)	-	(1,132,320)
Building/improvements	(25,534,249)	(1,243,012)	-	(26,777,261)
Furniture/equipment	(3,353,388)	(304,642)	4,759	(3,653,271)
Vehicles	<u>(918,981)</u>	<u>(98,470)</u>	<u>-</u>	<u>(1,017,451)</u>
Total accumulated depreciation	<u>(30,879,267)</u>	<u>(1,705,795)</u>	<u>4,759</u>	<u>(32,580,303)</u>
Governmental activities capital assets, net	<u>\$ 23,930,075</u>	<u>\$ 2,972,228</u>	<u>\$ -</u>	<u>\$ 26,902,303</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction:		
Regular	\$	793,936
Special		167,707
Vocational		16,176
Other		1,143
Support Services:		
Pupil		93,908
Instructional staff		28,242
Board of education		1,408
Administration		81,679
Fiscal		31,013
Business		19,551
Operations and maintenance		143,505
Pupil transportation		163,330
Central		27,343
Operation of non-instructional:		
Food service operations		17,535
Other non-instructional services		66,047
Extracurricular activities		53,272
Total depreciation expense	\$	<u>1,705,795</u>

NOTE 10 - CONTRACTUAL COMMITMENTS

As of June 30, 2011, the District had the following contractual purchase commitments outstanding:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
AAA American Abatement and Asbestos Removal Co.	Asbestos removal at Rocky River H.S. and Kensington	\$ 43,950
Bailey Communications, Inc.	Installation server and phones at Board of Education (BOE) offices	52,179
Burt, Hill, Inc.	Architect and design services	1,284,511
Electro-Analytical	Asbestos abatement consulting at Rocky River H.S. and Kensington	78,753
Enertech Electrical, Inc.	Electrical installation and alterations at Kensington	275,455
Harner Plumbing, Inc.	Plumbing installation at BOE offices	25,444
John G. Johnson Construction Co.	Plumbing installation and general contractor services at Kensington	1,332,400
Lake Erie Electric, Inc.	Electrical installation and alterations at BOE offices	41,898
North Olmsted Board of Education	Special education and related services	30,000
P K Mechanical, Inc.	HVAC additions and alterations at BOE offices and Kensington	698,800
Project and Construction Services, Inc.	Construction manager services	1,623,331
R.J. Martin Electrical Services, Inc.	Electrical installation and alterations at BOE offices	43,428
Seitz Builders, Inc.	General Contractor for BOE offices	274,395
Soil and Materials Engineers, Inc.	Soil testing related to Rocky River H.S. construction project	60,000
Vasco Asphalt Company	Rocky River H.S. stadium track improvements	305,843
Total		<u>\$ 6,170,386</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 11 - LONG-TERM OBLIGATIONS

A. The following is a schedule of the changes in long-term obligations during fiscal year 2011:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds:					
Series 2010 school improvement:					
Current interest bonds	\$ -	\$ 42,480,000	\$ -	\$ 42,480,000	\$ 5,000
Capital appreciation bonds	-	420,000	-	420,000	-
Accretion on capital appreciation bonds	-	18,031	-	18,031	-
Series 1998 school improvement:					
Current interest bonds	12,605,000	-	(1,310,000)	11,295,000	1,370,000
Series 1996 school improvement refunding:					
Capital appreciation bonds	185,480	-	(100,584)	84,896	84,896
Accretion on capital appreciation bonds	1,704,362	249,767	(1,014,416)	939,713	939,713
Total general obligation bonds	<u>14,494,842</u>	<u>43,167,798</u>	<u>(2,425,000)</u>	<u>55,237,640</u>	<u>2,399,609</u>
Lease-purchase obligations	214,499	100,000	(101,880)	212,619	93,193
Compensated absences	<u>4,314,687</u>	<u>1,629,594</u>	<u>(415,582)</u>	<u>5,528,699</u>	<u>1,198,773</u>
Total governmental activities long-term liabilities	<u>\$ 19,024,028</u>	<u>\$ 44,897,392</u>	<u>\$ (2,942,462)</u>	60,978,958	<u>\$ 3,691,575</u>
Add: Unamortized premiums on bonds				<u>433,711</u>	
Total on statement of net assets				<u>\$ 61,412,669</u>	

School Improvement Bonds - Series 2010

On September 28, 2010, the District issued \$42,900,000, in general obligation school improvement bonds, including \$3,140,000 in serial bonds, \$28,500,000 in term Build America Bonds (BABs) and \$11,260,000 in sinking fund Qualified School Construction Bonds (QSCBs). Proceeds from the bond issue are being used to construct, renovate, remodel, add to, furnish, equip or otherwise improve school district buildings and facilities. The bonds were sold at a premium of \$443,449. Principal payments on the bonds are due December 1 or each year while interest payments are due on June 1 and December 1 of each year. Principal and interest payments are made from the bond retirement fund.

The serial bonds consist of current interest bonds, par value \$2,720,000, and capital appreciation bonds, par value \$420,000. The current interest serial bonds were issued for a seven year period with a final maturity at December 1, 2017. The serial bonds mature on December 1 in each year 2011 through 2017 and bear interest rates ranging from 1.0 percent to 4.0 percent. The serial bonds are not subject to redemption prior to maturity.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The capital appreciation bonds mature on December 1, 2027 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The effective interest rate on the capital appreciation bonds is 6.305%. The accreted value at maturity for the capital appreciation bond is \$1,220,000. Total accreted interest of \$18,031 has been included in the statement of net assets at June 30, 2011.

The BABs mature on December 1, 2030, December 1, 2035 and December 1, 2044 in the amounts of \$3,785,000, \$7,315,000 and \$17,400,000, respectively. These BABs bear interest rates ranging from 5.582 percent to 6.332 percent. The District receives a direct payment subsidy from the United States Treasury equal to thirty-five percent of the corresponding interest payments due on the BABs. The District records this subsidy from the federal government in the general fund. The BABs are subject to optional redemption and extraordinary optional redemption prior to maturity, at the sole discretion of the District, at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date. The BABs are subject to mandatory sinking fund redemption as follows:

<u>Year</u>	<u>Mandatory Sinking Fund Redemption</u>
2028	\$ 1,220,000
2029	1,260,000
2030	1,305,000
2031	1,355,000
2032	1,405,000
2033	1,460,000
2034	1,520,000
2035	1,575,000
2036	1,635,000
2037	1,705,000
2038	1,775,000
2039	1,845,000
2040	1,925,000
2041	2,000,000
2042	2,085,000
2043	2,170,000
2044	<u>2,260,000</u>
Total	<u>\$ 28,500,000</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The QSCBs mature on December 1, 2026 in the amount of \$11,260,000. The QSCBs bear an interest rate of 5.068 percent. The District receives a direct payment subsidy from the United States Treasury equal to 100% of the lesser of the interest payments on the bonds or the federal tax credits that would otherwise have been available to the holders of the bonds. The District records this subsidy from the federal government in the general fund. The QSCBs are subject to optional redemption, on any date on or after December 31, 2020, and extraordinary optional redemption, at the sole discretion of the District, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date. On December 1 in each year 2020 through 2026, the District is required to make a mandatory deposit into a sinking fund that will provide for payment of the QSCBs upon maturity. The QSCBs are subject to mandatory sinking fund requirements on each December 1 as follows:

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>
2017	\$ 495,000
2018	1,130,000
2019	1,205,000
2020	1,205,000
2021	1,205,000
2022	1,205,000
2023	1,205,000
2024	1,205,000
2025	1,205,000
2026	<u>1,200,000</u>
Total	<u>\$ 11,260,000</u>

School Improvement Bonds - Series 1998

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.

School Improvement Refunding Bonds - Series 1996

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. At June 30, 2011, \$1,070,000 of defeased bonds remained outstanding.

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The refunding issue was comprised of both current interest bonds, par value \$9,690,000, and capital appreciation bonds, par value \$304,128. The current interest bonds, with interest rates ranging from 4.25%-5.75%, were retired in fiscal year 2009. The capital appreciation bonds mature on June 1 in each year 2010 to 2012 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. During fiscal year 2011, capital appreciation bonds matured at a maturity value of \$1,115,000. At June 30, 2011, the accreted value at maturity for the remaining capital appreciation bonds is \$1,115,000. This year, the addition on the capital appreciation bonds was \$249,767, which represents the annual accretion of discounted interest. Total accreted interest of \$939,713 has been included in the statement of net assets at June 30, 2011.

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, including mandatory sinking fund requirements, to retire bonded debt:

Fiscal Year Ending	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 1,375,000	\$ 2,985,892	\$ 4,360,892	\$ 84,896	\$ 1,030,104	\$ 1,115,000
2013	1,450,000	2,910,188	4,360,188	-	-	-
2014	1,530,000	2,830,308	4,360,308	-	-	-
2015	1,610,000	2,746,114	4,356,114	-	-	-
2016	2,715,000	2,642,149	5,357,149	-	-	-
2017 - 2021	9,370,000	11,845,660	21,215,660	-	-	-
2022 - 2026	6,025,000	11,588,145	17,613,145	-	-	-
2027 - 2031	4,985,000	8,708,015	13,693,015	420,000	800,000	1,220,000
2032 - 2036	7,315,000	6,626,579	13,941,579	-	-	-
2037 - 2041	8,885,000	4,147,934	13,032,934	-	-	-
2042 - 2045	8,515,000	1,105,727	9,620,727	-	-	-
Total	\$ 53,775,000	\$ 58,136,711	\$ 111,911,711	\$ 504,896	\$ 1,830,104	\$ 2,335,000

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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, 2011, are a voted debt margin of \$13,452,217 (including available funds of \$3,825,673) and an unvoted debt margin of \$549,792.

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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 12 - COMPENSATED ABSENCES - (Continued)

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 chose 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 2011, 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.

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	\$ 105,682,351
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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 13 - RISK MANAGEMENT - (Continued)

B. Group Health, Dental, Life and Vision Insurance

For fiscal year 2011, the District provided employee major medical, preventative care and prescription benefits through a self-insured program through the Suburban Health Consortium and administered by Medical Mutual of Ohio. The Suburban Health Consortium (the "Consortium") is a legally separate entity organized under Ohio Revised Code Section 9.833 as a joint self-insurance pool (see Note 2.A). The Consortium was established on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverage for their employees and the eligible dependents and designated beneficiaries of such employees. 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 funding rate (3% is employee portion of the funding rate contribution) of \$1,295.38 as of October 1, 2010, for family coverage and \$522.13 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 funding rate is generally paid by the fund that pays the salary for the employee.

The District also provides employee dental benefits through a fully insured insurance program administered by United Health Care 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. As of October 1, 2010, premium rates were \$81.27 for a family plan and \$24.41 for a single plan per employee per month for the UCR ("Buy-Up") plan for all certificated, classified and administrative staff. The District is responsible for 60% of these premiums for all employees who choose this option with exception of administrators for whom the District pays 100% of these premiums. The employee is responsible for the other 40%. As of October 1, 2010, premium rates were \$55.61 for a family plan and \$16.70 for a single plan per employee per month for the fee schedule ("Core") plan for all certificated and classified staff who choose this option. The District is responsible for 80% of these premiums and the employee is responsible for the other 20% for all employees who choose this option. 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. These rates are guaranteed by United Health Care through September 30, 2012. The premium is generally paid by the fund that pays the salary for the employee.

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 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. The Superintendent and Treasurer are covered for higher limits at comparable rates.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

NOTE 13 - RISK MANAGEMENT - (Continued)

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 Schools Council 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 Sheakley Uniservice, 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 "*Media/Financial Reports*".

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 2011, 11.77 percent and 0.04 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, 2011, 2010 and 2009 were \$542,013, \$561,748 and \$385,507, respectively; 53.66 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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 website at www.strsoh.org, under "Publications".

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 2011, 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, 2011, 2010 and 2009 were \$1,990,622, \$1,913,237 and \$1,854,674, respectively; 82.55 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$52,278 made by the District and \$37,341 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, 2011, 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
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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 Section 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 2011 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 "*Media/Financial Reports*".

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 2011, 1.43 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. For fiscal year 2011, the actuarially determined amount was \$35,800.

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, 2011, 2010 and 2009 were \$131,627, \$83,599 and \$258,620, respectively; 53.66 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2011, 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, 2011, 2010, and 2009 were \$34,880, \$33,406 and \$31,808, respectively; 53.66 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

**ROCKY RIVER CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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, under "Publications" 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 2011, 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, 2011, 2010 and 2009 were \$153,125, \$141,172 and \$142,667, respectively; 82.55 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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 and disbursements.

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. 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);

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (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 assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget 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	\$ 699,172
Net adjustment for revenue accruals	267,507
Net adjustment for expenditure accruals	(243,124)
Net adjustment for other sources/uses	(55,246)
Funds budgeted elsewhere	(33,667)
Adjustment for encumbrances	380,853
GAAP basis	<u>\$ 1,015,495</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the unclaimed monies fund, the uniform school supplies fund, the Beach building fund, the building rotary fund and the public school support fund.

NOTE 18 - SET-ASIDES

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 fiscal year-end. These amounts must be carried forward to be used for the same purposes in future years.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

NOTE 18 - SET-ASIDES - (Continued)

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

	<u>Textbooks</u>	<u>Capital Improvements</u>
Set-aside balance June 30, 2010	\$ -	\$ -
Current year set-aside requirement	408,572	408,572
Contributions in excess of the current fiscal year set-aside requirement	-	-
Current year qualifying expenditures	(473,434)	(875,498)
Excess qualified expenditures from prior years	(217,645)	-
Current year offsets	-	-
Waiver granted by ODE	-	-
Prior year offset from bond proceeds	-	-
Total	<u>\$ (282,507)</u>	<u>\$ (466,926)</u>
Balance carried forward to fiscal year 2012	<u>\$ -</u>	<u>\$ -</u>
Set-aside balance June 30, 2011	<u>\$ -</u>	<u>\$ -</u>

The District had current year qualifying disbursements and excess qualified disbursements from prior years that reduced the textbook set-aside amount to below zero. Effective July 1, 2011, the textbook set-aside is no longer required and has been removed from existing law. This negative balance is therefore not being presented as being carried forward to the future fiscal year.

Although the District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital improvements set-aside, this amount may not be used to reduce the set-aside requirement for future fiscal years. The negative balance is therefore not presented as being carried forward to future fiscal years. During fiscal year 2011, the District issued \$42,900,000 in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to zero. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$42,900,000 at June 30, 2011.

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES
SUPPLEMENTAL INFORMATION

ROCKY RIVER CITY SCHOOL DISTRICT

MAJOR FUNDS

General Fund

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. These general fund's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation and administration.

OTHER MAJOR FUNDS

Bond Retirement Fund

The bond retirement fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Building Fund

This building fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or other capital assets.

**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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 25,273,521	\$ 24,974,363	\$ 24,882,962	\$ (91,401)
Tuition	60,000	60,000	61,433	1,433
Transportation	2,500	2,500	-	(2,500)
Earnings on investments	141,617	141,617	66,367	(75,250)
Classroom materials and fees	35,095	35,104	44,137	9,033
Rentals	70,000	70,000	88,687	18,687
Contributions and donations	500	5,500	50	(5,450)
Contract services	52,500	52,500	90,627	38,127
Other local revenues	20,000	20,000	1,108	(18,892)
Intergovernmental - State	5,831,408	5,820,117	5,955,876	135,759
Intergovernmental - federal	-	788,187	788,187	-
<i>Total revenues.</i>	<u>31,487,141</u>	<u>31,969,888</u>	<u>31,979,434</u>	<u>9,546</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	10,007,376	10,007,373	9,913,254	94,119
Fringe benefits	3,537,487	3,602,479	3,595,448	7,031
Purchased services	339,685	536,669	536,040	629
Materials and supplies	224,834	261,346	254,045	7,301
Capital outlay	70,667	83,484	82,627	857
Other	60,061	35,790	35,790	-
<i>Total instruction-regular.</i>	<u>14,240,110</u>	<u>14,527,141</u>	<u>14,417,204</u>	<u>109,937</u>
Instruction-special:				
Salaries and wages	2,429,931	2,477,029	2,476,978	51
Fringe benefits	899,460	915,460	915,252	208
Purchased services	136,646	142,284	141,449	835
Materials and supplies	16,316	17,529	14,606	2,923
Capital outlay	9,000	7,113	5,273	1,840
<i>Total instruction-special</i>	<u>3,491,353</u>	<u>3,559,415</u>	<u>3,553,558</u>	<u>5,857</u>
Instruction-vocational:				
Purchased services	430,000	408,000	407,817	183
<i>Total instruction-vocational</i>	<u>430,000</u>	<u>408,000</u>	<u>407,817</u>	<u>183</u>
Instruction-other:				
Salaries and wages	20,426	34,200	34,200	-
Fringe benefits	10,710	13,460	13,098	362
<i>Total instruction-other</i>	<u>31,136</u>	<u>47,660</u>	<u>47,298</u>	<u>362</u>
Support services-pupil:				
Salaries and wages	1,260,630	1,260,630	1,254,543	6,087
Fringe benefits	384,205	388,205	387,423	782
Purchased services	202,646	196,268	175,979	20,289
Materials and supplies	33,819	26,195	23,911	2,284
Capital outlay	400	400	-	400
Other	400	530	435	95
<i>Total support services-pupil</i>	<u>1,882,100</u>	<u>1,872,228</u>	<u>1,842,291</u>	<u>29,937</u>

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**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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-instructional staff:				
Salaries and wages	\$ 473,233	\$ 474,177	\$ 442,439	\$ 31,738
Fringe benefits	208,061	209,210	195,950	13,260
Purchased services	43,579	44,783	42,609	2,174
Materials and supplies	12,492	12,990	10,417	2,573
Capital outlay	15,200	2,896	2,796	100
Other	30	35	35	-
Total support services-instructional staff	752,595	744,091	694,246	49,845
Support services-board of education:				
Salaries and wages	12,500	12,500	12,500	-
Fringe benefits	-	2,376	2,358	18
Purchased services	9,423	10,001	10,001	-
Materials and supplies	358	242	242	-
Other	10,830	11,339	11,339	-
Total support services-board of education	33,111	36,458	36,440	18
Support services-administration:				
Salaries and wages	1,428,868	1,428,868	1,427,948	920
Fringe benefits	614,652	614,652	592,324	22,328
Purchased services	13,605	17,669	15,057	2,612
Materials and supplies	6,601	6,030	5,416	614
Capital outlay	1,700	6,604	6,604	-
Other	3,903	4,177	4,166	11
Total support services-administration.	2,069,329	2,078,000	2,051,515	26,485
Support services-fiscal:				
Salaries and wages	177,935	244,673	244,673	-
Fringe benefits	782,093	213,426	90,908	122,518
Purchased services	59,844	70,344	65,218	5,126
Materials and supplies	2,290	2,290	1,985	305
Capital outlay	-	462	462	-
Other	463,457	460,457	440,652	19,805
Total support services-fiscal	1,485,619	991,652	843,898	147,754
Support services-business:				
Salaries and wages	122,163	122,163	98,760	23,403
Fringe benefits	49,083	49,083	42,929	6,154
Purchased services	291,895	294,198	191,093	103,105
Materials and supplies	48,509	45,461	31,285	14,176
Capital outlay	4,200	5,794	1,934	3,860
Other	33,850	33,850	32,701	1,149
Total support services-business	549,700	550,549	398,702	151,847

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**ROCKY RIVER CITY SCHOOL DISTRICT
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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, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-operations and maintenance:				
Salaries and wages	\$ 1,400,485	\$ 1,402,584	\$ 1,402,584	\$ -
Fringe benefits	543,086	598,967	598,400	567
Purchased services	1,519,192	1,501,903	1,299,833	202,070
Materials and supplies.	238,396	271,862	269,088	2,774
Capital outlay	122,778	97,539	97,119	420
Other	975	975	215	760
Total support services-operations and maintenance	<u>3,824,912</u>	<u>3,873,830</u>	<u>3,667,239</u>	<u>206,591</u>
Support services-pupil transportation:				
Salaries and wages	802,800	823,852	821,146	2,706
Fringe benefits	277,799	318,382	317,487	895
Purchased services	309,145	306,569	305,047	1,522
Materials and supplies.	238,979	214,379	198,623	15,756
Capital outlay	18,480	57,480	51,814	5,666
Other	50	260	60	200
Total support services-pupil transportation	<u>1,647,253</u>	<u>1,720,922</u>	<u>1,694,177</u>	<u>26,745</u>
Support services-central:				
Salaries and wages	405,195	405,195	336,824	68,371
Fringe benefits	359,880	359,880	242,890	116,990
Purchased services	117,143	130,839	127,351	3,488
Materials and supplies.	7,777	7,781	7,620	161
Capital outlay	1,000	3,246	3,246	-
Other	2,315	1,223	1,198	25
Total support services-central	<u>893,310</u>	<u>908,164</u>	<u>719,129</u>	<u>189,035</u>
Extracurricular activities:				
Salaries and wages	650,803	704,763	702,109	2,654
Fringe benefits	134,961	153,277	152,425	852
Purchased services	36,294	36,294	32,522	3,772
Materials and supplies.	4,921	5,521	4,560	961
Capital outlay	1,300	1,300	-	1,300
Total extracurricular activities.	<u>828,279</u>	<u>901,155</u>	<u>891,616</u>	<u>9,539</u>
Facilities acquisition and construction				
Purchased services	300	300	-	300
Total facilities acquisition and construction	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</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>
<i>Total expenditures</i>	<u>32,199,107</u>	<u>32,259,565</u>	<u>31,305,130</u>	<u>954,435</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of revenues over expenditures</i>	\$ (711,966)	\$ (289,677)	\$ 674,304	\$ 963,981
Other financing sources (uses):				
Refund of prior year's expenditures	25,000	59,422	59,422	-
Sale of capital assets	500	3,010	3,237	227
Transfers out.	(70,000)	(84,274)	(37,791)	46,483
<i>Total other financing sources (uses)</i>	(44,500)	(21,842)	24,868	46,710
<i>Net change in fund balance</i>	(756,466)	(311,519)	699,172	1,010,691
<i>Fund balance at beginning of year (restated).</i>	850,485	850,485	850,485	-
<i>Prior year encumbrances appropriated.</i>	378,593	378,593	378,593	-
<i>Fund balance at end of year</i>	<u>\$ 472,612</u>	<u>\$ 917,559</u>	<u>\$ 1,928,250</u>	<u>\$ 1,010,691</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 3,310,651	\$ 3,187,224	\$ 3,278,806	\$ 91,582
Intergovernmental - State	472,950	468,401	468,296	(105)
<i>Total revenues.</i>	<u>3,783,601</u>	<u>3,655,625</u>	<u>3,747,102</u>	<u>91,477</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	25,050	55,912	55,912	-
Total support services-fiscal	<u>25,050</u>	<u>55,912</u>	<u>55,912</u>	<u>-</u>
Debt service:				
Principal retirement.	1,410,584	1,410,584	1,410,584	-
Interest and fiscal charges	2,352,307	3,282,857	3,282,857	-
Total debt service	<u>3,762,891</u>	<u>4,693,441</u>	<u>4,693,441</u>	<u>-</u>
<i>Total expenditures</i>	<u>3,787,941</u>	<u>4,749,353</u>	<u>4,749,353</u>	<u>-</u>
<i>Excess of revenues under expenditures</i>	(4,340)	(1,093,728)	(1,002,251)	91,477
Other financing sources:				
Proceeds from sale of notes	-	8,299	8,299	-
<i>Total other financing sources</i>	<u>-</u>	<u>8,299</u>	<u>8,299</u>	<u>-</u>
<i>Net change in fund balance</i>	(4,340)	(1,085,429)	(993,952)	91,477
<i>Fund balance at beginning of year</i>	4,230,768	4,230,768	4,230,768	-
<i>Fund balance at end of year.</i>	<u>\$ 4,226,428</u>	<u>\$ 3,145,339</u>	<u>\$ 3,236,816</u>	<u>\$ 91,477</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 FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Interest	\$ 81,973	\$ 81,973	\$ 85,686	\$ 3,713
Other revenue	-	-	7,575	7,575
<i>Total revenues.</i>	<u>81,973</u>	<u>81,973</u>	<u>93,261</u>	<u>11,288</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	-	10	10	-
Capital outlay	-	100,000	100,000	-
<i>Total instruction-regular.</i>	<u>-</u>	<u>100,010</u>	<u>100,010</u>	<u>-</u>
Support services-fiscal				
Purchased services	32,000	15,800	14,665	1,135
Other	-	435,150	435,150	-
<i>Total support services-fiscal</i>	<u>32,000</u>	<u>450,950</u>	<u>449,815</u>	<u>1,135</u>
Support services-business				
Salaries and wages	-	65,066	64,948	118
Fringe benefits	-	21,997	21,934	63
<i>Total support services-business</i>	<u>-</u>	<u>87,063</u>	<u>86,882</u>	<u>181</u>
Facilities acquisition and construction:				
Purchased services	2,788,528	5,400,079	5,399,429	650
Capital outlay	859,430	4,971,333	4,970,709	624
Other	20,000	77,758	77,044	714
<i>Total facilities acquisition and construction.</i>	<u>3,667,958</u>	<u>10,449,170</u>	<u>10,447,182</u>	<u>1,988</u>
<i>Total expenditures</i>	<u>3,699,958</u>	<u>11,087,193</u>	<u>11,083,889</u>	<u>3,304</u>
<i>Excess of revenues (under) expenditures</i>	<u>(3,617,985)</u>	<u>(11,005,220)</u>	<u>(10,990,628)</u>	<u>14,592</u>
Other financing sources:				
Premium on bonds and notes sold	-	-	435,150	435,150
Proceeds from sale of bonds	42,902,050	42,902,050	42,900,000	(2,050)
Proceeds from sale of notes	200,000	200,000	100,000	(100,000)
<i>Total other financing sources</i>	<u>43,102,050</u>	<u>43,102,050</u>	<u>43,435,150</u>	<u>333,100</u>
<i>Net change in fund balance</i>	39,484,065	32,096,830	32,444,522	347,692
<i>Fund balance at beginning of year</i>	121	121	121	-
<i>Fund balance at end of year.</i>	<u>\$ 39,484,186</u>	<u>\$ 32,096,951</u>	<u>\$ 32,444,643</u>	<u>\$ 347,692</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 167,565	\$ 25,561	\$ 193,126
Receivables:			
Accounts	-	13,603	13,603
Accrued interest	165	39	204
Intergovernmental	286,967	-	286,967
Materials and supplies inventory	2,687	-	2,687
Inventory held for resale	12,080	-	12,080
	<u>\$ 469,464</u>	<u>\$ 39,203</u>	<u>\$ 508,667</u>
Total assets	\$ 469,464	\$ 39,203	\$ 508,667
Liabilities:			
Accounts payable	\$ 24,477	\$ -	\$ 24,477
Accrued wages and benefits	31,861	-	31,861
Intergovernmental payable	8,925	-	8,925
Pension obligation payable	17,892	-	17,892
Interfund loan payable	34,173	-	34,173
Deferred revenue	199,693	39	199,732
	<u>317,021</u>	<u>39</u>	<u>317,060</u>
Total liabilities	317,021	39	317,060
Fund Balances:			
Nonspendable:			
Materials and supplies inventory	2,687	-	2,687
Inventory held for resale	12,080	-	12,080
Restricted:			
Food service operations	64,945	-	64,945
Non-public schools	16,878	-	16,878
Special education	7,509	-	7,509
Other purposes	14,034	-	14,034
Extracurricular	19,659	-	19,659
Committed			
Capital improvements	-	39,164	39,164
Other purposes	16,915	-	16,915
Unassigned (deficit)	(2,264)	-	(2,264)
	<u>152,443</u>	<u>39,164</u>	<u>191,607</u>
Total fund balances	152,443	39,164	191,607
Total liabilities and fund balances	\$ 469,464	\$ 39,203	\$ 508,667

**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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Earnings on investments	\$ 1,438	\$ 53	\$ 1,491
Charges for services	317,847	-	317,847
Extracurricular activities	276,985	-	276,985
Rentals	-	72,149	72,149
Contributions and donations	41,287	-	41,287
Other local revenues	83,960	58,017	141,977
Intergovernmental - State	1,206,773	-	1,206,773
Intergovernmental - Federal	1,629,824	-	1,629,824
	<hr/>	<hr/>	<hr/>
Total revenue	3,558,114	130,219	3,688,333
Expenditures:			
Current:			
Instruction:			
Regular	178,784	20,958	199,742
Special	842,960	-	842,960
Support services:			
Pupil	282,438	-	282,438
Instructional staff	89,514	-	89,514
Administration	4,304	69,287	73,591
Business	-	45	45
Operations and maintenance of plant	-	13,780	13,780
Pupil transportation	-	11,082	11,082
Central	7,997	3,989	11,986
Operation of non-instructional services:			
Food service operations	442,084	-	442,084
Other non-instructional services	1,637,149	3,960	1,641,109
Extracurricular activities	417,937	188	418,125
Facilities acquisition and construction	-	10,265	10,265
Debt service:			
Principal retirement	-	15,759	15,759
Interest and fiscal charges	-	2,235	2,235
	<hr/>	<hr/>	<hr/>
Total expenditures	3,903,167	151,548	4,054,715
Excess of revenues (under) expenditures	(345,053)	(21,329)	(366,382)
Other financing sources:			
Transfers in	30,378	-	30,378
	<hr/>	<hr/>	<hr/>
Total other financing sources	30,378	-	30,378
Net change in fund balances	(314,675)	(21,329)	(336,004)
Fund balances			
at beginning of year (restated)	467,118	60,493	527,611
	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ 152,443	\$ 39,164	\$ 191,607
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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.

Special Trust 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.

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 Systems Fund

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

Data Communication Fund

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

Education Jobs Fund

This fund accounts for federal monies whose purpose is to create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary

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.

Education Stabilization

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.

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.

ROCKY RIVER CITY SCHOOL DISTRICT

FUND DESCRIPTIONS - NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

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.

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

Unclaimed Monies Fund

This fund accounts for the unclaimed monies within the District. These monies must be held for a period of time, after that time period passes, the monies may be returned to the general fund.

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.

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Food Service	Special Trust	Other Grants	District Managed Student Activity
Assets:				
Equity in pooled cash and cash equivalents	\$ 81,736	\$ 16,915	\$ 10,441	\$ 23,837
Receivables:				
Accrued interest	126	-	-	-
Intergovernmental	-	-	-	-
Materials and supplies inventory	2,687	-	-	-
Inventory held for resale	12,080	-	-	-
Total assets.	\$ 96,629	\$ 16,915	\$ 10,441	\$ 23,837
Liabilities:				
Accounts payable	\$ 798	\$ -	\$ -	\$ 4,126
Accrued wages and benefits	4,814	-	-	-
Intergovernmental payable	1,270	-	-	52
Pension obligation payable	9,909	-	-	-
Interfund loan payable	-	-	-	-
Deferred revenue	126	-	-	-
Total liabilities.	16,917	-	-	4,178
Fund Balances:				
Nonspendable:				
Materials and supplies inventory	2,687	-	-	-
Inventory held for resale	12,080	-	-	-
Restricted:				
Food service operations	64,945	-	-	-
Non-public schools	-	-	-	-
Special education	-	-	-	-
Other purposes	-	-	10,441	-
Extracurricular	-	-	-	19,659
Committed				
Other purposes	-	16,915	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances.	79,712	16,915	10,441	19,659
Total liabilities and fund balances.	\$ 96,629	\$ 16,915	\$ 10,441	\$ 23,837

Auxiliary Services	Education Management Information Systems	Data Communication	Education Jobs	Title VI-B	Title III
\$ 25,545	\$ 4,281	\$ 3,000	\$ -	\$ -	\$ -
39	-	-	-	-	-
-	-	-	59,222	220,061	377
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 25,584</u>	<u>\$ 4,281</u>	<u>\$ 3,000</u>	<u>\$ 59,222</u>	<u>\$ 220,061</u>	<u>\$ 377</u>
\$ 5,038	\$ -	\$ -	\$ -	\$ 14,515	\$ -
1,240	1,658	-	-	22,129	-
203	47	-	-	5,997	33
2,186	1,983	-	-	3,116	-
-	-	-	-	33,909	264
39	-	-	59,222	132,886	113
<u>8,706</u>	<u>3,688</u>	<u>-</u>	<u>59,222</u>	<u>212,552</u>	<u>410</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,878	-	-	-	-	-
-	-	-	-	7,509	-
-	593	3,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(33)
<u>16,878</u>	<u>593</u>	<u>3,000</u>	<u>-</u>	<u>7,509</u>	<u>(33)</u>
<u>\$ 25,584</u>	<u>\$ 4,281</u>	<u>\$ 3,000</u>	<u>\$ 59,222</u>	<u>\$ 220,061</u>	<u>\$ 377</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2011

	Title I	Title II-A	Total Nonmajor Special Revenue Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 1,810	\$ -	\$ 167,565
Receivables:			
Accrued interest	-	-	165
Intergovernmental	4,028	3,279	286,967
Materials and supplies inventory	-	-	2,687
Inventory held for resale	-	-	12,080
Total assets.	<u>\$ 5,838</u>	<u>\$ 3,279</u>	<u>\$ 469,464</u>
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 24,477
Accrued wages and benefits	2,020	-	31,861
Intergovernmental payable	1,175	148	8,925
Pension obligation payable	698	-	17,892
Interfund loan payable	-	-	34,173
Deferred revenue	4,028	3,279	199,693
Total liabilities.	<u>7,921</u>	<u>3,427</u>	<u>317,021</u>
Fund Balances:			
Materials and supplies inventory	-	-	2,687
Inventory held for resale	-	-	12,080
Food service operations	-	-	64,945
Non-public schools	-	-	16,878
Special education	-	-	7,509
Other purposes	-	-	14,034
Extracurricular	-	-	19,659
Committed			
Other purposes	-	-	16,915
Unassigned (deficit)	(2,083)	(148)	(2,264)
Total fund balances.	<u>(2,083)</u>	<u>(148)</u>	<u>152,443</u>
Total liabilities and fund balances.	<u>\$ 5,838</u>	<u>\$ 3,279</u>	<u>\$ 469,464</u>

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**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, 2011

	Food Service	Special Trust	Other Grants	District Managed Student Activity
Revenues:				
From local sources:				
Earnings on investments	\$ 341	\$ 10	\$ -	\$ 5
Charges for services.	317,847	-	-	-
Extracurricular activities	-	-	-	276,985
Contributions and donations	-	4,000	32,029	5,258
Other local revenues	-	-	-	83,960
Intergovernmental - State	1,376	-	-	-
Intergovernmental - Federal	111,260	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	430,824	4,010	32,029	366,208
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Current:				
Instruction:				
Regular.	-	-	26,375	-
Special	-	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff.	-	-	943	-
Administration	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	442,084	-	-	-
Other non-instructional services.	-	-	-	-
Extracurricular activities	-	32,495	5,500	379,942
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	442,084	32,495	32,818	379,942
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures	(11,260)	(28,485)	(789)	(13,734)
	<hr/>	<hr/>	<hr/>	<hr/>
Other financing sources:				
Transfers in.	-	378	-	30,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	378	-	30,000
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(11,260)	(28,107)	(789)	16,266
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit)				
at beginning of year	90,972	45,022	11,230	3,393
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	<u>\$ 79,712</u>	<u>\$ 16,915</u>	<u>\$ 10,441</u>	<u>\$ 19,659</u>

Auxiliary Services	Education Management Information Systems	Data Communication	Title VI-B	Education Stabilization	Title III
\$ 1,082	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,190,152	6,145	9,100	-	-	-
-	-	-	1,052,361	102,640	13,611
<u>1,191,234</u>	<u>6,145</u>	<u>9,100</u>	<u>1,052,361</u>	<u>102,640</u>	<u>13,611</u>
-	-	11,245	-	108,602	-
-	-	-	597,919	-	12,648
-	-	-	282,438	-	-
-	-	-	15,040	-	735
-	-	-	-	-	-
-	7,997	-	-	-	-
-	-	-	-	-	-
1,425,340	-	-	183,451	-	-
-	-	-	-	-	-
<u>1,425,340</u>	<u>7,997</u>	<u>11,245</u>	<u>1,078,848</u>	<u>108,602</u>	<u>13,383</u>
<u>(234,106)</u>	<u>(1,852)</u>	<u>(2,145)</u>	<u>(26,487)</u>	<u>(5,962)</u>	<u>228</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(234,106)</u>	<u>(1,852)</u>	<u>(2,145)</u>	<u>(26,487)</u>	<u>(5,962)</u>	<u>228</u>
<u>250,984</u>	<u>2,445</u>	<u>5,145</u>	<u>33,996</u>	<u>5,962</u>	<u>(261)</u>
<u>\$ 16,878</u>	<u>\$ 593</u>	<u>\$ 3,000</u>	<u>\$ 7,509</u>	<u>\$ -</u>	<u>\$ (33)</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, 2011

	Title I	Drug Free Schools Grant	Preschool Disability	Title II-A
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular activities	-	-	-	-
Contributions and donations	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	256,271	914	24,774	67,328
Total revenue	256,271	914	24,774	67,328
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	32,562
Special	207,619	-	24,774	-
Support services:				
Pupil	-	-	-	-
Instructional staff	36,110	-	-	36,133
Administration	4,304	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	22,676	914	-	4,656
Extracurricular activities	-	-	-	-
Total expenditures	270,709	914	24,774	73,351
Excess of revenues over (under) expenditures	(14,438)	-	-	(6,023)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(14,438)	-	-	(6,023)
Fund balances (deficit) at beginning of year	12,355	-	-	5,875
Fund balances (deficit) at end of year	\$ (2,083)	\$ -	\$ -	\$ (148)

Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ 1,438
-	317,847
-	276,985
-	41,287
-	83,960
-	1,206,773
665	1,629,824
665	3,558,114
-	178,784
-	842,960
-	282,438
553	89,514
-	4,304
-	7,997
-	442,084
112	1,637,149
-	417,937
665	3,903,167
-	(345,053)
-	30,378
-	30,378
-	(314,675)
-	467,118
\$ -	\$ 152,443

**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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 1,500	\$ 1,500	\$ 294	\$ (1,206)
Charges for services	416,100	332,100	317,846	(14,254)
Intergovernmental - State	3,650	3,650	1,376	(2,274)
Intergovernmental - Federal	72,600	72,600	74,852	2,252
<i>Total revenues.</i>	<u>493,850</u>	<u>409,850</u>	<u>394,368</u>	<u>(15,482)</u>
Expenditures:				
Current:				
Operation of non-instructional services - food service operations:				
Salaries and wages	159,801	159,801	159,092	709
Fringe benefits	60,629	60,629	55,712	4,917
Purchased services	12,903	20,012	15,027	4,985
Materials and supplies	242,923	182,314	176,774	5,540
Capital outlay	13,000	10,500	5,510	4,990
<i>Total operation of non-instructional services - food service operations</i>	<u>489,256</u>	<u>433,256</u>	<u>412,115</u>	<u>21,141</u>
<i>Total expenditures</i>	<u>489,256</u>	<u>433,256</u>	<u>412,115</u>	<u>21,141</u>
<i>Net change in fund balance</i>	4,594	(23,406)	(17,747)	5,659
<i>Fund balance at beginning of year</i>	98,934	98,934	98,934	-
<i>Prior year encumbrances appropriated. . . .</i>	423	423	423	-
<i>Fund balance at end of year.</i>	<u>\$ 103,951</u>	<u>\$ 75,951</u>	<u>\$ 81,610</u>	<u>\$ 5,659</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)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 43	\$ 43	\$ 10	\$ (33)
Contributions and donations	<u>5,308</u>	<u>4,598</u>	<u>4,000</u>	<u>(598)</u>
<i>Total revenues</i>	<u>5,351</u>	<u>4,641</u>	<u>4,010</u>	<u>(631)</u>
Expenditures:				
Extracurricular activities:				
Materials and supplies	20,000	20,000	19,062	938
Capital outlay	<u>20,500</u>	<u>14,500</u>	<u>13,433</u>	<u>1,067</u>
<i>Total extracurricular activities</i>	<u>40,500</u>	<u>34,500</u>	<u>32,495</u>	<u>2,005</u>
<i>Total expenditures</i>	<u>(35,149)</u>	<u>(29,859)</u>	<u>(28,485)</u>	<u>1,374</u>
Other financing sources:				
Refund of prior year's (receipts)	(500)	(500)	-	500
Transfers in	<u>-</u>	<u>-</u>	<u>378</u>	<u>378</u>
<i>Total other financing sources</i>	<u>(500)</u>	<u>(500)</u>	<u>378</u>	<u>878</u>
<i>Net change in fund balance</i>	(35,649)	(30,359)	(28,107)	2,252
<i>Fund balance at beginning of year (restated)</i> .	<u>45,022</u>	<u>45,022</u>	<u>45,022</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 9,373</u>	<u>\$ 14,663</u>	<u>\$ 16,915</u>	<u>\$ 2,252</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Contributions and donations	\$ -	\$ 31,594	\$ 32,029	\$ 435
<i>Total revenues.</i>	<u>-</u>	<u>31,594</u>	<u>32,029</u>	<u>435</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	360	5,318	4,924	394
Materials and supplies.	4,847	7,797	4,444	3,353
Capital outlay	2,247	19,819	18,429	1,390
<i>Total instruction-regular.</i>	<u>7,454</u>	<u>32,934</u>	<u>27,797</u>	<u>5,137</u>
Instruction-special:				
Materials and supplies.	24	24	-	24
Capital outlay	86	86	-	86
<i>Total instruction-special</i>	<u>110</u>	<u>110</u>	<u>-</u>	<u>110</u>
Support services-pupil:				
Materials and supplies.	55	55	-	55
Capital outlay	50	50	-	50
<i>Total support services-pupil.</i>	<u>105</u>	<u>105</u>	<u>-</u>	<u>105</u>
Support services-instructional staff:				
Salaries and wages	-	195	-	195
Purchased services	250	251	154	97
Materials and supplies.	258	258	-	258
Other	2,441	2,441	789	1,652
<i>Total support services-instructional staff</i>	<u>2,949</u>	<u>3,145</u>	<u>943</u>	<u>2,202</u>
Extracurricular activities:				
Purchased services	300	5,800	5,500	300
<i>Total extracurricular activities.</i>	<u>300</u>	<u>5,800</u>	<u>5,500</u>	<u>300</u>
<i>Total expenditures</i>	<u>10,918</u>	<u>42,094</u>	<u>34,240</u>	<u>7,854</u>
<i>Net change in fund balance</i>	(10,918)	(10,500)	(2,211)	8,289
<i>Fund balance at beginning of year</i>	10,824	10,824	10,824	-
<i>Prior year encumbrances appropriated.</i>	406	406	406	-
<i>Fund balance at end of year.</i>	<u>\$ 312</u>	<u>\$ 730</u>	<u>\$ 9,019</u>	<u>\$ 8,289</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 5	\$ 5
Extracurricular activities	221,875	278,827	277,238	(1,589)
Contributions and donations	4,700	5,700	5,259	(441)
Other local revenue.	72,585	72,585	83,960	11,375
<i>Total revenues.</i>	<u>299,160</u>	<u>357,112</u>	<u>366,462</u>	<u>9,350</u>
Expenditures:				
Current:				
Extracurricular activities:				
Salaries and wages	16,510	15,719	14,430	1,289
Fringe benefits	-	2,081	2,068	13
Purchased services	151,165	185,534	190,759	(5,225)
Materials and supplies.	84,167	98,923	98,744	179
Capital outlay	20,886	31,539	27,848	3,691
Other	30,367	45,672	45,622	50
Total extracurricular activities.	<u>303,095</u>	<u>379,468</u>	<u>379,471</u>	<u>(3)</u>
<i>Total expenditures</i>	<u>303,095</u>	<u>379,468</u>	<u>379,471</u>	<u>(3)</u>
<i>Excess of revenues under expenditures</i>	<u>(3,935)</u>	<u>(22,356)</u>	<u>(13,009)</u>	<u>9,347</u>
Other financing sources:				
Transfers in	-	20,000	29,999	9,999
<i>Total other financing sources</i>	<u>-</u>	<u>20,000</u>	<u>29,999</u>	<u>9,999</u>
<i>Net change in fund balance</i>	<u>(3,935)</u>	<u>(2,356)</u>	<u>16,990</u>	<u>19,346</u>
<i>Fund balance at beginning of year</i>	1,926	1,926	1,926	-
<i>Prior year encumbrances appropriated.</i>	3,935	3,935	3,935	-
<i>Fund balance at end of year.</i>	<u>\$ 1,926</u>	<u>\$ 3,505</u>	<u>\$ 22,851</u>	<u>\$ 19,346</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ 947	\$ 1,058	\$ 111
Intergovernmental - State.	<u>619,445</u>	<u>1,301,420</u>	<u>1,301,420</u>	<u>-</u>
<i>Total revenues.</i>	<u>619,445</u>	<u>1,302,367</u>	<u>1,302,478</u>	<u>111</u>
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Salaries and wages	29,879	23,536	26,577	(3,041)
Fringe benefits	138,868	7,681	8,609	(928)
Purchased services	472,369	678,323	675,690	2,633
Materials and supplies.	56,292	399,693	399,064	629
Capital outlay	<u>22,328</u>	<u>342,888</u>	<u>342,181</u>	<u>707</u>
Total operation on non-instructional services - other non-instructional services	<u>719,736</u>	<u>1,452,121</u>	<u>1,452,121</u>	<u>-</u>
<i>Total expenditures</i>	<u>719,736</u>	<u>1,452,121</u>	<u>1,452,121</u>	<u>-</u>
<i>Net change in fund balance</i>	(100,291)	(149,754)	(149,643)	111
<i>Fund balance at beginning of year</i>	121,499	121,499	121,499	-
<i>Prior year encumbrances appropriated.</i>	<u>28,256</u>	<u>28,256</u>	<u>28,256</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 49,464</u>	<u>\$ 1</u>	<u>\$ 112</u>	<u>\$ 111</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ 7,000	\$ 8,145	\$ 6,145	\$ (2,000)
<i>Total revenues.</i>	<u>7,000</u>	<u>8,145</u>	<u>6,145</u>	<u>(2,000)</u>
Expenditures:				
Current:				
Support services-central:				
Salaries and wages	8,054	7,476	3,748	3,728
Fringe benefits	822	822	607	215
Purchased services	<u>1,178</u>	<u>1,756</u>	<u>1,756</u>	<u>-</u>
<i>Total support services-central</i>	<u>10,054</u>	<u>10,054</u>	<u>6,111</u>	<u>3,943</u>
<i>Total expenditures</i>	<u>10,054</u>	<u>10,054</u>	<u>6,111</u>	<u>3,943</u>
<i>Net change in fund balance</i>	(3,054)	(1,909)	34	1,943
<i>Fund balance at beginning of year</i>	1,193	1,193	1,193	-
<i>Prior year encumbrances appropriated.</i>	<u>3,054</u>	<u>3,054</u>	<u>3,054</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 1,193</u>	<u>\$ 2,338</u>	<u>\$ 4,281</u>	<u>\$ 1,943</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ -	\$ 8,000	\$ 9,100	\$ 1,100
Total revenues.	<u>-</u>	<u>8,000</u>	<u>9,100</u>	<u>1,100</u>
Expenditures:				
Current:				
Instruction-regular:				
Materials and supplies.	1,153	4,287	4,287	-
Capital outlay	2,847	7,713	7,713	-
Total instruction-regular.	<u>4,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<i>Total expenditures</i>	<u>4,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(4,000)</u>	<u>(4,000)</u>	<u>(2,900)</u>	<u>1,100</u>
Other financing sources (uses):				
Refund of prior year's (receipts)	-	(1,145)	(1,145)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,145)</u>	<u>(1,145)</u>	<u>-</u>
<i>Net change in fund balance</i>	(4,000)	(5,145)	(4,045)	1,100
<i>Fund balance at beginning of year</i>	1,145	1,145	1,145	-
<i>Prior year encumbrances appropriated.</i>	4,000	4,000	4,000	-
<i>Fund balance at end of year.</i>	<u>\$ 1,145</u>	<u>\$ -</u>	<u>\$ 1,100</u>	<u>\$ 1,100</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 1,348,877	\$ 1,349,348	\$ 1,101,040	\$ (248,308)
<i>Total revenues.</i>	<u>1,348,877</u>	<u>1,349,348</u>	<u>1,101,040</u>	<u>(248,308)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	92,168	79,276	83,138	(3,862)
Fringe benefits	38,178	28,539	27,845	694
Purchased services	657,420	541,333	447,449	93,884
Materials and supplies	433,249	-	-	-
Capital outlay	-	40,000	37,530	2,470
<i>Total instruction-special.</i>	<u>1,221,015</u>	<u>689,148</u>	<u>595,962</u>	<u>93,186</u>
Support services-pupil:				
Salaries and wages	-	114,684	98,266	16,418
Fringe benefits	-	41,144	36,114	5,030
Purchased services	-	171,025	150,853	20,172
<i>Total support services-pupil.</i>	<u>-</u>	<u>326,853</u>	<u>285,233</u>	<u>41,620</u>
Support services-instructional staff:				
Purchased services	-	20,000	15,040	4,960
<i>Total support services-instructional staff.</i>	<u>-</u>	<u>20,000</u>	<u>15,040</u>	<u>4,960</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	12,600	225,263	183,451	41,812
<i>Total operation of non-instructional services - other non-instructional services.</i>	<u>12,600</u>	<u>225,263</u>	<u>183,451</u>	<u>41,812</u>
<i>Total expenditures.</i>	<u>1,233,615</u>	<u>1,261,264</u>	<u>1,079,686</u>	<u>181,578</u>
<i>Net change in fund balance.</i>	115,262	88,084	21,354	(66,730)
<i>Fund balance (deficit) at beginning of year.</i>	(134,541)	(134,541)	(134,541)	-
<i>Prior year encumbrances appropriated.</i>	46,457	46,457	46,457	-
<i>Fund balance (deficit) at end of year.</i>	<u>\$ 27,178</u>	<u>\$ -</u>	<u>\$ (66,730)</u>	<u>\$ (66,730)</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 84,790	\$ 102,640	\$ 102,640	\$ -
<i>Total revenues.</i>	<u>84,790</u>	<u>102,640</u>	<u>102,640</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	84,790	83,688	83,688	-
Fringe benefits	-	14,136	14,136	-
Purchased services	-	11,148	11,148	-
Total instruction-regular.	<u>84,790</u>	<u>108,972</u>	<u>108,972</u>	<u>-</u>
<i>Total expenditures</i>	<u>84,790</u>	<u>108,972</u>	<u>108,972</u>	<u>-</u>
<i>Net change in fund balance</i>	-	(6,332)	(6,332)	-
<i>Fund balance at beginning of year</i>	6,332	6,332	6,332	-
<i>Fund balance at end of year.</i>	<u>\$ 6,332</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)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ -	\$ 13,724	\$ 13,347	\$ (377)
<i>Total revenues.</i>	<u>-</u>	<u>13,724</u>	<u>13,347</u>	<u>(377)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	-	9,899	9,899	-
Fringe benefits	-	1,610	1,610	-
Supplies	-	1,500	1,402	98
<i>Total instruction-special.</i>	<u>-</u>	<u>13,009</u>	<u>12,911</u>	<u>98</u>
Support services-instructional staff:				
Purchased services	-	750	735	15
<i>Total support services-instructional</i> <i>staff.</i>	<u>-</u>	<u>750</u>	<u>735</u>	<u>15</u>
<i>Total expenditures.</i>	<u>-</u>	<u>13,759</u>	<u>13,646</u>	<u>113</u>
<i>Net change in fund balance.</i>	-	(35)	(299)	(264)
<i>Fund balance at beginning of year.</i>	35	35	35	-
<i>Fund balance at end of year.</i>	<u>\$ 35</u>	<u>\$ -</u>	<u>\$ (264)</u>	<u>\$ (264)</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 255,652	\$ 256,110	\$ 253,560	\$ (2,550)
<i>Total revenues.</i>	<u>255,652</u>	<u>256,110</u>	<u>253,560</u>	<u>(2,550)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	124,396	156,774	157,787	(1,013)
Fringe benefits	29,358	39,554	36,031	3,523
Purchased services	115,497	-	-	-
Materials and supplies	-	10,746	10,746	-
Capital outlay	-	6,088	6,088	-
<i>Total instruction-special</i>	<u>269,251</u>	<u>213,162</u>	<u>210,652</u>	<u>2,510</u>
Support services-instructional staff:				
Purchased services	2,419	11,449	10,478	971
Materials and supplies	-	27,907	27,907	-
<i>Total support services-instructional staff</i>	<u>2,419</u>	<u>39,356</u>	<u>38,385</u>	<u>971</u>
Support services-administration				
Salaries and wages	-	2,088	1,928	160
Fringe benefits	-	342	293	49
<i>Total support services-administration.</i>	<u>-</u>	<u>2,430</u>	<u>2,221</u>	<u>209</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	-	21,300	20,630	670
Materials and supplies	-	1,914	1,914	-
Capital outlay	131	131	131	-
<i>Total operation of non-instructional services - other non-instructional services</i>	<u>131</u>	<u>23,345</u>	<u>22,675</u>	<u>670</u>
<i>Total expenditures</i>	<u>271,801</u>	<u>278,293</u>	<u>273,933</u>	<u>4,360</u>
<i>Net change in fund balance</i>	(16,149)	(22,183)	(20,373)	1,810
<i>Fund balance (deficit) at beginning of year</i>	19,633	19,633	19,633	-
<i>Prior year encumbrances appropriated.</i>	2,550	2,550	2,550	-
<i>Fund balance at end of year.</i>	<u>\$ 6,034</u>	<u>\$ -</u>	<u>\$ 1,810</u>	<u>\$ 1,810</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)
DRUG FREE SCHOOLS GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 914	\$ 914	\$ 914	\$ -
<i>Total revenues.</i>	<u>914</u>	<u>914</u>	<u>914</u>	<u>-</u>
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Materials and supplies.	-	914	914	-
Total operation of non-instructional services - other non-instructional services	<u>-</u>	<u>914</u>	<u>914</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>914</u>	<u>914</u>	<u>-</u>
<i>Net change in fund balance</i>	914	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ 914</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 29,031	\$ 29,031	\$ 29,031	\$ -
<i>Total revenues.</i>	<u>29,031</u>	<u>29,031</u>	<u>29,031</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special:				
Purchased services	24,774	24,774	24,774	-
<i>Total instruction-special.</i>	<u>24,774</u>	<u>24,774</u>	<u>24,774</u>	<u>-</u>
<i>Total expenditures.</i>	<u>24,774</u>	<u>24,774</u>	<u>24,774</u>	<u>-</u>
<i>Net change in fund balance.</i>	4,257	4,257	4,257	-
<i>Fund balance at beginning of year.</i>	(4,257)	(4,257)	(4,257)	-
<i>Fund balance (deficit) 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)
TITLE II-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 67,446	\$ 70,780	\$ 67,328	\$ (3,452)
<i>Total revenues.</i>	<u>67,446</u>	<u>70,780</u>	<u>67,328</u>	<u>(3,452)</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	25,000	28,064	28,064	-
Fringe benefits	3,862	4,617	4,544	73
Total instruction-regular.	<u>28,862</u>	<u>32,681</u>	<u>32,608</u>	<u>73</u>
Support services-instructional staff:				
Purchased services	42,036	42,149	38,770	3,379
Materials and supplies	-	397	397	-
Total support services-instructional staff	<u>42,036</u>	<u>42,546</u>	<u>39,167</u>	<u>3,379</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	-	2,236	2,236	-
Materials and supplies.	-	2,420	2,420	-
Total operation of non-instructional services - other non-instructional services	<u>-</u>	<u>4,656</u>	<u>4,656</u>	<u>-</u>
<i>Total expenditures</i>	<u>70,898</u>	<u>79,883</u>	<u>76,431</u>	<u>3,452</u>
<i>Net change in fund balance</i>	(3,452)	(9,103)	(9,103)	-
<i>Fund balance (deficit) at beginning of year</i>	5,651	5,651	5,651	-
<i>Prior year encumbrances appropriated.</i>	3,452	3,452	3,452	-
<i>Fund balance at end of year.</i>	<u>\$ 5,651</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)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 693	\$ 665	\$ 665	\$ -
<i>Total revenues.</i>	<u>693</u>	<u>665</u>	<u>665</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff:				
Purchased services	693	553	553	-
Total support services-instructional staff	<u>693</u>	<u>553</u>	<u>553</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Capital outlay	-	112	112	-
Total operation of non-instructional services - other non-instructional services	<u>-</u>	<u>112</u>	<u>112</u>	<u>-</u>
<i>Total expenditures</i>	<u>693</u>	<u>665</u>	<u>665</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
CUYAHOGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNCLAIMED MONIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Fund balance at beginning of year.</i>	\$ 12,327	\$ 12,327	\$ 12,327	\$ -
<i>Fund balance at end of year</i>	\$ 12,327	\$ 12,327	\$ 12,327	\$ -

**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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Classroom materials and fees	\$ 27,050	\$ 27,050	\$ 29,156	\$ 2,106
<i>Total revenues.</i>	<u>27,050</u>	<u>27,050</u>	<u>29,156</u>	<u>2,106</u>
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Materials and supplies.	25,050	26,050	24,064	1,986
Total operation of non-instructional services - other non-instructional services	<u>25,050</u>	<u>26,050</u>	<u>24,064</u>	<u>1,986</u>
<i>Total expenditures</i>	<u>25,050</u>	<u>26,050</u>	<u>24,064</u>	<u>1,986</u>
<i>Net change in fund balance</i>	2,000	1,000	5,092	4,092
<i>Fund balance at beginning of year</i>	17,789	17,789	17,789	-
<i>Fund balance at end of year.</i>	<u>\$ 19,789</u>	<u>\$ 18,789</u>	<u>\$ 22,881</u>	<u>\$ 4,092</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Rentals	\$ 34,000	\$ 34,000	\$ 33,600	\$ (400)
<i>Total revenues.</i>	<u>34,000</u>	<u>34,000</u>	<u>33,600</u>	<u>(400)</u>
Expenditures:				
Current:				
Support services-operations and maintenance:				
Salaries and wages	5,000	6,250	6,248	2
Fringe benefits	822	922	922	-
Purchased services	47,286	50,415	46,038	4,377
Capital outlay	-	250	246	4
Total support services-operations and maintenance	<u>53,108</u>	<u>57,837</u>	<u>53,454</u>	<u>4,383</u>
<i>Total expenditures</i>	<u>53,108</u>	<u>57,837</u>	<u>53,454</u>	<u>4,383</u>
<i>Excess of revenues over expenditures</i>	<u>(19,108)</u>	<u>(23,837)</u>	<u>(19,854)</u>	<u>3,983</u>
Other financing sources:				
Transfers in	-	-	7,314	7,314
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>7,314</u>	<u>7,314</u>
<i>Net change in fund balance</i>	(19,108)	(23,837)	(12,540)	11,297
<i>Fund balance at beginning of year</i>	12,392	12,392	12,392	-
<i>Prior year encumbrances appropriated.</i>	148	148	148	-
<i>Fund balance at end of year.</i>	<u>\$ (6,568)</u>	<u>\$ (11,297)</u>	<u>\$ -</u>	<u>\$ 11,297</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Tuition	\$ -	\$ -	\$ 660	\$ 660
Transportation	5,000	5,000	7,004	2,004
Extracurricular activities	-	-	5,000	5,000
Classroom materials and fees	165,675	156,175	183,780	27,605
Contributions and donations	500	500	3,800	3,300
Contract services	-	-	4,155	4,155
Other local revenues	7,000	13,500	34,379	20,879
<i>Total revenues</i>	<u>178,175</u>	<u>175,175</u>	<u>238,778</u>	<u>63,603</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	2,500	2,500	1,310	1,190
Fringe benefits	411	411	204	207
Purchased services	1,300	1,300	-	1,300
Materials and supplies	118,092	114,612	114,612	-
Capital outlay	22,945	33,844	32,846	998
Other	-	1,570	1,567	3
<i>Total instruction-regular</i>	<u>145,248</u>	<u>154,237</u>	<u>150,539</u>	<u>3,698</u>
Instruction-special:				
Materials and supplies	-	119	119	-
<i>Total instruction-special</i>	<u>-</u>	<u>119</u>	<u>119</u>	<u>-</u>
Support services-pupil:				
Fringe benefits	-	3	3	-
Purchased services	44,539	42,670	42,670	-
Materials and supplies	16,674	34,594	34,482	112
Capital outlay	1,500	1,176	302	874
Other	1,410	22,268	22,268	-
<i>Total support services-pupil</i>	<u>64,123</u>	<u>100,711</u>	<u>99,725</u>	<u>986</u>
Support services-instructional staff:				
Purchased services	2,000	3,255	2,870	385
Materials and supplies	-	386	386	-
<i>Total support services-instructional staff</i>	<u>2,000</u>	<u>3,641</u>	<u>3,256</u>	<u>385</u>
Support services-central:				
Other	6,734	6,996	6,696	300
<i>Total support services-central</i>	<u>6,734</u>	<u>6,996</u>	<u>6,696</u>	<u>300</u>
Extracurricular activities:				
Purchased services	-	3,474	3,474	-
Capital outlay	4,000	13,535	13,535	-
Other	-	666	666	-
<i>Total extracurricular activities</i>	<u>4,000</u>	<u>17,675</u>	<u>17,675</u>	<u>-</u>
<i>Total expenditures</i>	<u>222,105</u>	<u>283,379</u>	<u>278,010</u>	<u>5,369</u>
<i>Excess of revenues (under) expenditures</i>	<u>(43,930)</u>	<u>(108,204)</u>	<u>(39,232)</u>	<u>68,972</u>
Other financing sources:				
Transfers in	-	-	99	99
Refund of prior year's (receipts)	-	(500)	(500)	-
Sale of capital assets	15,000	15,000	2,411	(12,589)
<i>Total other financing sources (uses)</i>	<u>15,000</u>	<u>14,500</u>	<u>2,010</u>	<u>(12,490)</u>
<i>Net change in fund balance</i>	<u>(28,930)</u>	<u>(93,704)</u>	<u>(37,222)</u>	<u>56,482</u>
<i>Fund balance at beginning of year</i>	<u>146,339</u>	<u>146,339</u>	<u>146,339</u>	<u>-</u>
<i>Prior year encumbrances appropriated</i>	<u>10,398</u>	<u>10,398</u>	<u>10,398</u>	<u>-</u>
<i>Fund balance (deficit) at end of year</i>	<u>\$ 127,807</u>	<u>\$ 63,033</u>	<u>\$ 119,515</u>	<u>\$ 56,482</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Tuition	\$ 8,000	\$ 8,000	\$ 7,500	\$ (500)
Contributions and donations	42,000	33,000	52,939	19,939
Other local revenues	30,000	27,000	38,981	11,981
<i>Total revenues.</i>	<u>80,000</u>	<u>68,000</u>	<u>99,420</u>	<u>31,420</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	-	403	403	-
Materials and supplies.	-	5,305	5,305	-
Capital outlay	5,000	6,500	2,277	4,223
Total instruction-regular.	<u>5,000</u>	<u>12,208</u>	<u>7,985</u>	<u>4,223</u>
Instruction-special:				
Materials and supplies.	1,077	1,277	583	694
Capital outlay	600	600	310	290
Total instruction-special	<u>1,677</u>	<u>1,877</u>	<u>893</u>	<u>984</u>
Support services-pupil:				
Purchased services	13,078	20,822	20,207	615
Materials and supplies.	35,876	42,929	40,393	2,536
Capital outlay	7,629	8,762	5,412	3,350
Other	22,000	25,167	22,998	2,169
Total support services-pupil.	<u>78,583</u>	<u>97,680</u>	<u>89,010</u>	<u>8,670</u>
Support services-instructional staff:				
Salaries and wages	-	75	75	-
Fringe benefits	-	12	12	-
Materials and supplies.	-	122	-	122
Total support services-instructional staff	<u>-</u>	<u>209</u>	<u>87</u>	<u>122</u>
Support services-pupil transportation				
Purchased services	-	1,200	620	580
Total support services-pupil transportation	<u>-</u>	<u>1,200</u>	<u>620</u>	<u>580</u>
<i>Total expenditures</i>	<u>85,260</u>	<u>113,174</u>	<u>98,595</u>	<u>14,579</u>
<i>Net change in fund balance</i>	(5,260)	(45,174)	825	45,999
<i>Fund balance at beginning of year</i>	73,432	73,432	73,432	-
<i>Prior year encumbrances appropriated.</i>	4,261	4,261	4,261	-
<i>Fund balance at end of year.</i>	<u>\$ 72,433</u>	<u>\$ 32,519</u>	<u>\$ 78,518</u>	<u>\$ 45,999</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 fo

Permanent Improvement 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)
PERMANENT IMPROVEMENTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 200	\$ 200	\$ 47	\$ (153)
Rentals	<u>155,461</u>	<u>155,461</u>	<u>155,461</u>	<u>-</u>
<i>Total revenues.</i>	<u>155,661</u>	<u>155,661</u>	<u>155,508</u>	<u>(153)</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	36,000	45,000	44,978	22
Capital outlay	<u>12,000</u>	<u>12,000</u>	<u>11,968</u>	<u>32</u>
Total instruction-regular.	<u>48,000</u>	<u>57,000</u>	<u>56,946</u>	<u>54</u>
Support services-administration				
Capital outlay	-	69,477	69,477	-
Total support services-administration.	<u>-</u>	<u>69,477</u>	<u>69,477</u>	<u>-</u>
Support services-business				
Capital outlay	45	45	45	-
Total support services-business	<u>45</u>	<u>45</u>	<u>45</u>	<u>-</u>
Support services-operations and maintenance:				
Capital outlay	27,000	15,000	13,780	1,220
Total support services-operations and maintenance	<u>27,000</u>	<u>15,000</u>	<u>13,780</u>	<u>1,220</u>
Support services-pupil transportation:				
Materials and supplies.	5,000	-	-	-
Capital outlay	<u>14,000</u>	<u>11,193</u>	<u>11,082</u>	<u>111</u>
Total support services-pupil transportation	<u>19,000</u>	<u>11,193</u>	<u>11,082</u>	<u>111</u>
Support services-central:				
Capital outlay	4,000	4,000	3,989	11
Total support services-central	<u>4,000</u>	<u>4,000</u>	<u>3,989</u>	<u>11</u>

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**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, 2011

	<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	\$ -	\$ 3,960	\$ 3,960	\$ -
Total operation of non-instructional services	<u>-</u>	<u>3,960</u>	<u>3,960</u>	<u>-</u>
Extracurricular activities:				
Capital outlay	5,600	335	188	147
Total extracurricular activities.	<u>5,600</u>	<u>335</u>	<u>188</u>	<u>147</u>
Facilities acquisition and construction:				
Capital outlay	-	10,265	10,265	-
Total facilities acquisition and construction.	<u>-</u>	<u>10,265</u>	<u>10,265</u>	<u>-</u>
Debt service:				
Principal retirement.	85,854	85,854	85,854	-
Interest and fiscal charges	11,062	11,062	11,062	-
Total debt service	<u>96,916</u>	<u>96,916</u>	<u>96,916</u>	<u>-</u>
<i>Total expenditures</i>	<u>200,561</u>	<u>268,191</u>	<u>266,648</u>	<u>1,543</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(44,900)</u>	<u>(112,530)</u>	<u>(111,140)</u>	<u>1,390</u>
Other financing sources:				
Sale of capital assets	-	65,264	58,017	(7,247)
<i>Total other financing sources</i>	<u>-</u>	<u>65,264</u>	<u>58,017</u>	<u>(7,247)</u>
<i>Net change in fund balance</i>	<u>(44,900)</u>	<u>(47,266)</u>	<u>(53,123)</u>	<u>(5,857)</u>
<i>Fund balance at beginning of year</i>	60,430	60,430	60,430	-
<i>Prior year encumbrances appropriated.</i>	45	45	45	-
<i>Fund balance at end of year.</i>	<u>\$ 15,575</u>	<u>\$ 13,209</u>	<u>\$ 7,352</u>	<u>\$ (5,857)</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 42	\$ 42	\$ 9	\$ (33)
Contributions and donations	<u>37,192</u>	<u>32,347</u>	<u>27,273</u>	<u>(5,074)</u>
<i>Total revenues</i>	<u>37,234</u>	<u>32,389</u>	<u>27,282</u>	<u>(5,107)</u>
Expenses:				
Other	<u>32,500</u>	<u>32,500</u>	<u>30,500</u>	<u>2,000</u>
<i>Total expenses</i>	<u>32,500</u>	<u>32,500</u>	<u>30,500</u>	<u>2,000</u>
<i>Net change in fund equity</i>	4,734	(111)	(3,218)	(3,107)
<i>Fund equity at beginning of year</i>	<u>20,462</u>	<u>20,462</u>	<u>20,462</u>	<u>-</u>
<i>Fund equity at end of year</i>	<u>\$ 25,196</u>	<u>\$ 20,351</u>	<u>\$ 17,244</u>	<u>\$ (3,107)</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, 2011

	<u>Beginning Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2011</u>
Student Managed Activities				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 115,270	\$ 188,170	\$ 191,476	\$ 111,964
Receivables				
Accrued interest	<u>330</u>	<u>173</u>	<u>330</u>	<u>173</u>
Total assets	<u>\$ 115,600</u>	<u>\$ 188,343</u>	<u>\$ 191,806</u>	<u>\$ 112,137</u>
Liabilities:				
Accounts payable.	\$ 2,092	\$ 547	\$ 2,092	\$ 547
Due to students.	<u>113,508</u>	<u>187,796</u>	<u>189,714</u>	<u>111,590</u>
Total liabilities	<u>\$ 115,600</u>	<u>\$ 188,343</u>	<u>\$ 191,806</u>	<u>\$ 112,137</u>

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Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2011

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.	142-153
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	154-161
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.	162-165
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.	166-167
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.	168-179

Sources: Sources are noted on the individual schedules.

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

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

	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 9,708,418	\$ 10,925,096	\$ 10,230,730	\$ 8,737,992
Restricted	4,054,466	5,547,810	4,906,042	4,928,512
Unrestricted	(2,556,104)	(4,666,245)	(5,525,069)	(6,173,832)
Total governmental activities net assets	<u>\$ 11,206,780</u>	<u>\$ 11,806,661</u>	<u>\$ 9,611,703</u>	<u>\$ 7,492,672</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ 341,648
Unrestricted	-	-	-	34,200
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,848</u>
Primary government				
Invested in capital assets, net of related debt	\$ 9,708,418	\$ 10,925,096	\$ 10,230,730	\$ 9,079,640
Restricted	4,054,466	5,547,810	4,906,042	4,928,512
Unrestricted	(2,556,104)	(4,666,245)	(5,525,069)	(6,139,632)
Total primary government net assets	<u>\$ 11,206,780</u>	<u>\$ 11,806,661</u>	<u>\$ 9,611,703</u>	<u>\$ 7,868,520</u>

Source: School District financial records.

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

2007	2006	2005	2004	2003	2002
\$ 8,356,023	\$ 7,597,331	\$ 7,268,356	\$ 6,142,045	\$ 4,349,221	\$ 4,276,001
4,196,704	3,466,093	3,278,482	3,608,820	4,669,876	5,681,352
(4,774,288)	(4,648,254)	(4,997,534)	(240,144)	496,171	2,049,851
<u>\$ 7,778,439</u>	<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>
\$ 295,026	\$ 303,835	\$ 305,639	\$ 321,849	\$ 333,205	\$ 331,722
39,385	56,717	52,327	64,756	103,447	113,693
<u>\$ 334,411</u>	<u>\$ 360,552</u>	<u>\$ 357,966</u>	<u>\$ 386,605</u>	<u>\$ 436,652</u>	<u>\$ 445,415</u>
\$ 8,651,049	\$ 7,901,166	\$ 7,573,995	\$ 6,463,894	\$ 4,682,426	\$ 4,607,723
4,196,704	3,466,093	3,278,482	3,608,820	4,669,876	5,681,352
(4,734,903)	(4,591,537)	(4,945,207)	(175,388)	599,618	2,163,544
<u>\$ 8,112,850</u>	<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>

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

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

	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 16,667,445	\$ 15,090,090	\$ 14,733,245	\$ 14,272,906
Special	4,360,242	4,802,387	4,068,587	3,884,987
Vocational	423,993	462,821	397,153	443,201
Other	30,088	53,441	29,452	28,836
Support services:				
Pupil	2,639,569	1,985,548	1,861,316	2,001,434
Instructional staff	677,425	1,101,615	874,144	803,996
Board of education	36,911	34,022	41,586	36,505
Administration	2,104,742	1,889,108	2,150,914	2,230,446
Fiscal	814,365	864,956	757,846	765,655
Business	548,013	462,926	466,440	472,923
Operations and maintenance	4,085,468	3,732,605	4,030,992	3,515,979
Pupil transportation	1,803,409	1,505,943	1,608,530	1,579,159
Central	678,328	801,557	757,888	710,439
Operation of non-instructional services:				
Food service operations	459,911	459,772	446,698	-
Other non-instructional services	1,731,691	1,346,330	1,705,982	1,589,312
Extracurricular activities	1,394,445	1,108,610	1,206,220	1,160,128
Interest and fiscal charges	2,747,932	1,089,502	1,195,718	1,229,402
Total governmental activities expenses	<u>41,203,977</u>	<u>36,791,233</u>	<u>36,332,711</u>	<u>34,725,308</u>
Business-type activities:				
Food service	-	-	-	520,334
Uniform school supplies	-	-	-	26,144
Community programs	-	-	-	344,804
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>891,282</u>
Total primary government expenses	<u>\$ 41,203,977</u>	<u>\$ 36,791,233</u>	<u>\$ 36,332,711</u>	<u>\$ 35,616,590</u>

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	13,861,514	\$ 13,050,129	\$ 13,350,039	\$ 12,507,709	\$ 11,997,416	\$ 11,354,919
	3,717,779	3,496,076	3,117,764	3,189,411	3,015,213	2,992,102
	409,280	356,268	507,790	223,699	272,121	254,075
	28,320	25,934	30,999	-	-	-
	1,752,641	1,698,202	1,741,857	1,638,968	1,455,209	1,372,246
	811,663	674,629	1,231,668	906,393	843,360	715,646
	33,198	23,938	231,170	22,850	29,123	130,178
	1,743,637	1,451,888	1,626,494	1,518,691	1,495,752	1,268,525
	489,910	821,449	836,877	664,869	630,446	676,445
	383,535	392,739	387,559	478,341	327,517	481,778
	3,235,860	3,366,885	3,369,609	3,344,093	3,010,065	2,725,763
	1,458,464	1,277,514	1,248,582	1,410,415	1,050,482	852,648
	876,022	697,162	936,664	594,391	635,583	648,400
	-	-	-	-	-	-
	1,561,863	1,291,828	1,487,234	1,301,536	1,352,962	1,244,624
	1,163,814	951,808	743,811	1,253,542	926,228	812,311
	1,276,812	1,325,848	1,474,379	1,411,684	1,458,885	1,510,459
	<u>32,804,312</u>	<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>
	504,529	454,896	468,612	459,559	442,704	425,612
	27,002	22,860	32,643	21,370	25,223	22,444
	347,036	334,881	334,067	303,886	290,065	253,247
	<u>878,567</u>	<u>812,637</u>	<u>835,322</u>	<u>784,815</u>	<u>757,992</u>	<u>701,303</u>
\$	<u>33,682,879</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>

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

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

Program Revenues	2011	2010	2009 (1)	2008
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 404,870	\$ 470,407	\$ 304,643	\$ 201,032
Special	-	698	-	-
Support services:				
Pupil	74,474	142,131	62,949	37,392
Instructional staff	-	47,800	-	-
Board of education	-	555	-	3,683
Administration	43,429	-	2,272	2,103
Fiscal	9,619	-	3,186	911
Business	61,696	1,043	-	5,468
Operations and maintenance	53,775	133,966	191,234	120,793
Pupil transportation	6,947	2,710	83,687	95,793
Central	-	12,018	12,235	1,006
Operation of non-instructional services:				
Food service operations	317,847	327,170	351,342	-
Other non-instructional services	29,156	11,248	31,665	-
Extracurricular activities	372,949	193,277	327,396	312,012
Operating grants and contributions:				
Instruction:				
Regular	228,097	170,212	108,650	121,565
Special	825,341	1,151,662	751,431	581,242
Vocational	-	-	-	-
Support services:				
Pupil	330,673	49,130	73,944	123,347
Instructional staff	86,519	60,014	68,877	52,438
Administration	4,138	1,088	-	-
Pupil transportation	95,618	107,742	99,680	617
Central	6,145	5,000	7,937	9,410
Operation of non-instructional services				
Food service operations	112,829	110,176	111,136	-
Other non-instructional services	1,397,654	1,485,982	1,491,222	1,583,365
Extracurricular activities	18,441	66,989	10,794	7,457
Capital grants and contributions:				
Instruction:				
Regular	-	-	-	19,188
Support services:				
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	22,028	87,131
Operation of non-instructional services	-	-	-	-
Total governmental program revenues	<u>4,480,217</u>	<u>4,551,018</u>	<u>4,116,308</u>	<u>3,365,953</u>
Business-type activities:				
Charges for services:				
Food service	-	-	-	364,937
Uniform school supplies	-	-	-	24,096
Community programs	-	-	-	240,631
Operating grants and contributions:				
Food service	-	-	-	112,969
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>742,633</u>
Total primary government program revenue	<u>\$ 4,480,217</u>	<u>\$ 4,551,018</u>	<u>\$ 4,116,308</u>	<u>\$ 4,108,586</u>
Net (Expense)/Revenue				
Governmental activities	(36,723,760)	(32,240,215)	(32,216,403)	(31,359,355)
Business-type activities	-	-	-	(148,649)
Total primary government net expense	<u>\$ (36,723,760)</u>	<u>\$ (32,240,215)</u>	<u>\$ (32,216,403)</u>	<u>\$ (31,508,004)</u>

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	194,811	\$ 222,426	\$ 245,703	\$ 152,570	\$ -	\$ 345,856
	-	-	-	-	157,949	-
	54,668	-	-	39,731	101,077	46,112
	-	-	-	119,609	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	183,697	220,420	435,848	146,517	145,753	54,378
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	333,815	161,421	200,644	230,704	237,144	211,870
	81,500	116,214	128,139	118,397	58,030	83,808
	579,995	565,052	504,261	341,721	414,167	214,180
	-	595	-	-	-	-
	106,874	125,889	86,261	35,173	46,345	44,263
	29,379	49,684	75,560	28,369	52,201	15,015
	250	521	-	-	-	-
	69,392	1,278	-	-	-	-
	9,125	8,907	8,302	9,493	9,387	9,122
	-	-	-	-	-	-
	1,498,419	1,485,947	1,414,531	1,319,171	1,189,099	1,241,607
	5,038	5,212	4,119	58,087	55,356	5,589
	-	-	22,575	12,000	49,190	22,700
	3,869	-	-	-	-	-
	19,245	-	-	-	15,611	16,623
	-	-	-	-	-	-
	<u>3,170,077</u>	<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>
	378,379	388,335	375,545	353,749	370,478	356,716
	24,950	27,041	27,622	25,147	26,951	23,881
	243,447	298,381	301,436	272,209	279,325	215,939
	101,179	89,299	96,418	78,887	68,293	64,113
	<u>747,955</u>	<u>803,056</u>	<u>801,021</u>	<u>729,992</u>	<u>745,047</u>	<u>660,649</u>
	<u>\$ 3,918,032</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>
	(29,634,235)	(27,938,731)	(29,196,553)	(27,855,050)	(25,969,053)	(24,728,996)
	(130,612)	(9,581)	(34,301)	(54,823)	(12,945)	(40,654)
	<u>\$ (29,764,847)</u>	<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>

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

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

	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 25,017,106	\$ 25,250,490	\$ 24,814,979	\$ 22,319,494
Debt service	3,494,806	2,817,174	3,016,324	3,305,489
Grants and entitlements not restricted to specific programs	7,196,864	6,227,352	5,891,502	5,102,939
Investment earnings	166,881	81,327	142,032	289,371
Gain on sale of capital assets	-	-	-	-
Miscellaneous	203,200	58,830	94,749	56,295
Transfers	-	-	-	-
Total governmental activities	<u>36,078,857</u>	<u>34,435,173</u>	<u>33,959,586</u>	<u>31,073,588</u>
Business-type activities:				
Investment earnings	-	-	-	4,663
Miscellaneous	-	-	-	185,423
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,086</u>
Total primary government	<u>\$ 36,078,857</u>	<u>\$ 34,435,173</u>	<u>\$ 33,959,586</u>	<u>\$ 31,263,674</u>
Change in Net Assets				
Governmental activities	(644,903)	2,194,958	1,743,183	(285,767)
Business-type activities	-	-	-	41,437
Total primary government	<u>\$ (644,903)</u>	<u>\$ 2,194,958</u>	<u>\$ 1,743,183</u>	<u>\$ (244,330)</u>

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

Source: School District financial records.

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	22,597,480	\$ 21,672,596	\$ 17,833,031	\$ 20,408,336	\$ 16,560,615	\$ 18,808,983
	3,151,471	2,724,776	2,622,588	2,909,441	2,437,060	3,393,332
	4,622,584	4,439,789	4,443,667	4,432,768	4,264,539	4,043,817
	406,434	253,614	174,957	94,157	160,029	412,505
	-	-	5,942	-	-	-
	259,535	185,323	154,951	5,801	54,874	52,078
	(40,000)	-	-	-	-	-
	<u>30,997,504</u>	<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>
	5,273	3,197	-	898	1,515	2,602
	59,198	8,970	5,662	3,878	2,667	4,594
	40,000	-	-	-	-	-
	<u>104,471</u>	<u>12,167</u>	<u>5,662</u>	<u>4,776</u>	<u>4,182</u>	<u>7,196</u>
\$	<u>31,101,975</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>
	1,363,269	1,337,367	(3,961,417)	(4,547)	(2,491,936)	1,981,719
	(26,141)	2,586	(28,639)	(50,047)	(8,763)	(33,458)
\$	<u>1,337,128</u>	<u>\$ 1,339,953</u>	<u>\$ (3,990,056)</u>	<u>\$ (54,594)</u>	<u>\$ (2,500,699)</u>	<u>\$ 1,948,261</u>

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

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

	2011 (2)	2010	2009 (1)	2008
General Fund:				
Nonspendable	\$ 65,417	\$ -	\$ -	\$ -
Assigned	1,220,021	-	-	-
Unassigned	359,644	-	-	-
Reserved	-	3,787,100	4,097,095	3,377,689
Unreserved (deficit)	-	(3,416,462)	(4,378,385)	(5,048,840)
	<u>\$ 1,645,082</u>	<u>\$ 370,638</u>	<u>\$ (281,290)</u>	<u>\$ (1,671,151)</u>
Total general fund				
	<u>\$ 1,645,082</u>	<u>\$ 370,638</u>	<u>\$ (281,290)</u>	<u>\$ (1,671,151)</u>
All Other Governmental Funds:				
Nonspendable	\$ 14,767	\$ -	\$ -	\$ -
Restricted	41,177,372	-	-	-
Committed	56,079	-	-	-
Unassigned (deficit)	(2,264)	-	-	-
Reserved	-	4,729,827	4,637,940	4,189,258
Unreserved, reported in:				
Special revenue funds	-	595,369	157,608	245,941
Capital projects funds	-	(846,687)	(559,461)	(426,111)
Debt service funds	-	-	-	-
	<u>\$ 41,245,954</u>	<u>\$ 4,478,509</u>	<u>\$ 4,236,087</u>	<u>\$ 4,009,088</u>
Total all other governmental funds				
	<u>\$ 41,245,954</u>	<u>\$ 4,478,509</u>	<u>\$ 4,236,087</u>	<u>\$ 4,009,088</u>
Total governmental funds				
	<u>\$ 42,891,036</u>	<u>\$ 4,849,147</u>	<u>\$ 3,954,797</u>	<u>\$ 2,337,937</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): In fiscal year 2011, the District has implemented GASB 54, which reclassified fund balances and some fund types to the general fund.

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 amount is reported as a component of "reserved" fund balance.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,878,496	2,509,215	2,959,435	3,916,515	2,758,577	4,395,473
(3,497,628)	(3,247,658)	(3,714,265)	3,235	1,050,818	1,290,213
<u>\$ (619,132)</u>	<u>\$ (738,443)</u>	<u>\$ (754,830)</u>	<u>\$ 3,919,750</u>	<u>\$ 3,809,395</u>	<u>\$ 5,685,686</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,701,362	3,223,074	3,142,625	1,271,044	926,268	1,361,732
172,108	288,723	101,848	190,557	164,196	333,755
(62,930)	(336,449)	(419,205)	(787,440)	947,189	1,310,726
-	-	-	2,595,902	2,488,390	2,317,805
<u>\$ 3,810,540</u>	<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>\$ 3,191,408</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>

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

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

	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
Revenues				
From local sources:				
Taxes	\$ 28,521,440	\$ 27,857,601	\$ 28,099,864	\$ 25,419,002
Tuition	69,593	62,507	75,650	89,613
Transportation	7,004	7,308	13,819	2,340
Earnings on investments	150,324	83,742	144,994	291,928
Charges for services	317,847	327,170	351,342	-
Extracurricular	281,985	193,618	261,450	209,092
Classroom materials and fees	257,072	213,890	217,594	23,026
Contributions and donations	269,203	136,144	122,470	95,691
Rentals	98,075	338,166	295,270	273,984
Contract services	103,098	161,023	-	-
Other local revenues	287,160	158,195	310,233	279,509
Intergovernmental - State	7,711,068	7,630,815	7,402,508	6,659,186
Intergovernmental - Federal	2,418,011	1,596,002	1,063,772	918,098
Total revenues	<u>40,491,880</u>	<u>38,766,181</u>	<u>38,358,966</u>	<u>34,261,469</u>
Expenditures				
Current:				
Instruction:				
Regular	15,293,849	14,410,989	14,417,955	13,326,223
Special	4,228,153	4,586,956	3,923,212	3,715,276
Vocational	407,817	445,609	378,009	413,149
Other	28,808	51,038	28,300	26,948
Current:				
Pupil	2,367,578	1,951,138	1,819,965	1,873,323
Instructional staff	712,031	1,009,683	815,644	861,608
Board of education	35,503	32,757	40,458	38,499
Administration	2,059,252	1,932,072	1,924,195	2,053,567
Fiscal	781,896	824,275	726,228	714,321
Business	492,901	447,419	445,663	450,682
Operations and maintenance	3,617,987	3,643,025	3,812,350	3,329,102
Pupil transportation	1,635,298	1,441,001	1,631,701	1,845,272
Central	689,364	740,188	712,942	664,206
Operation of non-instructional services				
Food service operations	442,084	442,056	470,604	-
Other non-instructional services	1,665,163	1,320,582	1,644,408	1,576,174
Extracurricular activities	1,343,061	1,097,727	1,202,554	1,110,154
Facilities acquisitions and construction	4,885,284	331,290	75,280	34,638
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	2,526,880	2,442,268	2,324,123	2,192,469
Interest and fiscal charges	2,290,403	721,758	797,726	889,329
Bond issuance costs	435,150	-	-	-
Total expenditures	<u>45,938,462</u>	<u>37,871,831</u>	<u>37,191,317</u>	<u>35,114,940</u>
Excess of revenues over (under) expenditures	(5,446,582)	894,350	1,167,649	(853,471)
Other Financing Sources (Uses)				
Transfers in	30,378	210,926	31,000	-
Transfers (out)	(30,378)	(210,926)	(31,000)	-
Lease-purchase transactions	100,000	-	321,818	-
Sale of assets	-	-	-	-
Premium on bonds sold	443,449	-	-	-
Sale of bonds	42,900,000	-	-	-
Total other financing sources (uses)	<u>43,443,449</u>	<u>-</u>	<u>321,818</u>	<u>-</u>
Net change in fund balances	<u>\$ 37,996,867</u>	<u>\$ 894,350</u>	<u>\$ 1,489,467</u>	<u>\$ (853,471)</u>
Capital expenditures (included in expenditures above)	4,885,284	597,337	768,906	656,267
Debt service as a % of noncapital expenditures	12.79%	8.49%	8.57%	8.94%

Source: School District financial records.

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	25,666,088	\$ 24,240,672	\$ 20,851,323	\$ 23,364,027	\$ 19,029,507	\$ 21,845,773
	87,308	117,209	132,903	257,255	235,612	237,665
	-	-	-	119,609	101,077	57,811
	405,647	257,199	171,372	94,157	160,029	412,505
	-	-	-	-	-	-
	232,094	161,421	200,644	165,750	159,481	211,870
	16,277	18,354	13,595	-	-	-
	65,102	82,263	39,420	92,997	84,382	49,022
	201,196	165,420	165,848	146,517	145,753	150,870
	-	-	-	-	-	-
	508,575	272,186	254,156	5,801	54,874	52,078
	6,089,404	5,818,963	5,828,143	6,310,864	6,050,505	5,617,061
	870,993	897,862	820,849	-	-	-
	<u>34,142,684</u>	<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>
	13,218,752	12,449,859	12,993,678	11,947,488	10,552,236	10,010,024
	3,548,628	3,427,201	3,203,256	2,802,837	2,885,559	2,554,350
	404,383	351,372	481,957	223,699	272,121	251,032
	26,574	24,803	26,928	-	-	-
	1,732,285	1,671,187	1,656,203	1,431,489	1,355,789	1,317,073
	798,914	723,752	1,096,046	849,848	787,712	730,385
	31,896	22,987	229,603	23,573	28,340	24,156
	1,721,160	1,371,377	1,473,548	1,393,006	1,370,287	1,246,165
	468,239	793,486	792,747	674,754	622,920	683,643
	362,302	370,679	381,943	435,357	325,115	284,907
	3,120,493	3,220,950	3,083,886	3,030,354	2,775,288	2,632,355
	1,277,071	1,138,481	1,153,653	1,071,030	1,046,926	871,363
	896,374	638,532	873,912	631,871	691,370	667,325
	-	-	-	-	-	-
	1,561,811	1,296,794	1,506,059	1,316,648	1,352,924	1,202,083
	1,100,494	928,085	1,057,464	953,534	913,470	747,362
	2,425	9,683	510,675	-	-	-
	-	-	229,845	1,882,525	658,375	630,039
	2,085,918	1,999,419	1,902,967	1,780,000	1,729,348	1,922,867
	990,462	1,084,854	1,179,045	1,254,589	1,327,706	1,408,845
	-	-	-	-	-	-
	<u>33,348,181</u>	<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>
	794,503	508,048	(5,355,162)	(1,145,625)	(2,674,266)	1,450,681
	231,148	-	1,324	33,668	56,061	71,778
	(271,148)	-	(1,324)	(33,668)	(56,061)	(71,778)
	-	-	-	-	-	-
	-	-	5,942	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>(40,000)</u>	<u>-</u>	<u>5,942</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>754,503</u>	<u>\$ 508,048</u>	<u>\$ (5,349,220)</u>	<u>\$ (1,145,625)</u>	<u>\$ (2,674,266)</u>	<u>\$ 1,450,681</u>
	458,047	92,209	1,235,538	1,178,435	251,820	345,097
	9.35%	9.81%	9.45%	9.94%	10.75%	12.41%

**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)
2011	\$ 703,240,090	\$ 2,009,257,400	\$ -	\$ -	\$ 6,831,460	\$ 7,763,023
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

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
\$ 710,071,550	\$ 2,017,020,423	35.20%	84.30
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

**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		
2010/2011	18.40	6.10	10.90	73.60	6.13	4.57	84.30
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

Source: Cuyahoga County Auditor's Office

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

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2010 AND DECEMBER 31, 2001

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Westgate Mall, LLC	\$ 13,003,730	1	1.85%
Westwood Town Center	7,274,720	2	1.03%
Normandy Associates, Ltd.	5,324,110	3	0.76%
Presidential Apartments Ltd.	3,992,940	4	0.57%
Beachcliff Properties	3,633,500	5	0.52%
Westwood Country Club	3,262,770	6	0.46%
W&F Plaza Investments	2,624,310	7	0.37%
Linden Apartments Co.	2,548,600	8	0.36%
Gross Management, Inc.	2,500,790	9	0.36%
SRK Perrysburg Association, LLC	2,456,580	10	0.35%
Total	\$ 46,622,050		6.63%
Total Real Estate Valuation	\$ 703,240,090		

December 31, 2001			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Westgate Joint Venture	\$ 16,698,490	1	2.74%
Rockport Assoc. Co. Ltd.	6,281,240	2	1.03%
Westwood Town Center	5,430,310	3	0.89%
Normandy Associates, Ltd.	4,649,260	4	0.76%
Presidential Apartments Ltd.	3,927,840	5	0.64%
Gross Management, Inc.	2,964,820	6	0.49%
Linden Apartments Co.	2,744,460	7	0.45%
Higbee Company	2,458,890	8	0.40%
Missouri River Corporation	2,239,830	9	0.37%
Harbor Court	1,999,310	10	0.33%
Total	\$ 49,394,450		8.09%
Total Real Estate Valuation	\$ 610,185,370		

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, 2010 AND DECEMBER 31, 2001

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Personal Property and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 5,640,600	1	82.57%
East Ohio Gas	746,780	2	10.93%
American Transmission Systems Corp.	444,080	3	6.50%
Norfolk Southern	25,750	4	0.38%
Total	\$ 6,857,210		100.38%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 6,831,460	*	

* The reason the total reflected here is less than the sum of the top four taxpayers shown here is due to the fact that this total is the one certified by the State Dept. of Taxation for the tax year starting 1/1/2010 (collection year starting 1/1/2011), while the totals reflected for the individual taxpayers shown above are the updated totals as of 11/15/2010.

December 31, 2001			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Personal Property and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 4,735,790	1	14.35%
Ohio Bell Telephone Company	3,566,540	2	10.81%
Higbee Co.	2,908,050	3	8.81%
Target Corporation	856,050	4	2.59%
Cox Cable of Cleveland	801,750	5	2.43%
Hyland Software, Inc.	688,020	6	2.08%
Riser Food Company	667,370	7	2.02%
East Ohio Gas	623,830	8	1.89%
American Transmission Systems Company	570,190	9	1.73%
Marc Glassman, Inc.	409,630	10	1.24%
Total	\$ 15,827,220		47.95%
Total Tangible Personal Property and Public Utility Assessed Valuation	33,005,119		

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.

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**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
2010/2011	\$ 33,146,482	\$ 1,269,304	\$ 34,415,786	\$ 31,676,029	95.56%
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%

Source: Cuyahoga County Auditor's Office

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 682,872	\$ 32,358,901	94.02%
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%

**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				
2011	\$ 55,237,640	\$ -	\$ 212,619	\$ -	\$ 55,450,259	2,743	21,229	6.66%
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

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		
2011	\$ 55,237,640	\$ 55,237,640	2.74%	2,733
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

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, 2011

<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	\$ 55,450,259	100.00%	\$ 55,450,259
Total direct debt	<u>55,450,259</u>		<u>55,450,259</u>
Overlapping debt:			
City of Rocky River	17,070,000	96.96%	16,551,072
Cuyahoga County	316,711,948	2.37%	7,506,073
Regional Transit Authority	152,760,000	2.37%	3,620,412
City of Fairview Park	21,935,000	3.04%	666,824
Total overlapping debt	<u>508,476,948</u>		<u>28,344,381</u>
Total direct and overlapping debt	<u>\$ 563,927,207</u>		<u>\$ 83,794,640</u>

Source: Ohio Municipal Advisory Council

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year (1)	Voted Debt Limit	Total Debt Applicable to Limit (2)	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
2011	\$ 63,906,440	\$ 54,279,896	3,825,673	\$ 50,454,223	\$ 13,452,217	78.95%
2010	64,406,644	14,494,842	4,644,106	9,850,736	54,555,908	15.29%
2009	66,791,114	16,470,932	4,509,591	11,961,341	54,829,773	17.91%
2008	66,128,184	18,314,079	4,070,534	14,243,545	51,884,639	21.54%
2007	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%

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 for years 2007-2011.
- (2) Total debt excludes accreted interest on capital appreciation bonds.

**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>
2011	20,213	\$ 41,207	\$ 832,917,091	46	2,612	8.9%	8.8%	9.2%
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%

(1) U. S. Census Bureau - 2000 and 2010 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 AND FIVE YEARS AGO

<u>Employer</u>	<u>December 31, 2010</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment per Number of Employees</u>
City of Rocky River	729	5.57%
Rocky River City School District	623	4.76%
Westwood Country Club Co.	240	1.83%
Marc Glassman Inc.	239	1.83%
Cleveland Yacht Club Inc.	237	1.81%
Magnificat High School	199	1.52%
Heinens Inc.	195 *	1.49%
Cuyahoga County SAW Inc.	190	1.45%
CRS Marketing Services, Inc.	159	1.22%
Riser Foods	143	1.09%
Total	<u>2,954</u>	<u>22.58%</u>
Total Number of Employees (1), (2)	<u><u>13,085</u></u>	

<u>Employer</u>	<u>December 31, 2005</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment per Number of Employees</u>
City of Rocky River	679	3.89%
Rocky River City School District	601	3.45%
Normandy LTD	337	1.93%
Cuyahoga County Auditor	279	1.60%
Riser Foods	256	1.47%
Magnificat High School	201	1.15%
Premier Physicians Group	134	0.77%
Ultimate Warranty Corp.	64	0.37%
McDonald & Company Securities	46	0.26%
Dawson Insurance Inc.	28	0.16%
Total	<u>2,625</u>	<u>15.05%</u>
Total Number of Employees (1), (2)	<u><u>17,442</u></u>	

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

* Estimated number of employees based on previous filings with CCA

(1) Only includes employee count located within the City of Rocky River. Employment numbers for 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 years earlier than 2005 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>2011</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>
Professional Staff:										
Teaching Staff:										
Elementary	26.00	26.60	27.50	26.25	28.00	27.75	28.10	28.10	28.10	N/A
Intermediate	33.67	33.27	33.27	31.52	31.27	32.76	34.57	34.82	33.94	N/A
Middle	36.12	37.67	37.82	38.20	37.40	37.16	37.53	38.35	38.45	N/A
High	51.78	52.43	52.28	52.73	51.13	50.93	50.78	49.93	49.93	N/A
Tutors	22.21	22.67	18.72	17.12	16.20	17.94	15.89	13.66	14.55	N/A
Others	2.50	1.50	0.00	0.00	2.00	2.00	2.00	2.00	2.00	N/A
Administration	18.00	17.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	N/A
Auxiliary Positions:										
Counselors	6.75	5.75	6.75	7.00	7.00	7.00	7.00	7.00	7.00	N/A
Nurses						0.00	0.00	0.00	0.00	0.00
Speech	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	N/A
Mental Health Specialists	2.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	N/A
Occupational/PT	0.81 *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A
Secretarial	30.62	30.62	30.04	30.70	30.40	30.20	29.20	30.20	29.20	N/A
Aides	18.76	19.10	19.57	20.47	21.80	20.12	19.40	18.80	19.61	N/A *
Crossing Guards						0.00	0.00	0.00	0.00	N/A *
Learning Assistants	1.94	1.94	1.94	3.89	4.96	6.86	6.73	7.68	5.76	N/A
Lunch and Hall Monitors/Security	6.20	6.00	6.19	6.19	7.11	5.31	5.20	4.90	4.90	N/A
Technical						0.00	0.00	0.00	0.00	N/A
Cooks/Food Service	4.52	4.74	4.52	5.35	5.91	5.88	4.60	5.10	4.66	N/A
Maintenance	7.00	7.00	7.00	8.00	6.00	7.00	7.00	8.00	8.00	N/A
Grounds						0.00	0.00	0.00	0.00	N/A
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	N/A
Athletic Trainer	*	*	*	*	*	*	0.70	0.70	0.70	N/A
Other Central Support	1.00	0.50	1.50	1.17	1.17	1.17	1.17	1.17	1.17	N/A
Total	307.88	305.89	303.71	299.69	302.98	307.92	304.30	303.89	301.53	0.00
<u>Function</u>	<u>2011</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>
Instruction:										
Regular	136.23	136.23	139.00	137.60	137.10	137.70	140.28	141.25	140.72	N/A
Special	50.72	50.10	49.35	50.31	49.39	48.18	47.83	48.28	46.07	N/A
Vocational	**	**	**	**	**	**	**	**	**	N/A
Other	16.87	15.06	13.35	14.90	17.08	18.05	14.89	12.51	13.25	N/A
Support Services:										
Pupil	7.75	7.75	7.75	8.00	8.00	8.00	8.00	8.00	8.00	N/A
Instructional staff	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	N/A
Administration	18.80	18.80	17.80	17.80	17.80	18.00	18.00	18.00	18.00	N/A
Fiscal	4.28	4.40	4.00	4.00	4.00	4.20	4.20	4.20	4.20	N/A
Business	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	N/A
Operations and maintenance	30.23	30.23	28.74	25.10	27.16	30.46	30.86	29.85	29.87	N/A
Pupil transportation	18.28	18.38	18.38	16.76	15.67	16.58	14.77	15.83	15.89	N/A
Central	3.27	3.27	3.67	4.17	4.17	4.17	4.17	4.17	4.17	N/A
Food Service Operations	5.75	5.97	5.97	5.35	6.91	6.88	5.60	6.10	5.66	N/A
Extracurricular activities	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	N/A
Total	307.88	305.89	303.71	299.69	302.98	307.92	304.30	303.89	301.53	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.

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

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

Function	2011	2010	2009	2008	2007	2006
Instruction:						
Regular, Special and Vocational						
Enrollment (students)	2,612	2,644	2,681	2,686	2,696	2,640
Graduation Count	229	210	244	211	229	186
Graduation Rate	96.20%	98.60%	99.20%	99.10%	96.90%	98.00%
Student attendance rate	96.40%	96.30%	96.60%	96.50%	96.40%	96.60%
Support services:						
Board of education						
Regular meetings per year (based on calendar year)	22	22	22	21	22	22
Special meetings per year (based on calendar year)	11	13	10	14	18	6
Administration						
Teacher attendance rate	95.70%	95.30%	95.30%	95.50%	94.90%	95.40%
Fiscal						
Nonpayroll checks issued	4,239	4,152	4,363	4,157	4,374	4,533
Payroll checks/direct deposits issued	10,958	10,079	10,926	10,836	10,771	10,891
Operations and maintenance						
Work orders completed	* 1,000	950	1,200	1,220	900	1,100
Square footage maintained	451,773	451,773	451,773	451,773	451,773	451,773
Pupil transportation						
Avg. students transported daily	1,110	1,116	1,179	1,230	1,455	1,366
Food service operations						
Meals served to students	** 82,408	90,338	104,621	104,800	110,719	112,953
Milk served to students	** 38,498	52,399	56,687	64,926	61,564	60,888
Percentage of students receiving free/reduced cost meals	11.03%	11.53%	9.66%	7.55%	7.12%	12.45%

Source: School District records.

* In addition to processing these work orders, the facilities department processes numerous routine maintenance-type jobs as well as emergency requests 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.

2005	2004	2003	2002
2,623	2,598	2,575	2,517
199	202	190	145
98.00%	95.30%	95.00%	94.80%
96.30%	96.50%	96.40%	96.30%
22	22	22	22
4	7	5	3
95.70%	95.90%	96.60%	96.20%
5,369	5,279	5,468	5,339
11,305	11,013	10,850	10,584
1,100	1,100	1,100	1,100
451,773	451,773	451,773	451,773
1,497	1,549	1,525	1,421
109,467	106,170	98,199	92,627
60,797	59,270	58,251	53,579
10.02%	8.95%	9.56%	5.02%

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
Land	\$ 770,821	\$ 770,821	\$ 770,821	\$ 722,230
Construction in progress	4,572,353	292,550	-	-
Land improvements	1,192,029	1,240,900	1,275,515	1,297,873
Building/improvements	18,722,146	19,916,232	20,882,476	21,870,716
Furniture/equipment	1,076,685	1,042,833	1,077,834	785,235
Vehicles	568,269	666,739	679,979	598,938
Total Governmental Activities				
Capital Assets, net	<u>\$ 26,902,303</u>	<u>\$ 23,930,075</u>	<u>\$ 24,686,625</u>	<u>\$ 25,274,992</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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230
-	-	-	108,213	-	-
1,588,029	1,698,598	1,711,678	920,719	969,461	1,014,454
23,561,292	24,879,954	30,093,136	31,415,477	32,183,211	33,538,235
839,466	653,439	1,044,361	883,709	885,349	970,586
295,675	379,697	531,159	599,027	452,940	457,069
<u>\$ 27,006,692</u>	<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>

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Goldwood Elementary (1927)					
Square feet	55,070	55,070	55,070	55,070	55,070
Capacity (students)	588	588	588	588	588
Enrollment	546	561	563	558	568
Kensington Intermediate (1926)					
Square feet	71,720	71,720	71,720	71,720	71,720
Capacity (students)	596	596	596	596	596
Enrollment	556	575	584	588	577
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	632	615	606	631	643
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	878	893	928	909	908
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	2,612	2,644	2,681	2,686	2,696

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

2006	2005	2004	2003	2002
55,070	55,070	55,070	55,070	55,070
588	588	588	588	588
559	519	514	543	533
71,720	71,720	71,720	71,720	71,720
596	596	596	596	596
566	591	603	597	587
110,000	110,000	110,000	110,000	110,000
659	659	659	659	659
626	640	623	602	594
141,631	141,631	141,631	141,631	141,631
936	936	936	936	936
889	844	827	795	769
37,780	37,780	37,780	37,780	37,780
404	404	404	404	404
*	29	31	38	34
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
2,640	2,623	2,598	2,575	2,517

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2011	\$ 40,686,029	\$ 15,577	\$ 38,456,045	\$ 14,723	2,612	-1.21%
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%

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.

N/A - Data Not Accessible

Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
166	15.73	96.40%
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%

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

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

	<u>2011</u>		<u>2010</u>		<u>2009</u>		<u>2008</u>	
Education								
<i>College Degree Attained (Number of Staff/% of Total)</i>								
Bachelor's Degree	4	2.41%	6	3.61%	9	5.42%	7	4.32%
Bachelor's Degree + 9 hours	9	5.42%	9	5.42%	10	6.02%	9	5.56%
Bachelor's Degree + 18 hours	18	10.84%	21	12.65%	18	10.84%	24	14.81%
Master's Degree	55	33.13%	48	28.92%	49	29.52%	41	25.32%
Master's Degree + 9 hours	23	13.86%	27	16.27%	28	16.87%	27	16.67%
Master's Degree + 18 hours	21	12.65%	18	10.84%	16	9.64%	17	10.49%
Master's Degree + 27 hours	13	7.83%	14	8.43%	14	8.43%	13	8.02%
Master's Degree + 36 hours	23	13.86%	23	13.86%	22	13.25%	24	14.81%
Ph. D.	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	166	100.00%	166	100.00%	166	100.00%	162	100.00%
Experience								
<i>Range of Years' Experience (Number of Staff/% of Total)</i>								
0 - 5	17	10.24%	33	19.88%	26	15.66%	20	12.35%
6 - 10	34	20.48%	21	12.65%	29	17.47%	31	19.14%
11 and over	115	69.28%	112	67.47%	111	66.87%	111	68.51%
Total	166	100.00%	166	100.00%	166	100.00%	162	100.00%
Average Teacher Salary	\$73,950		\$70,850		\$67,535		\$65,596	

Source: School District Records and Ohio Department of Education.

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

2007		2006		2005		2004		2003		2002	
8	4.91%	8	4.85%	11	6.51%	10	6.17%	19	11.80%	19	11.80%
13	7.98%	11	6.67%	10	5.92%	9	5.56%	7	4.35%	7	4.35%
16	9.82%	17	10.30%	18	10.65%	19	11.73%	24	14.91%	24	14.91%
47	28.82%	47	28.48%	52	30.77%	50	30.86%	50	31.06%	50	31.06%
26	15.95%	29	17.58%	24	14.20%	23	14.20%	23	14.29%	23	14.29%
16	9.82%	18	10.91%	18	10.65%	15	9.26%	9	5.59%	9	5.59%
13	7.98%	14	8.48%	15	8.88%	14	8.64%	12	7.45%	12	7.45%
24	14.72%	21	12.73%	21	12.43%	22	13.58%	17	10.56%	17	10.56%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
163	100.00%	165	100.00%	169	100.00%	162	100.00%	161	100.00%	161	100.00%
20	12.27%	19	11.52%	26	15.38%	33	20.37%	45	27.95%	45	27.95%
33	20.25%	47	28.48%	46	27.22%	54	33.33%	42	26.09%	42	26.09%
110	67.48%	99	60.00%	97	57.40%	75	46.30%	74	45.96%	74	45.96%
163	100.00%	165	100.00%	169	100.00%	162	100.00%	161	100.00%	161	100.00%
\$64,697		\$63,161		\$59,376		\$57,168		\$51,730		\$50,040	

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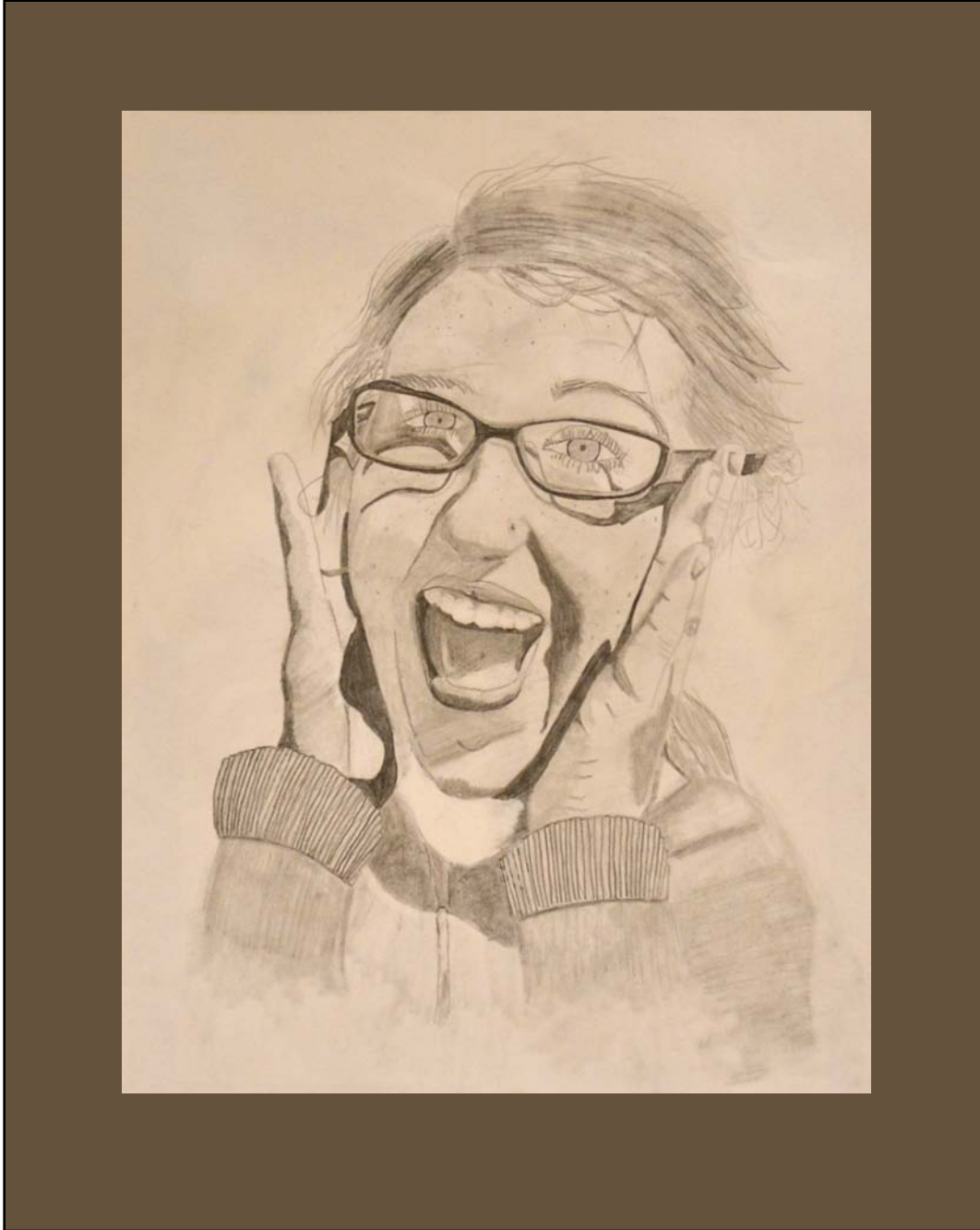


Mary Klym
Grade 1

ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County, Ohio



Fiona Horning
Grade 12



Dave Yost • 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 10, 2012