

Mary Taylor, CPA
Auditor of State

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education:</i>					
Nutrition Cluster:					
School Breakfast Program	10.553	\$25,180	\$0	\$25,180	\$0
School Lunch Program	10.555	320,031	50,238	320,031	50,238
Team Nutrition - 2009	10.574	2,000	0	29	0
Total Nutrition Cluster		347,211	50,238	345,240	50,238
Total U.S. Department of Agriculture		347,211	50,238	345,240	50,238
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster:					
Special Education, Part B - IDEA - 2009	84.027	(15,582)	0	10,692	0
Special Education, Part B - IDEA - 2010	84.027	906,519	0	895,832	0
ARRA - Special Education, Part B	84.391	713,080	0	632,227	0
Total Special Education: Grants to States		1,604,017	0	1,538,751	0
Early Childhood Special Education, IDEA - 2009	84.173	2,907	0	1,019	0
Early Childhood Special Education, IDEA - 2010	84.173	15,085	0	16,823	0
ARRA - Early Childhood Special Education, IDEA	84.392	17,136	0	15,618	0
Total Special Education : Preschool Grant		35,128	0	33,460	0
Total Special Education Cluster		1,639,145	0	1,572,211	0
Title I - 2009	84.010	50,939	0	49,620	0
Title I - 2010	84.010	152,980	0	167,782	0
Total Title I - Grants to Local Educational Agencies		203,919	0	217,402	0
Safe and Drug-Free Schools - 2009	84.186	2,931	0	463	0
Safe and Drug-Free Schools - 2010	84.186	9,960	0	11,132	0
Total Safe and Drug-Free Schools Grant		12,891	0	11,595	0
Innovative Programs, Title V - 2009	84.298	231	0	693	0
Technology, Title II-D - 2009	84.318	466	0	694	0
Technology, Title II-D - 2010	84.318	284	0	197	0
		750	0	891	0
LEP, Title III - 2009	84.365	(1,023)	0	337	0
LEP, Title III - 2010	84.365	22,331	0	20,749	0
Total LEP, Title III		21,308	0	21,086	0
Improving Teacher Quality - 2009	84.367	(1,359)	0	21,455	0
Improving Teacher Quality - 2010	84.367	66,348	0	64,677	0
Total Title III LEP - English Language Acquisition Grants		64,989	0	86,132	0
ARRA - State Fiscal Stabilization Fund	84.394	340,301	0	340,301	0
Total U.S. Department of Education		2,283,534	0	2,250,311	0
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</u>					
<i>Passed Through Ohio Department of Environmental Protection Agency:</i>					
Ohio EPA - Recovery Act	66.040	35,121	0	26,365	0
Total U.S. Department of Environmental Protection Agency		35,121	0	26,365	0
Total Federal Financial Assistance		\$2,665,866	\$50,238	\$2,621,916	\$50,238

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - 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 C – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food versus food commodities it receives from the U.S. Department of Agriculture. The government reports commodities consumed on the Schedule at the fair value.

NOTE D - 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 2009 to 2010 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred from 2009 to 2010</u>
Special Education, Part B-IDEA - 2009	84.027	\$15,582
LEP, Title III	84.365	1,023
Improving Teacher Quality	84.367	1,359

CFDA – Catalog of Federal Domestic Assistance.



Mary Taylor, CPA

Auditor of State

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

North Royalton City School District
Cuyahoga County
6579 Royalton Road
North Royalton, Ohio 44133

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 North Royalton City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated December 10, 2010.

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

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

Mary Taylor, CPA
Auditor of State

December 10, 2010



Mary Taylor, CPA

Auditor of State

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

North Royalton City School District
Cuyahoga County
6579 Royalton Road
North Royalton, Ohio 44133

To the Board of Education:

Compliance

We have audited the compliance of the North Royalton City School District, Cuyahoga County, Ohio, (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 each of North Royalton City School District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. 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 North Royalton City School District, Cuyahoga County, Ohio, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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Internal Control Over Compliance (Continued)

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

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

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the North Royalton City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 10, 2010. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The accompanying federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

December 10, 2010

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	<p>Nutrition Cluster: School Breakfast Program, CFDA #10.553, School Lunch Program, CFDA #10.555, Team Nutrition – 2009, CFDA #10.574.</p> <p>Special Education Cluster: IDEA, Part B, CFDA #84.027, ARRA, Part B, CFDA #84.391, Early Childhood Special Education, IDEA, CFDA #84.173, ARRA – Early Childhood Special Education, IDEA, CFDA #84.392.</p> <p>ARRA – State Fiscal Stabilization Fund, CFDA #84.394.</p>
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

North Royalton City School District

North Royalton, Ohio



Beliefs, Vision & Mission Statement

Beliefs

We Believe...

- In a culture that promotes respect and integrity
- In collaboration among schools, communities and families
- Communication is essential
- In a balance between interpersonal relationships and technology
- All students are capable of learning and learn in different ways at different rates
- In equal access for every student

Vision

Our educational community will be a model in identifying individual student needs and providing comprehensive support.

Mission Statement

“We Inspire and Empower Learners.”

*North Royalton, Ohio
City School District*

*Comprehensive
Annual Financial Report
For the Fiscal Year Ended June 30, 2010*

Prepared by

*Treasurer's Office
Richard McIntosh
Treasurer*

INTRODUCTORY SECTION

North Royalton City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010
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North Royalton City School District

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Phone (440) 237-8800 • Fax (440) 582-7336 • www.northroyaltonsd.org

December 10, 2010

Board of Education Members
North Royalton City School District

Edward Vittardi
Superintendent
(440) 582-9030

Richard McIntosh
Treasurer
(440) 582-9045

James Presot
Assistant Superintendent
(440) 582-9034

Gregory Gurka
Director of Personnel
(440) 582-9036

Bruce Bradley
Director of Curriculum and Instruction
(440) 582-9038

Susan Welch
Director of Pupil Services
(440) 582-9143

It is our privilege to present to you the Comprehensive Annual Financial Report (CAFR) of the North Royalton City School District ("School District") for the fiscal year ended June 30, 2010. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this CAFR, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Under Ohio law, regular audits are required to be performed on all financial related operations of the School District. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For fiscal year 2009, the School District was audited by the Auditor of State's Office. Their unqualified opinion is included in the financial section of this CAFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The School District

The North Royalton City School District is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly. Under Ohio law, the School District is a separate and distinct unit of government with its own taxing authority. The North Royalton Board of Education is a five-member board, elected at large, with overlapping four-year terms.

The School District is located in Cuyahoga County in northeastern Ohio, twenty miles south of the downtown area of the City of Cleveland and covers 25 square miles. Based on property valuations, the School District includes 98.5 percent of the City of North Royalton and 24.7 percent of the City of Broadview Heights (1.5 percent of the City of North Royalton and 75.3 percent of the City of Broadview Heights are in the Brecksville-Broadview Heights City School District). The School District is bounded by the City of Parma on the north, the City of Broadview Heights on the east, the City of Strongsville on the west and Medina County on the south. North Royalton became a township in 1818, was incorporated as a village in 1927 and became a city in 1961. Early records show that formal schooling began in approximately 1821 with a log schoolhouse on State Road. In 1858, there were 41 students enrolled in the North Royalton School District. On February 13, 1961, North Royalton Local Schools became a City School District.

"We Inspire and Empower Learners"

The North Royalton City School District provides a comprehensive array of programs and services in six school buildings: one high school with grades 9 through 12, one middle school with grades 5 through 8, three elementary schools with each containing grade 1 through grade 4, and an Early Childhood Center for grades pre-kindergarten through kindergarten. Course offerings, supplemented by extra-curricular opportunities, afford students with the skills necessary to pursue post-high school educational and career goals.

The students enrolled in the North Royalton City School District attend classes in the following buildings:

- North Royalton High School built in 1950, with additions in 1958, 1976 and 1990 houses students in grades 9 through 12.
- North Royalton Middle School built in 1996 houses students in grades 5 through 8.
- Albion Elementary School built in 1955 with additions in 1956, 1957, 1976, 1978 and 1988 houses students in grades 1 through 4.
- Royal View Elementary School built in 1965 with an addition in 1988 houses students in grades 1 through 4.
- Valley Vista Elementary School built in 1959 with additions in 1961 and 1988 houses students in grades 1 through 4.
- The Early Childhood Center, consisting of four buildings leased from the City of Broadview Heights, houses pre-kindergarten and kindergarten students.

North Royalton's cost-per-pupil is consistently among the lowest for Cuyahoga County school districts. The results of achievement, competency and proficiency testing continue to substantiate the effectiveness of the teaching-learning process in the School District.

The Reporting Entity

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the North Royalton City School District (the primary government) and its potential component units.

The School District is associated with the Lakeshore Northeast Ohio Computer Association, the Cuyahoga Valley Career Center, the Ohio Schools Council Association and the Suburban Health Consortium, three jointly governed organizations and one shared risk pool.

Economic Condition and Outlook

The City of North Royalton continues to experience a period of rapid growth. The 2000 U.S. Census data reports a population of 28,648 in the City of North Royalton. This represents a 23.5 percent increase since the 1990 census. The median household income is \$57,398.

The North Royalton City School District receives 66.8 percent of its governmental revenues from local property tax collections. Therefore the long-term financial health of the School District is very dependent on its tax base. The total assessed value of the School District's tax duplicate rose by nearly 35 percent in the last ten years. The increased value in the duplicate is due to revisions in property values made by the County Auditor every three years and new construction taking place in the School District.

Enrollment for the 2000-2001 school year was 4,285 students. Enrollment for the 2009-2010 school year was 4,607 students. The School District enlists the assistance of a professional demographer to develop enrollment projections. Projections are developed assuming low, moderate and high growth rates in the School District. The last enrollment projections completed in December 2008 indicate that the growth in the student population will continue. Student enrollment projections for the 2018-2019 school year estimates an enrollment of 5,086 students assuming moderate growth rates.

Educational Program

During the 2010 school year, the School District's curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and vocational programs. The School District offers advanced placement courses at the high school in American Government, English, Literature and Composition, Calculus AB, Computer Science, Microeconomics/Macroeconomics, Physics B and United States History. The School District has earned an "excellent" rating on the State of Ohio District Report Card for 10 consecutive years.

The graduating Class of 2010 exceeded the State and national average scores on both the American College Test (ACT) and the Scholastic Aptitude Test (SAT). The composite score of 23.4 on the ACT surpassed the State average of 21.8 and the national average of 21.0. The mean scores for North Royalton students on the SAT of 566 in mathematics and 535 in critical reading surpassed the State mean score of 548 and the national score of 516 in mathematics and the State mean of 538 the national mean of 501 in the critical reading section. This year the high school has two finalists and five commended scholars in the National Merit Scholarship Program.

A full range of student activities and athletic programs are available to students at the high school. Some activities are open to all student participants while others, including interscholastic sports, require a try-out process. Competitive sports programs are available via affiliation in the Northeast Ohio Conference from grades 7 through 12.

Ninety percent of the high school graduates last year indicated they intended to continue their education at the university or college level with 71 percent attending a four-year college and 19 percent a two-year college. The high school offers 198 courses on the main campus with an additional 50 vocational offerings at Cuyahoga Valley Career Center. Additional academic statistics from the Class of 2010 include: 38 percent received an Honors Diploma, 18 percent were members of the National Honor Society, 4 percent graduated Magna Cum Laude and 10 percent graduated Cum Laude.

Major Initiatives:

2009 – 2010 School Year

- Developed a strategic plan that involved nearly 1,000 staff and community members. The plan encompassed a vision, mission, beliefs and goals for the School District. Strategies and action steps for each goal were developed by action teams. Achieving these goals in concert with the community will now be the focus of the district.
- Continued the cycle of curriculum review and/or material selection (Industrial Technology, science K – 12, Math 9-12-Discrete Math, High School Economics) enabling monitoring and updating of the Pre-K – 12 educational program
- Developed the Consolidated Continuous Improvement Plan (CCIP) that is designed to improve student achievement
- Continued the implementation of the Response to Intervention (RtI) process
 - Year 4 for Literacy
 - Examine effectiveness of universal screeners in grades K - 8
 - Year 3 for Behavior
 - Implement Positive Behavior Support programs in schools
 - Year 2 for Math
 - Continue to administer the eHarcourt Inventory and End of Year tests

- Adopted and provide alternative curriculum in language arts resource rooms for K – 12 students (Readwell, LANGUAGE!)
- Formulated curriculum guides for math 9-12 (Concepts of Algebra II, Discrete Math, Concepts of Discrete Math) and ELL K-12 (English Language Learners).
- Continued training of staff to use a variety of data (i.e. Value Added, OAT/OGT, DIBELS, AIMSweb, eHarcourt Math screeners)
- Continued orientation programs for both Middle School and High School
 - Link Crew (High School)
 - WEB (Middle School)
- Continued implementation of internet based access using Progressbook for students and parents in grades Pre-k – 12 to access grades, report cards, progress reports, and class information
- Expanded technology implementation in classrooms (SMART boards, Student Response Systems, Mimio's)
- Established a professional development committee
- Continued professional development to help staff meet the learning needs of all students including the needs of special populations (i.e. special education, ELL, gifted) such as: Language and Readwell training (K-12), Vocabulary Development, Common Assessments Science Grades 3 and 4, Formative Assessments, Accelerating the Reading Skills of Your Title I Students, Guided Reading, Teaching Your Gifted Student, Turning Points Student Response Systems, Smart Board, Moodle, Portable Apps and Mimio Training (Technology), Improving OAT scores, Access to the General Education Curriculum for All, Assessments for Learning, Behavior support, and Crisis Management Institute
- Continued to provide extended day services for identified pre-school and kindergarten special needs students
- Initiated Title 1 services to students at the Early Childhood Center, Albion, Royal View and North Royalton Middle School
- Examined development and implementation of common assessments for Science Grades 3 and 4

For the Future

- Continue the cycle of curriculum review, material selection highlighting Reading RtI and rigor including advanced placement at the high school.
- Monitor and Refine the Consolidated Continuous Improvement Plan (CCIP) to improve student achievement as determined by data
- Continue the implementation of the Response to Intervention (RtI) process
 - Structural organization
 - Year 5 for Literacy
 - Examine effectiveness of universal screeners in grades K – 8
 - Examine structure of Tier II and Tier III services
 - Year 4 for Behavior
 - Implement Positive Behavior Support programs in schools
 - Year 3 for Math
 - Continue to administer the eHarcourt Inventory and End of Year tests

- Continue implementation of internet based access using Progressbook for students and parents in grades Pre-k – 12 to access grades, report cards, progress reports, and class information
 - Review alignment to new State standards
- Continue training in the utilization of data to drive decisions (Value added, OAT/OGT, DIBELS, AIMSweb, Get It! Got It! Go!, Harcourt math screeners, Measure Up, ODE Success website)
- Continue examination of our professional development model and content to serve the needs of our staff in a manner that is fiscally responsible and that will lead to improved student achievement
 - Ongoing meetings of professional development committee
 - Continue to incorporate early release days as a beginning to altering our model
 - Developing and using in-district experts
- Continue collaboration with State representatives and constituents regarding funding, facility needs, and operation needs
- Continue Title 1 services to students at the Early Childhood Center and North Royalton Middle School
- Support implementation of alternative curriculum in language arts resource rooms for K – 12 students (Readwell, LANGUAGE!)
- Continue expansion of technology implementation in classrooms (SMART boards, Student Response Systems, Mimio’s)
- Continue professional development of staff to meet the needs of special populations (i.e. special education, ELL, gifted)
- Research development and implementation of common assessments(Formative assessments, of year course exams) and related professional development
- Address the mandates included in House Bill 1
- Align curriculum to new State content standards
 - Align high school curriculum to new High school core curriculum per ODE

Long Term Planning

The School District has placed an emphasis on long term planning. The administrative staff meets twice per year to review and discuss staffing levels for the next five years in light of enrollment changes and program requirements. Operating costs and capital expenditure needs are also reviewed and analyzed during these meetings. As previously noted, the growing student population places stress on both the operating budget and physical facilities. Enrollment projections are completed at least biannually by professional demographers and the results are analyzed and incorporated into the operating and capital budget projections for the next five year period.

Relevant Financial Policies

The Board of Education, in its policy making role, reviews and updates School District policies on a regular basis. The impact of policy changes on School District finances is one part of this review. For example, the Board has adopted a policy requiring intervention services be provided any student who scores below the proficient level in reading, writing, mathematics social studies or science proficiency tests, or who do not demonstrate academic performance at their grade level based on the results of a diagnostic assessment.

Intervention services have generally been funded through State and federal grants. The reduction of those revenue sources has required the School District's general fund to absorb those expenses. In addition, the School District has chosen to increase these services with the implementation of the Response to Intervention process. This is the practice of providing high quality instruction and intervention matched to student need, monitoring progress frequently to make decisions about changes in instructional goals and applying child response data to important educational decisions.

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to North Royalton City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The publication of this report is a significant step toward professionalizing the North Royalton City School District's financial reporting. It enhances the School District's accountability to the residents of the North Royalton City School District.

The preparation of this report would not have been possible without the assistance and support of the staff at the Treasurer's office, various administrators and staff members of the School District. Assistance from the County Auditor's staff and outside agencies made possible the fair presentation of the statistical data.

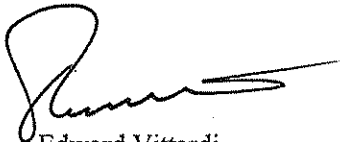
Special appreciation is expressed to the Local Government Services Section of State Auditor Mary Taylor, CPA's office for assistance in planning, designing and reviewing this financial report.

Finally, sincere appreciation is extended to the Board of Education for their support for this project and their continued commitment to excellence.

Respectfully submitted,



Richard McIntosh
Treasurer



Edward Vittardi
Superintendent

North Royalton City School District

Principal Officials

June 30, 2010

Board of Education

Mr. Leonard Reinhard President
Ms. Anne Reinkober Vice President
Ms. Heidi Dolezal Member
Ms. Cheryl Hannan Member
Mr. Dan Langshaw Member

Treasurer

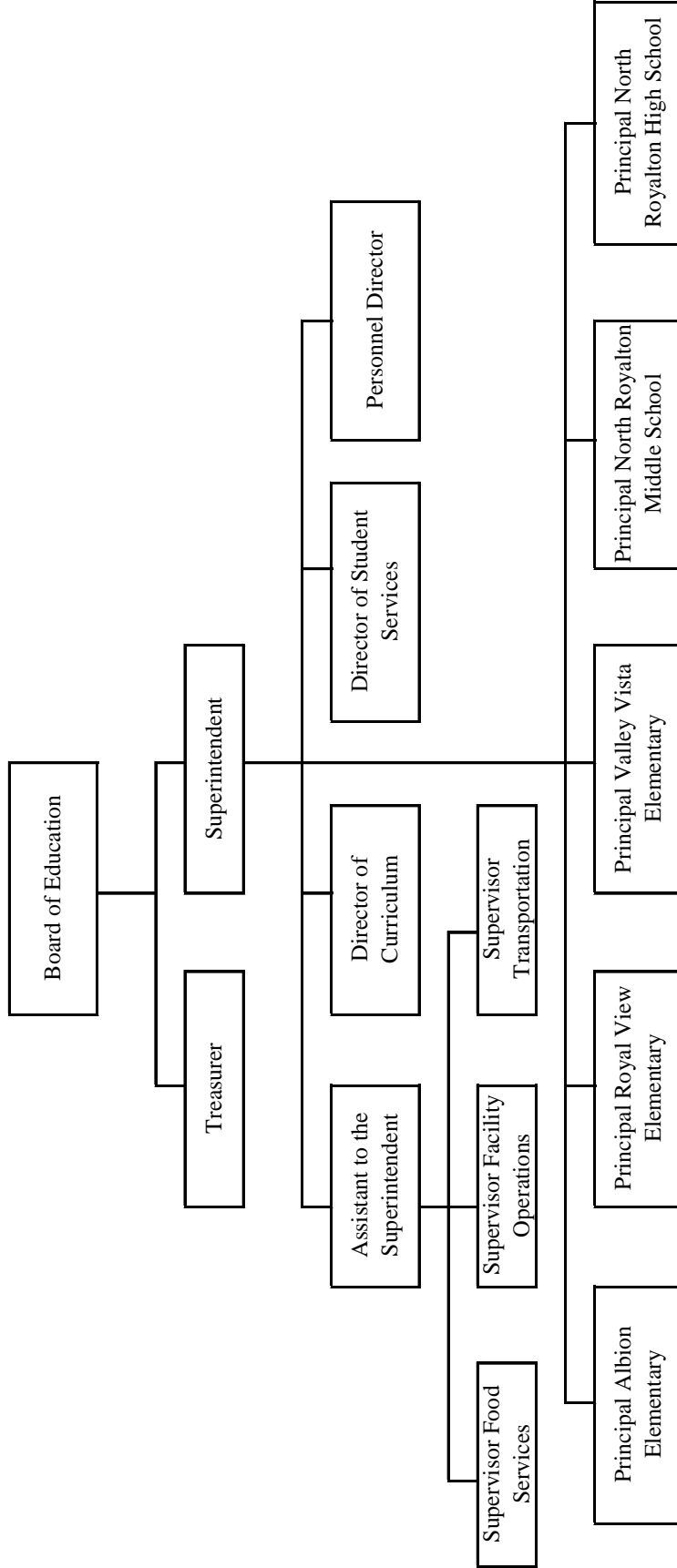
Mr. Richard McIntosh

Administration

Mr. Edward Vittardi Superintendent
Mr. James J. Presot Assistant Superintendent
Mr. Greg Gurka Director of Personnel
Ms. Glenda Hathaway Director of Curriculum and Instruction
Ms. Susan Welch Director of Student Services

North Royalton City School District

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

North Royalton
City School District
Ohio

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

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



A stylized, handwritten signature in black ink, appearing to read "JEFFREY R. EMER".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

**FINANCIAL
SECTION**



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

North Royalton City School District
Cuyahoga County
6579 Royalton Road
North Royalton, Ohio 44133

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 North Royalton City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the North Royalton City School District, Cuyahoga County, Ohio, as of June 30, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provides additional analysis and is not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates 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.



Mary Taylor, CPA
Auditor of State

December 10, 2010

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

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

Financial Highlights

Key financial highlights for 2010 are as follows:

- ❑ The School District is committed to meeting the academic needs of our students by providing them with updated textbooks and instructional materials to compete in a global environment. During fiscal year 2010, the School District purchased 34 additional SMART board (interactive whiteboards) and provided professional development for staff members to facilitate their classroom utilization.
- ❑ The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District. The School District continues to implement the Response to Intervention program utilizing grant monies. The School District is able to help students in the areas of reading, math and writing.
- ❑ The School District values the education of our students and teachers. In fact, continuing education is a priority for our certificated staff, 76 percent have achieved a Masters' degree or above.
- ❑ The School District completed a strategic planning process during fiscal year 2010. The final document identified six goals that will be the focus of the School District over the next five years. Nearly 1,000 community and staff members participated in this process.

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 North Royalton City School District as a financial whole, or complete operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

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

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole the financial position of the School 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 School District's current property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, all of the School District's activities are classified as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, non-instructional services, operation of food services and extracurricular activities.

Reporting the School District's Most Significant Funds

The analysis of the School District's major funds begins on page 9. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general and bond retirement debt service funds.

Governmental Funds Most of the School 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 fiscal 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 School District's general government operations and the basic services it provides. Governmental fund information helps 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.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets for 2010 compared to 2009:

Table 1
 Net Assets
 Governmental Activities

	2010	2009	Change
Assets			
Current and Other Assets	\$50,955,650	\$46,705,906	\$4,249,744
Capital Assets, Net of Depreciation	24,330,789	24,639,925	(309,136)
<i>Total Assets</i>	<u>75,286,439</u>	<u>71,345,831</u>	<u>3,940,608</u>
Liabilities			
Current and Other Liabilities	37,706,126	35,631,583	2,074,543
Long-Term Liabilities:			
Due Within One Year	1,558,824	1,382,613	176,211
Due in More Than One Year	16,673,541	17,393,079	(719,538)
<i>Total Liabilities</i>	<u>55,938,491</u>	<u>54,407,275</u>	<u>1,531,216</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	11,374,852	11,158,736	216,116
Restricted for:			
Capital Projects	1,161,025	1,092,228	68,797
Debt Service	3,458,042	3,453,480	4,562
Other Purposes	525,067	389,361	135,706
Unrestricted	2,828,962	844,751	1,984,211
<i>Total Net Assets</i>	<u>\$19,347,948</u>	<u>\$16,938,556</u>	<u>\$2,409,392</u>

By comparing assets and liabilities, one can see the overall financial position of the School District has improved as evidenced by the increase in net assets. Management continues to diligently plan expenses, staying carefully within the School District's revenues.

In order to further understand what makes up the changes in net assets for the current year, the following table gives readers further details regarding the results of activities for the current year. Table 2 shows total revenues, expenses and changes in net assets for fiscal years 2010 and 2009.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

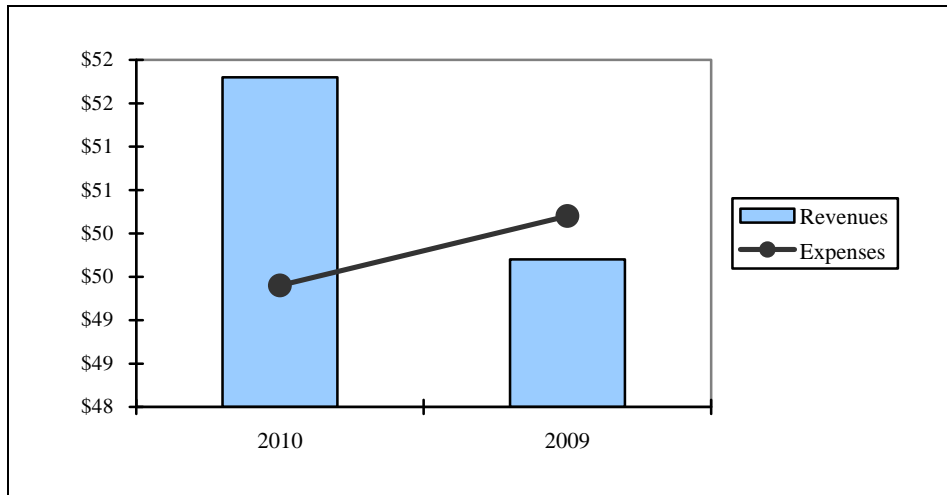
Table 2
 Governmental Activities

	2010	2009	Change
Program Revenues			
Charges for Services and Sales	\$2,026,808	\$1,951,274	\$75,534
Operating Grants, Contributions	3,631,781	2,791,285	840,496
Capital Grants and Contributions	170,412	25,460	144,952
<i>Total Program Revenues</i>	<u>5,829,001</u>	<u>4,768,019</u>	<u>1,060,982</u>
General Revenues			
Property Taxes	34,599,997	33,546,214	1,053,783
Grants and Entitlements not Restricted to Specific Programs	10,896,050	10,759,786	136,264
Investment Earnings	160,026	481,638	(321,612)
Gain on Sale of Capital Assets	9,850	5,534	4,316
Miscellaneous	324,058	195,241	128,817
<i>Total General Revenues</i>	<u>45,989,981</u>	<u>44,988,413</u>	<u>1,001,568</u>
<i>Total Revenues</i>	<u>51,818,982</u>	<u>49,756,432</u>	<u>2,062,550</u>
Program Expenses			
Instruction:			
Regular	21,810,291	22,398,158	587,867
Special	4,401,022	4,129,027	(271,995)
Vocational	210,031	193,977	(16,054)
Student Intervention Services	1,914,412	1,672,402	(242,010)
Support Services:			
Pupil	2,598,723	2,611,154	12,431
Instructional Staff	1,944,788	2,295,479	350,691
Board of Education	37,330	27,253	(10,077)
Administration	3,466,191	3,431,405	(34,786)
Fiscal	1,137,626	1,093,106	(44,520)
Business	314,186	339,281	25,095
Operation and Maintenance of Plant	3,323,518	4,067,791	744,273
Pupil Transportation	3,303,329	3,093,446	(209,883)
Central	503,859	613,370	109,511
Operation of Non-Instructional Services	832,087	742,839	(89,248)
Operation of Food Services	1,336,266	1,442,093	105,827
Extracurricular Activities	1,009,845	976,880	(32,965)
Interest and Fiscal Charges	1,266,086	1,122,733	(143,353)
<i>Total Program Expenses</i>	<u>49,409,590</u>	<u>50,250,394</u>	<u>840,804</u>
<i>Increase (Decrease) in Net Assets</i>	2,409,392	(493,962)	2,903,354
<i>Net Assets Beginning of Year</i>	<u>16,938,556</u>	<u>17,432,518</u>	<u>(493,962)</u>
<i>Net Assets End of Year</i>	<u>\$19,347,948</u>	<u>\$16,938,556</u>	<u>\$2,409,392</u>

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Graph 1
Revenues and Expenses
(In Millions)

	2010	2009
Revenues	\$51.8	\$49.7
Expenses	49.4	50.2



Governmental Activities

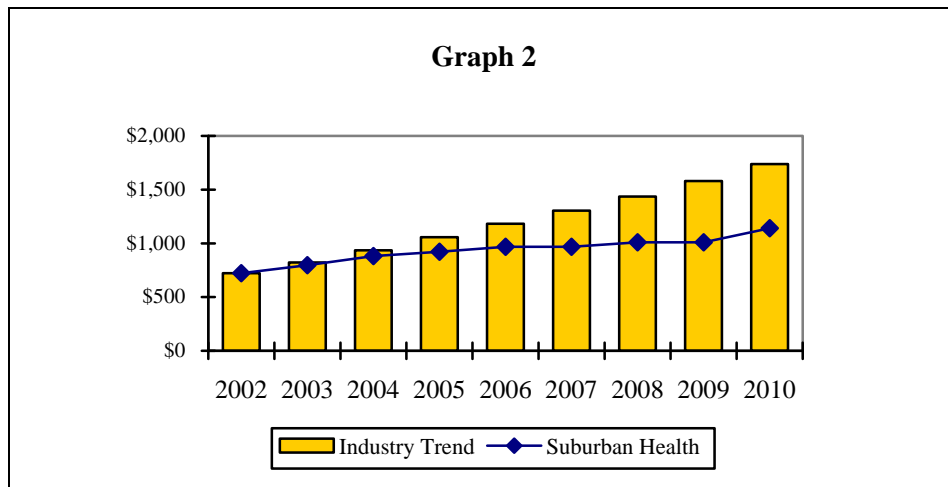
The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. 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 less than \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. The increase in property tax revenue was due to increases in real property tax collections. The increase to grants and entitlements was caused by increases in homestead and rollback revenue and other reimbursements from the State.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Overall expenses decreased as the School District continues to keep a close look at their expenses. The School District saw a decrease in its accounts and contracts payable, resulting in a lower operation and maintenance of plant expense.

The School District is a member of the Suburban Health Consortium (the "Consortium"). The Consortium is a shared risk pool created pursuant to State statute for the purpose of maximizing benefits and/or reducing costs of health care benefits. To date the Consortium has been an overwhelming success. The following chart compares the School District's costs for medical and prescription drug insurance as a result of participating in the Consortium versus what the costs would have been if the School District had experienced the health industry inflationary trends for the same time period.



The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those costs. Table 3 shows, for governmental 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.

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the School District. Almost 96 percent of instructional activities are supported through taxes and other general revenues. The community, as a whole, is by far the primary support for North Royalton City School District students.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Table 3
 Total and Net Cost of Program Services - Governmental Activities

	2010		2009	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction:				
Regular	\$21,810,291	(\$20,708,255)	\$22,398,158	(\$21,699,260)
Special	4,401,022	(4,360,257)	4,129,027	(4,116,063)
Vocational	210,031	(210,031)	193,977	(193,977)
Student Intervention Services	1,914,412	(1,090,932)	1,672,402	(856,831)
Support Services:				
Pupil	2,598,723	(2,393,005)	2,611,154	(2,557,936)
Instructional Staff	1,944,788	(1,791,786)	2,295,479	(2,176,516)
Board of Education	37,330	(37,330)	27,253	(27,253)
Administration	3,466,191	(3,375,613)	3,431,405	(3,412,886)
Fiscal	1,137,626	(897,360)	1,093,106	(819,389)
Business	314,186	(314,186)	339,281	(339,281)
Operation and Maintenance of Plant	3,323,518	(3,045,562)	4,067,791	(3,935,049)
Pupil Transportation	3,303,329	(2,733,209)	3,093,446	(3,078,904)
Central	503,859	(503,859)	613,370	(613,370)
Operation of Non-Instructional Services	832,087	1,065,245	742,839	(44,225)
Operation of Food Services	1,336,266	(1,336,266)	1,442,093	(35,454)
Extracurricular Activities	1,009,845	(582,097)	976,880	(556,982)
Interest and Fiscal Charges	1,266,086	(1,266,086)	1,122,733	(1,018,999)
<i>Total</i>	<u>\$49,409,590</u>	<u>(\$43,580,589)</u>	<u>\$50,250,394</u>	<u>(\$45,482,375)</u>

The School District's Funds

Information regarding the School District's major funds begins on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$51,850,868 and expenditures of \$49,563,006. The general fund had an increase in fund balance mainly due to increases in property taxes, intergovernmental revenues, and extracurricular activities. The bond retirement debt service fund continues to make the bonded debt service requirements. Other Governmental Funds had an increase in fund balance as the School District continues to obtain and use grant money to provide students with a dynamic education. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, property taxes from the communities that comprise the School District are the largest revenue source, accounting for 67 percent of total governmental revenue.

General Fund Budgeting Highlights

The School 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 fund to be budgeted is the main operating fund of the School District, the general fund.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

During the course of fiscal year 2010, the School District did not have to amend its general fund appropriations. The School District uses an operational unit budget process and has in place systems that are designed to tightly control expenses but provide flexibility for program based decision and management.

Due to conservative estimates for interest revenue and tuition and fees, the actual budget basis revenue was slightly higher than final budget basis revenues. The School District's final budget basis expenditures were \$1,738,039 lower than the final estimate. This is due in large part to the School District's continued commitment to provide a quality education while still controlling costs.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal 2010 balances compared to 2009:

Table 4
 Capital Assets at June 30
 (Net of Depreciation)
 Governmental Activities

	2010	2009
Land	\$560,140	\$560,140
Land Improvements	327,357	390,082
Buildings and Improvements	20,555,878	20,987,021
Furniture and Equipment	1,182,211	1,265,297
Vehicles	1,705,203	1,437,385
<i>Total Capital Assets</i>	<i>\$24,330,789</i>	<i>\$24,639,925</i>

During fiscal year 2010 the School District spent far less on capital assets than in prior years. The small amount of expenditures was exceeded by annual depreciation, resulting in an overall decrease to capital assets, net of depreciation. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements and an additional three percent for textbooks and instructional materials and supplies. For fiscal year 2010, this amounted to \$739,058 for each set aside. See Note 9 to the basic financial statements for additional information on the School District's capital assets and Note 19 for additional information regarding required set-asides.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

Debt

Table 5 summarizes the bonds outstanding.

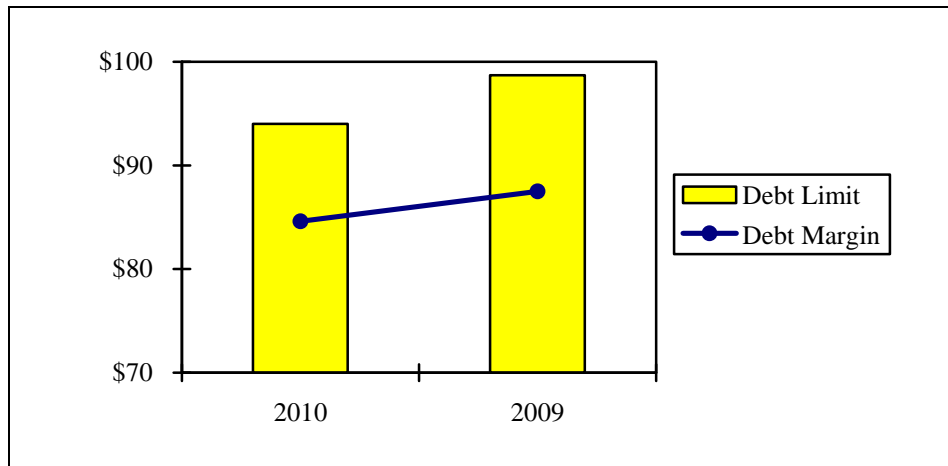
Table 5
Outstanding Debt at Fiscal Year End
Governmental Activities

	2010	2009
1994 School Improvement Bonds	\$0	\$981,411
2005 School Improvement Bonds	14,806,925	14,480,859
<i>Total</i>	\$14,806,925	\$15,462,270

The School District's overall legal debt margin decreased to \$84.6 million. This is the additional amount of debt the School District could issue. The debt margin decreased from 2009 due to decreasing property valuations. See Note 14 to the basic financial statements for detail on the School District's long-term obligations.

Graph 3
Legal Debt Margin
(in millions)

	2010	2009
Overall Debt Limit	\$94.0	\$97.8
Overall Debt Margin	84.6	87.5



North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited

School District Outlook

The School District has been successful in continuing to maintain its strong academic programs while maintaining one of the lowest per pupil expenditure levels in Cuyahoga County and experiencing continued enrollment growth. This enrollment growth, stagnant or decreased State funding and limited local tax revenue growth inherent with Ohio's tax structure will present the most significant challenges to the School District in the future.

Residential development continues to take place in both the cities of North Royalton and Broadview Heights. The School District's enrollment projection, updated in 2008, reflects continuous growth over the next ten years. The School District's facilities have reached maximum capacity. As a stopgap measure, the School District leased four buildings from the City of Broadview Heights to house preschool and kindergarten students beginning in the 2004-2005 school year. This freed classroom space at the elementary level and enabled redistricting, achieving a better balance of student enrollment at each of the elementary schools.

The School District has contracted with an architectural firm and a construction management firm to update the facilities master plan. The School District is working with a citizen advisory group and the firms to prepare a long-term solution to the facilities issues.

During the 2009-2010 school year the School District completed a strategic planning process. This process engaged all segments of the school community in focus groups and action planning teams. The five year strategic plan will now be used to guide the School District's decision making process.

The State of Ohio faces a significant challenge in crafting the 2012-2013 biennium budget. A deficit estimated as high as \$8 billion will have to be addressed. The School District anticipates a reduction in State support of primary and secondary education in the range of 10 to 20 percent. Planning for this eventuality has been a focus and budget adjustments have been incorporated in the School District's five year financial forecast.

In conclusion, the North Royalton City School District is in a period posing both significant challenges and opportunities. Management is committed to working with all stakeholders to craft solutions that will most effectively use the available resources to continue to provide an excellent education to the students of the School District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Richard McIntosh, Treasurer at North Royalton City School District, 6579 Royalton Road, North Royalton, Ohio 44133 or E-Mail at rich.mcintosh@northroyaltonsd.org.

Basic Financial Statements

North Royalton City School District

Statement of Net Assets

June 30, 2010

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$12,501,220
Accounts Receivable	1,474
Intergovernmental Receivable	12,315
Accrued Interest Receivable	8,942
Taxes Receivable	38,205,309
Inventory Held for Resale	20,331
Materials and Supplies Inventory	83,939
Unamortized Bond Issuance Costs	122,120
Nondepreciable Capital Assets	560,140
Depreciable Capital Assets, Net	<u>23,770,649</u>
<i>Total Assets</i>	<u>75,286,439</u>
Liabilities	
Accounts Payable	5,530
Accrued Wages and Benefits	4,623,542
Matured Compensated Absences Payable	178,824
Vacation Benefits Payable	148,805
Intergovernmental Payable	863,179
Deferred Revenue	31,613,549
Accrued Interest Payable	254,467
Claims Payable	18,230
Long-Term Liabilities:	
Due Within One Year	1,558,824
Due In More Than One Year	<u>16,673,541</u>
<i>Total Liabilities</i>	<u>55,938,491</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	11,374,852
Restricted for:	
Capital Projects	1,161,025
Debt Service	3,458,042
Other Purposes	525,067
Unrestricted	<u>2,828,962</u>
<i>Total Net Assets</i>	<u><u>\$19,347,948</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2010

	Program Revenues			Net (Expense)	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Assets	
			Capital Grants and Contributions	Governmental Activities	
Governmental Activities					
Instruction:					
Regular	\$21,810,291	\$424,291	\$652,607	\$25,138	(\$20,708,255)
Special	4,401,022	0	40,084	681	(4,360,257)
Vocational	210,031	0	0	0	(210,031)
Student Intervention Services	1,914,412	18,775	804,705	0	(1,090,932)
Support Services:					
Pupil	2,598,723	0	205,718	0	(2,393,005)
Instructional Staff	1,944,788	0	153,002	0	(1,791,786)
Board of Education	37,330	0	0	0	(37,330)
Administration	3,466,191	0	85,581	4,997	(3,375,613)
Fiscal	1,137,626	0	238,544	1,722	(897,360)
Business	314,186	0	0	0	(314,186)
Operation and Maintenance of Plant	3,323,518	175,476	99,304	3,176	(3,045,562)
Pupil Transportation	3,303,329	33,500	401,922	134,698	(2,733,209)
Central	503,859	0	0	0	(503,859)
Operation of Non-Instructional Services	832,087	968,240	929,092	0	1,065,245
Operation of Food Services	1,336,266	0	0	0	(1,336,266)
Extracurricular Activities	1,009,845	406,526	21,222	0	(582,097)
Interest and Fiscal Charges	1,266,086	0	0	0	(1,266,086)
Totals	\$49,409,590	\$2,026,808	\$3,631,781	\$170,412	(43,580,589)

General Revenues

Property Taxes Levied for:	
General Purposes	32,022,770
Debt Service	1,688,528
Capital Outlay	888,699
Grants and Entitlements not Restricted to Specific Programs	10,896,050
Investment Earnings	160,026
Gain on Sale of Capital Assets	9,850
Miscellaneous	324,058
Total General Revenues	45,989,981
Change in Net Assets	2,409,392
<i>Net Assets Beginning of Year</i>	<i>16,938,556</i>
<i>Net Assets End of Year</i>	<i>\$19,347,948</i>

See accompanying notes to the basic financial statements

North Royalton City School District

Balance Sheet

Governmental Funds

June 30, 2010

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and				
Cash Equivalents	\$7,604,170	\$2,996,290	\$1,718,912	\$12,319,372
Property Taxes Receivable	35,548,691	1,740,543	916,075	38,205,309
Accounts Receivable	1,474	0	0	1,474
Accrued Interest Receivable	8,942	0	0	8,942
Intergovernmental Receivable	12,315	0	0	12,315
Interfund Receivable	57,581	402,940	0	460,521
Inventory Held for Resale	0	0	20,331	20,331
Materials and Supplies Inventory	83,939	0	0	83,939
<i>Total Assets</i>	<u>\$43,317,112</u>	<u>\$5,139,773</u>	<u>\$2,655,318</u>	<u>\$51,112,203</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,606	\$0	\$3,924	\$5,530
Accrued Wages and Benefits	4,494,226	0	129,316	4,623,542
Interfund Payable	0	0	460,521	460,521
Intergovernmental Payable	832,232	0	30,947	863,179
Matured Compensated Absences Payable	178,824	0	0	178,824
Deferred Revenue	30,809,500	1,504,550	791,869	33,105,919
Accrued Interest Payable	0	0	8,942	8,942
<i>Total Liabilities</i>	<u>36,316,388</u>	<u>1,504,550</u>	<u>1,425,519</u>	<u>39,246,457</u>
Fund Balances				
Reserved for Encumbrances	254,364	0	779,790	1,034,154
Reserved for Property Taxes	4,748,207	235,882	124,148	5,108,237
Unreserved:				
Undesignated, Reported in:				
General Fund	1,998,153	0	0	1,998,153
Special Revenue Funds	0	0	372,137	372,137
Debt Service Fund	0	3,399,341	0	3,399,341
Capital Projects Funds (Deficit)	0	0	(46,276)	(46,276)
<i>Total Fund Balances</i>	<u>7,000,724</u>	<u>3,635,223</u>	<u>1,229,799</u>	<u>11,865,746</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$43,317,112</u>	<u>\$5,139,773</u>	<u>\$2,655,318</u>	<u>\$51,112,203</u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2010*

Total Governmental Fund Balances	\$11,865,746
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,330,789
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Property Taxes	1,480,055
Tuition and Fees	<u>12,315</u>
Total	1,492,370
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	163,618
In the statement of activities, bond issuance costs are amortized over the term of the bonds, whereas in governmental funds, a bond issuance expenditure is reported when bonds are issued.	122,120
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(245,525)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.	(148,805)
Long-term liabilities payable are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(3,425,440)
General Obligation Bonds	<u>(14,806,925)</u>
Total	<u>(18,232,365)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$19,347,948</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2010

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$32,018,499	\$1,704,788	\$897,256	\$34,620,543
Intergovernmental	10,896,050	234,556	3,451,839	14,582,445
Interest	159,445	0	581	160,026
Tuition and Fees	328,421	0	18,775	347,196
Extracurricular Activities	165,357	0	388,818	554,175
Contributions and Donations	0	0	115,798	115,798
Charges for Services	0	0	1,078,024	1,078,024
Rentals	32,418	0	36,185	68,603
Miscellaneous	155,810	0	168,248	324,058
<i>Total Revenues</i>	<u>43,756,000</u>	<u>1,939,344</u>	<u>6,155,524</u>	<u>51,850,868</u>
Expenditures				
Current:				
Instruction:				
Regular	20,383,288	0	912,302	21,295,590
Special	4,225,856	0	78,298	4,304,154
Vocational	192,427	0	0	192,427
Student Intervention Services	1,077,799	0	823,491	1,901,290
Support Services:				
Pupil	2,350,612	0	191,481	2,542,093
Instructional Staff	1,795,159	0	169,031	1,964,190
Board of Education	37,330	0	0	37,330
Administration	3,217,726	0	115,447	3,333,173
Fiscal	1,092,440	24,095	17,794	1,134,329
Business	310,387	0	0	310,387
Operation and Maintenance of Plant	3,140,430	0	98,924	3,239,354
Pupil Transportation	2,586,480	0	774,522	3,361,002
Central	485,603	0	0	485,603
Operation of Non-Instructional Services	64,202	0	656,943	721,145
Operation of Food Services	0	0	1,330,059	1,330,059
Extracurricular Activities	714,745	0	279,429	994,174
Capital Outlay	0	0	582,324	582,324
Debt Service:				
Principal Retirement	0	525,137	0	525,137
Interest and Fiscal Charges	0	521,887	12,495	534,382
Capital Appreciation Bonds Interest	0	774,863	0	774,863
<i>Total Expenditures</i>	<u>41,674,484</u>	<u>1,845,982</u>	<u>6,042,540</u>	<u>49,563,006</u>
<i>Excess of Revenues Over Expenditures</i>	<u>2,081,516</u>	<u>93,362</u>	<u>112,984</u>	<u>2,287,862</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	10,275	0	350	10,625
Transfers In	0	0	226,000	226,000
Transfers Out	(226,000)	0	0	(226,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(215,725)</u>	<u>0</u>	<u>226,350</u>	<u>10,625</u>
<i>Net Change in Fund Balances</i>	1,865,791	93,362	339,334	2,298,487
<i>Fund Balances Beginning of Year</i>	<u>5,134,933</u>	<u>3,541,861</u>	<u>890,465</u>	<u>9,567,259</u>
<i>Fund Balances End of Year</i>	<u>\$7,000,724</u>	<u>\$3,635,223</u>	<u>\$1,229,799</u>	<u>\$11,865,746</u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2010*

Net Change in Fund Balances - Total Governmental Funds \$2,298,487

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlay	1,351,571
Depreciation	<u>(1,655,163)</u>

Total	(303,592)
-------	-----------

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (5,544)

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

Property Taxes	(20,546)
Tuition and Fees	<u>(21,190)</u>

Total	(41,736)
-------	----------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,300,000

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	(72,540)
Amortization of Issuance Costs	(14,509)
Amortization of Premium on Bonds	155,175
Amortization of Accounting Loss	(140,551)
Bond Accretion	<u>(659,279)</u>

Total	(731,704)
-------	-----------

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

Compensated Absences	(112,018)
Vacation Benefits Payable	<u>(10,577)</u>

Total	(122,595)
-------	-----------

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 16,076

Change in Net Assets of Governmental Activities \$2,409,392

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$31,978,385	\$32,412,844	\$32,412,844	\$0
Intergovernmental	11,185,132	10,896,050	10,896,050	0
Interest	250,000	252,946	271,796	18,850
Tuition and Fees	296,763	327,977	328,421	444
Extracurricular Activities	120,225	150,964	150,964	0
Rentals	48,746	32,071	32,071	0
Miscellaneous	79,025	155,763	155,810	47
<i>Total Revenues</i>	<u>43,958,276</u>	<u>44,228,615</u>	<u>44,247,956</u>	<u>19,341</u>
Expenditures				
Current:				
Instruction:				
Regular	19,833,871	20,900,250	20,488,100	412,150
Special	5,351,690	4,544,297	4,301,326	242,971
Vocational	214,931	213,175	196,643	16,532
Student Intervention Services	822,350	1,098,987	1,077,799	21,188
Support Services:				
Pupil	2,633,087	2,615,635	2,356,995	258,640
Instructional Staff	2,358,615	1,879,766	1,845,093	34,673
Board of Education	43,930	43,630	37,317	6,313
Administration	3,376,096	3,345,131	3,240,986	104,145
Fiscal	1,125,692	1,137,865	1,121,641	16,224
Business	343,663	339,347	328,779	10,568
Operation and Maintenance of Plant	3,920,612	3,707,383	3,400,053	307,330
Pupil Transportation	2,746,918	2,889,386	2,679,274	210,112
Central	559,950	550,860	505,356	45,504
Operation of Non-Instructional Services	83,160	76,849	66,694	10,155
Extracurricular Activities	725,700	744,128	702,594	41,534
<i>Total Expenditures</i>	<u>44,140,265</u>	<u>44,086,689</u>	<u>42,348,650</u>	<u>1,738,039</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(181,989)</u>	<u>141,926</u>	<u>1,899,306</u>	<u>1,757,380</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	4,755	10,275	10,275	0
Advances In	1,000	710	710	0
Advances Out	(1,000)	(57,581)	(57,581)	0
Transfers Out	(225,000)	(226,000)	(226,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(220,245)</u>	<u>(272,596)</u>	<u>(272,596)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(402,234)	(130,670)	1,626,710	1,757,380
<i>Fund Balance Beginning of Year</i>	5,107,166	5,107,166	5,107,166	0
Prior Year Encumbrances Appropriated	598,255	598,255	598,255	0
<i>Fund Balance End of Year</i>	<u>\$5,303,187</u>	<u>\$5,574,751</u>	<u>\$7,332,131</u>	<u>\$1,757,380</u>

See accompanying notes to the basic financial statements

North Royalton City School District

Statement of Fund Net Assets

Internal Service Fund

June 30, 2010

	<u>Self Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$181,848
Liabilities	
Claims Payable	<u>18,230</u>
Net Assets	
Unrestricted	<u><u>\$163,618</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Statement of Revenues,
Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2010*

	<u>Self Insurance</u>
Operating Revenues	
Charges for Services	\$152,931
Operating Expenses	
Purchased Services	24,728
Claims	112,127
<i>Total Operating Expenses</i>	136,855
<i>Change in Net Assets</i>	16,076
<i>Net Assets Beginning of Year</i>	147,542
<i>Net Assets End of Year</i>	\$163,618

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2010

	<u>Self Insurance</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$152,931
Cash Payments for Purchased Services	(24,728)
Cash Payments for Claims	(116,029)
<i>Net Increase in Cash and Cash Equivalents</i>	12,174
<i>Cash and Cash Equivalents, Beginning of Year</i>	169,674
<i>Cash and Cash Equivalents, End of Year</i>	\$181,848
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$16,076
Adjustments:	
Decrease in Claims Payable	(3,902)
<i>Net Cash Provided by Operating Activities</i>	\$12,174
 See accompanying notes to the basic financial statements	

North Royalton City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2010

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$19,162,289</u>
Liabilities	
Due to Students	\$377,003
Undistributed Monies	<u>18,785,286</u>
<i>Total Liabilities</i>	<u>\$19,162,289</u>

See accompanying notes to the basic financial statements

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Note 1 - Description of the School District and Reporting Entity

North Royalton City School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms.

The School District is located in a suburban area south of Cleveland, Ohio. It is located in Cuyahoga County and encompasses nearly all of the City of North Royalton and a smaller portion of the City of Broadview Heights. It is staffed by 254 classified employees and 327 certified personnel who provide services to 4,607 students and other community members. The School District currently operates three elementary buildings, one middle school, one high school, an administrative building, a maintenance garage and a bus garage.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments and agencies that are not legally separate from the School District. For the School District, this includes the agencies and departments that provide the following services: general operations, food service and student related activities of the School District.

Non-public Schools – Within the School District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the treasurer of the School District, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. The School District has no component units.

The School District participates in three jointly governed organizations and a shared risk pool. These organizations are the Lakeshore Northeast Ohio Computer Association, Cuyahoga Valley Career School District, Ohio Schools Council Association and the Suburban Health Consortium which are presented in Notes 16 and 18 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities and to its internal service fund unless those pronouncements conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

The statement of net assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. 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 charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses 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 School District's major governmental funds:

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Bond Retirement Fund – The bond retirement fund accounts for property tax revenues that are used for payment of principal and interest and fiscal charges on general obligation debt.

The other governmental funds of the School District account for grants and other resources whose uses are restricted to a particular purpose.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows and are classified as either enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund The internal service fund accounts for financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund is a self-insurance fund that accounts for vision benefits of the School District's employees.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's agency funds account for student activities and the Suburban Health Consortium.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net assets. The statement of activities presents increases (i.e., revenues) and decreases (e.g., expenses) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, 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 reconciliations 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 internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the fund are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund.

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 and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified

North Royalton City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

accrual basis of accounting. Differences between the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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 soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School 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 7). 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School 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, grants, interest, tuition, and student fees.

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2010, but which were levied to finance fiscal year 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures/Expenses On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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. Budgetary modifications at this level require a resolution of the Board of Education. The Treasurer has been given 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 and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that were in effect at the time the original and final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. 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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Cash and Investments

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2010, investments were limited to commercial paper, federal home loan mortgage corporation bonds, federal national mortgage association bonds, federal home loan bank bonds, federal farm credit bank bonds, and STAR Ohio, the State Treasurer's Investment Pool. Investments are reported at fair value which is based on quoted market prices.

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 share price, which is the price the investment could be sold for on June 30, 2010.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$159,445, which includes \$60,668 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

North Royalton City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories consist of materials and supplies held for consumption and purchased and donated food held for resale.

Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally 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. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School 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, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	15 - 20 years
Buildings and Improvements	40 years
Furniture and Equipment	5 - 15 years
Vehicles	10 years

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net assets.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Sick leave benefits are accrued as a liability using the termination method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy.

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employee who has accumulated unpaid leave is paid.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the proprietary fund are reported on the proprietary fund 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, claims and judgments, compensated absences and contractually required pension contributions 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 fiscal year. Bonds are recognized as a liability on the fund financial statements when due.

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 adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net assets restricted for other purposes include food service operations and extracurricular activities.

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

Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for the self insurance program. Operating expenses are necessary costs that are incurred to provide the goods or services that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as non-operating.

Bond Issuance Costs

Bond issuance costs for underwriting fees and bond insurance for the school improvement general obligation bonds are being amortized using the straight-line method over the life of the bonds on the government-wide statements. The straight-line method of amortization is not materially different from the effective-interest method. On the governmental financial statements, issuance costs are reported as an expenditure in the fiscal year in which the bonds are issued. Bond issuance costs are generally paid from bond proceeds.

As permitted by State Statute, the School District paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Deferred Loss on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of the school improvement bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the life of the new debt or the remaining life of the refunded debt (whichever is shorter) and is presented net of the general obligation bonds payable on the statement of net assets.

Internal Activity

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses 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.

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.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Estimates

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

Note 3 – Change in Accounting Principles

For fiscal year 2010, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 51, “Accounting and Reporting for Intangible Assets”, Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the School District’s financial statements.

GASB Statement No. 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This Statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. The implementation of this statement did not result in any change to the School District’s financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this Statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District’s financial statements.

Note 4 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual 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 GAAP basis are as follows:

North Royalton City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Investments are reported at cost (budget) rather than fair value (GAAP).
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	\$1,865,791
Net Adjustment for Revenue Accruals	466,811
Advances In	710
Beginning Fair Value Adjustment for Investments	42,820
Ending Fair Value Adjustment for Investments	(17,675)
Net Adjustment for Expenditure Accruals	(419,802)
Advances Out	(57,581)
Encumbrances	(254,364)
Budget Basis	<u>\$1,626,710</u>

Note 5 - Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the School District treasury. Active deposits must be maintained either as cash in the School 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 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.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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 held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of 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, 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 securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

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

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-2	2-3
Commercial Paper	\$3,747,806	\$3,747,806	\$0	\$0
Federal Home Loan Mortgage Corporation Bonds	999,076	999,076	0	0
Federal National Mortgage Association Bonds	1,997,550	1,997,550	0	0
Federal Home Loan Bank Bonds	6,908,929	998,441	4,400,543	1,509,945
Federal Farm Credit Bank Bonds	12,252,786	6,249,186	6,003,600	0
STAR Ohio	1,147,091	1,147,091	0	0
Total Investments	\$27,053,238	\$15,139,150	\$10,404,143	\$1,509,945

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District’s investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The Federal Home Loan Mortgage Corporation Bonds, the Federal National Mortgage Association Bonds, the Federal Home Loan Bank Bonds and the Federal Farm Credit Bank Bonds carry a rating of AAA by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District’s allocation as of June 30, 2010:

<u>Investment</u>	<u>Percentage of Investments</u>
Commercial Paper	13.85 %
Federal National Mortgage Association Bonds	7.38
Federal Home Loan Bank Bonds	25.54
Federal Farm Credit Bank Bonds	45.29

Note 6 – Fund Deficits

The state fiscal stabilization, title I, and class size reduction grant special revenue funds had deficits of \$69,270, \$28,497, and \$771, respectively, resulting from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur.

The building capital projects fund’s deficit of \$411,577 is the result of the issuance of short-term bond anticipation notes which are used to finance the project until bonds are issued. The notes were purchased by the bond retirement fund and are reflected as an interfund payable on the fund financial statements. Once the notes are retired or bonds are issued, this deficit will be eliminated.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the late settlement of tangible personal property taxes and 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 deferred revenue.

The amount available as an advance at June 30, 2010 was \$4,748,207 in the general fund, \$235,882 in the bond retirement debt service fund, and \$124,148 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2009 was \$5,128,965 in the general fund, \$316,397 in the bond retirement debt service fund, and \$166,525 in the permanent improvement capital projects fund. The difference was in the timing and collection by the County Auditor.

North Royalton City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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

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

	2009 Second Half Collections		2010 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,067,428,370	98.28 %	\$1,027,920,850	98.45 %
Public Utility Personal	15,178,170	1.40	16,176,820	1.55
General Business Personal	3,526,257	0.32	0	0.00
Total	<u>\$1,086,132,797</u>	<u>100.00 %</u>	<u>\$1,044,097,670</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$58.80		\$58.10	

Note 8 - Receivables

Receivables at June 30, 2010, consisted of taxes, tuition, and rentals. 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 fiscal year guarantee of Federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

At June 30, 2010 the School District had intergovernmental receivables of \$12,315 in the general fund for tuition.

North Royalton City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 9 – Capital Assets

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

	Balance 06/30/09	Additions	Deductions	Balance 06/30/10
<i>Capital Assets not being Depreciated:</i>				
Land	\$560,140	\$0	\$0	\$560,140
<i>Capital Assets being Depreciated:</i>				
Land Improvements	1,708,442	0	0	1,708,442
Buildings and Improvements	40,708,555	524,992	0	41,233,547
Furniture and Equipment	6,019,408	234,591	(388,306)	5,865,693
Vehicles	4,098,421	591,988	(193,584)	4,496,825
<i>Total Capital Assets being Depreciated</i>	<u>52,534,826</u>	<u>1,351,571</u>	<u>(581,890)</u>	<u>53,304,507</u>
Less Accumulated Depreciation:				
Land Improvements	(1,318,360)	(62,725)	0	(1,381,085)
Buildings and Improvements	(19,721,534)	(956,135)	0	(20,677,669)
Furniture and Equipment	(4,754,111)	(312,133)	382,762	(4,683,482)
Vehicles	(2,661,036)	(324,170)	193,584	(2,791,622)
<i>Total Accumulated Depreciation</i>	<u>(28,455,041)</u>	<u>(1,655,163) *</u>	<u>576,346</u>	<u>(29,533,858)</u>
<i>Total Assets being Depreciated, Net</i>	<u>24,079,785</u>	<u>(303,592)</u>	<u>(5,544)</u>	<u>23,770,649</u>
<i>Governmental Activities</i>				
<i>Capital Assets, Net</i>	<u>\$24,639,925</u>	<u>(\$303,592)</u>	<u>(\$5,544)</u>	<u>\$24,330,789</u>

*Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$732,285
Special	101,302
Vocational	14,768
Support Services:	
Pupil	41,936
Instructional Staff	26,261
Administration	99,192
Fiscal	4,309
Business	1,432
Operation and Maintenance of Plant	143,235
Pupil Transportation	301,739
Central	14,336
Operation of Non-Instructional Services	76,705
Operation of Food Service	60,689
Extracurricular Activities	36,974
Total Depreciation Expense	<u>\$1,655,163</u>

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Note 10 - Pension Plans

School Employees Retirement System

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District’s contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2010, 12.78 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to 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 School District’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009, and 2008 were \$602,105, \$583,558 and \$597,360, respectively; 83.34 percent has been contributed for fiscal year 2010 and 100 percent has been contributed for fiscal year 2009 and 2008.

State Teachers Retirement System

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on 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.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

A DB or Combined Plan member with five or more years of 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 the fiscal year ended June 30, 2010, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2009, the portion used to fund pension obligations was also 13 percent. 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 School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$2,847,298, \$2,824,640, and \$2,723,210, respectively; 83.89 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$93,217 made by the School District and \$66,584 made by the plan members.

Note 11 - Postemployment Benefits

School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administrated by the School Employees Retirement System 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 and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. 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 Broad St., Suite 100, Columbus, Ohio 43215-3746, or by visiting the SERS' website, www.ohsers.org.

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 401h. For 2010, 1.22 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2010, this amount was \$35,800. During fiscal year 2010, the School District paid \$100,620 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$80,811, \$267,947, and \$272,594 respectively; 83.34 percent has been contributed for fiscal years 2010 and 100 percent for fiscal years 2009 and 2008.

North Royalton City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2010

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008, were \$50,341, \$48,308, and \$43,041 respectively; 83.34 percent has been contribution for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$219,023, \$217,280, and \$209,478 respectively; 83.89 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

Note 12 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and the Treasurer earn ten to thirty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and the Treasurer at the end of each contract year, depending upon negotiated agreements, or upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. A percentage of unused sick time is paid at retirement. All employees who are eligible to retire receive a severance benefit upon retirement limited to twenty-five percent of accumulated sick leave. For classified employees the maximum pay out is limited to 87.5 days. For certified employees and certain administrators, the maximum payout is determined by their individual contracts.

Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees from Anthem Life Insurance through the Suburban Health Insurance Consortium.

Note 13 – Interfund Transaction

Interfund Transfers

The general fund made a \$45,000 transfer to the athletics and music special revenue fund to help provide funding for fiscal year 2010.

North Royalton City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

The general fund made a \$181,000 transfer to the building capital project fund to pay down a portion of the manuscript note.

Interfund Balance

On the fund financial statements interfund balances at June 30, 2010 were:

	Receivables		Payable	
	Manuscript Bonds	Advances To Other Funds	Manuscript Bonds	Advances From Other Funds
Major Funds				
General	\$0	\$57,581	\$0	\$0
Bond Retirement	402,940	0	0	0
Nonmajor Funds				
Auxiliary Services	0	0	0	9,510
Title I	0	0	0	1,900
Miscellaneous Federal Grants	0	0	0	46,171
Building	0	0	402,940	0
Total	<u>\$402,940</u>	<u>\$57,581</u>	<u>\$402,940</u>	<u>\$57,581</u>

The loans to the special revenue funds were made to provide temporary funding of the programs until grant dollars are received. The interfund transaction between the debt service fund and the building capital projects fund are manuscript notes. The manuscript notes consist of various improvement and energy conservation notes and they were issued by the School District and purchased by the debt service fund as an investment. The manuscript notes will be paid on July 8, 2010 and May 20, 2011.

Changes in manuscript notes of the School District during fiscal year 2010 were as follows:

	Outstanding June 30, 2009	Additions	Deletions	Outstanding June 30, 2010
Manuscript Note - Various Improvement	\$148,000	\$40,000	\$148,000	\$40,000
Manuscript Note - Energy Conservation	435,940	362,940	435,940	362,940
<i>Total Manuscript Notes</i>	<u>\$583,940</u>	<u>\$402,940</u>	<u>\$583,940</u>	<u>\$402,940</u>

Note 14 - Long-Term Obligations

Original issue amounts and interest rates of the School District's debt issues were as follows:

Debt Issue	Interest Rate	Original Issue	Year of Maturity
1994 School Improvement Bonds:			
Capital Appreciation Bonds	9.50%	810,715	2008 to 2010
2005 School Improvement Bonds:			
Current Interest Serial Bonds	3.00% to 5.00%	14,145,000	2006 to 2020
Capital Appreciation Bonds	3.50% to 3.71%	279,974	2011 to 2012

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

Changes in long-term obligations of the School District during fiscal year 2010 were as follows:

	Principal Outstanding 6/30/09	Additions	Deductions	Principal Outstanding 6/30/10	Amounts Due in One Year
<i>General Obligation Bonds</i>					
1994 School Improvement Bonds					
Capital Appreciation Bonds	\$245,137	\$0	\$245,137	\$0	\$0
Accretion on Capital Appreciation Bonds	736,274	38,589	774,863	0	0
Total 1994 School Improvement Bonds	981,411	38,589	1,020,000	0	0
2005 School Improvement Bonds					
Current Interest Serial Bonds	12,955,000	0	280,000	12,675,000	0
Capital Appreciation Bonds	279,974	0	0	279,974	165,697
Accretion on Capital Appreciation Bonds	1,108,178	620,690	0	1,728,868	1,214,303
Unamortized Loss	(1,323,521)	0	(140,551)	(1,182,970)	0
Unamortized Premium	1,461,228	0	155,175	1,306,053	0
Total 2005 School Improvement Bonds	14,480,859	620,690	294,624	14,806,925	1,380,000
<i>Total General Obligation Bonds</i>	15,462,270	659,279	1,314,624	14,806,925	1,380,000
<i>Other Long-Term Obligations</i>					
Compensated Absences	3,313,422	233,220	121,202	3,425,440	178,824
<i>Total Governmental Activities Long-Term Liabilities</i>	\$18,775,692	\$892,499	\$1,435,826	\$18,232,365	\$1,558,824

Compensated absences will be paid from the general and food service, auxiliary services, title VI-B and preschool grant special revenue funds.

On December 1, 1994, the School District issued \$23,995,715 in voted general obligation bonds which included serial, term and capital appreciation bonds in the amount of \$6,775,000, \$16,410,000 and \$810,715, respectively. The general obligation bonds were issued for the purpose of building a new middle school. The bonds were issued for a twenty-five year period with final maturity at December 1, 2020. The capital appreciation bonds were originally sold at a discount of \$2,254,285, which was being accreted annually until the point of maturity of the capital appreciation bonds, which was 2008 through 2010. The accretion recorded for 2010 was \$38,589. The bonds were retired from the debt service fund.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

On March 17, 2005, the School District issued \$14,424,974 in voted general obligation refunding bonds which included serial and capital appreciation bonds in the amount of \$14,145,000 and \$279,974, respectively. The general obligation bonds were issued for the purpose of refunding a portion of the 1994 school improvement bonds to take advantage of lower interest rates. The bonds were issued for a twenty-five year period with final maturity at December 1, 2019. The bonds will be retired from the debt service fund.

The serial and capital appreciation bonds remained outstanding at June 30, 2010. The capital appreciation bonds were originally sold at a discount of \$2,480,026, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2011 through 2012.

The maturity amount of outstanding capital appreciation bonds at June 30, 2010 is \$2,760,000. The accretion recorded for 2010 was \$620,690, for a total outstanding bond liability of \$2,008,842 at June 30, 2010.

The School District's overall debt margin was \$84,649,039 with an unvoted debt margin of \$1,044,098 at June 30, 2010. Principal and interest requirements to retire the general obligation bonds follow:

	General Obligation Bonds			
	Serial		Capital Appreciation	
	Principal	Interest	Principal	Interest
2011	\$0	\$517,688	\$165,697	\$1,214,303
2012	0	517,688	114,277	1,265,723
2013	1,380,000	493,538	0	0
2014	1,425,000	444,450	0	0
2015	1,475,000	393,331	0	0
2016-2020	8,395,000	900,625	0	0
Total	<u>\$12,675,000</u>	<u>\$3,267,320</u>	<u>\$279,974</u>	<u>\$2,480,026</u>

In 2005, the School District defeased a 1994 school improvement bond issue, in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements. On June 30, 2010, \$14,425,000 of the defeased bonds are still outstanding.

North Royalton City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 15 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the School District contracted with various insurance companies through the Ohio Schools Council Association insurance program. The following is a summary of the School District's insurance coverage as of June 30, 2010:

Company	Coverage	Amount
Travelers Insurance Company	Boiler and Machinery	\$50,000,000
Indiana Insurance Company	Buildings and Contents - replacement costs	112,619,514
	Inland Marine Coverage	3,789,702
	Crime Insurance	250,000
	Automobile Liability	1,000,000
	Uninsured Motorists	50,000
	General Liability	
	Per occurrence	1,000,000
Total per year	2,000,000	

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior year.

All employees of the School District are covered by a blanket bond, while certain individuals in policy making roles are covered by separate, higher limit bond coverage.

Employee Health Benefits

For fiscal 2010, the School District was a participant in the Suburban Health Consortium (the "Consortium") to provide employee health, dental and prescription drug benefits. The Consortium is administered by Medical Mutual. Payments are made to the Consortium for the monthly attachment point, monthly stop-loss premiums, and administrative charges. The fiscal agent of the Consortium is the North Royalton City School District. The Treasurer of the North Royalton City School District pays monthly for the actual amount of claims processed, the stop-loss premium and the administrative charges. The entire risk of loss transfers to the Consortium upon payment of the premiums.

The School District's portion of the monthly insurance premiums is as follows:

	Board Share of Premium			
	Select Plan		Classic Plan	
	Family	Single	Family	Single
Medical	\$749.64	\$299.85	\$1,065.32	\$426.12
Prescription Drug	232.97	93.18	232.97	93.18
Dental	110.85	47.50	110.85	47.50

North Royalton City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

Self-Insurance

The School District provides vision benefits for its employees and their covered dependents through its self-insurance fund. Vision Service Plan (VSP) administers the plan and reviews all claims paid by the School District.

The claims liability of \$18,230 reported in the internal service fund at June 30, 2010 is based on an estimate provided by the third party administrators and the requirements of GASB Statement No. 30 "Risk Financing Omnibus", which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Management's expectation is the claims liabilities will be paid within one year. Changes in the fund's claims liability amount in 2009 and 2010 were:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2009	\$12,223	\$133,480	\$123,571	\$22,132
2010	22,132	112,127	116,029	18,230

Workers' Compensation

The School District pays the Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 16 - 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 eleven public school districts. The primary function of LNOCA is to provide data services to the thirteen 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 Director. Each school district supports LNOCA based upon a per student charge dependent upon the software package used. The School District paid \$148,804 for fiscal year 2010. The Cuyahoga County Education Service School District serves as the fiscal agent of LNOCA. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valleyview, OH 44125.

Cuyahoga Valley Career School District - The Cuyahoga Valley Career School District is a joint vocational school which is a jointly governed organization among eleven school districts. Each participating school district appoints one board member to the Cuyahoga Valley Career School District's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Cuyahoga Valley Career School District is limited to representation on the board. Continued existence of the Cuyahoga Valley Career School District is not dependent on the School District's continued participation. In fiscal year 2010, the School District did not contribute. Financial information can be obtained from the Cuyahoga Valley Career School District, 8001 Brecksville Road, Brecksville, Ohio 44101.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

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 2010, the School District paid \$8,197 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.

The School District participates in the natural gas purchase program. This program allows the School 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 North Royalton 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.

Note 17 - Contingencies

Grants

The School District receives financial assistance from federal and state 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 general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2010.

Litigation

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

Note 18 – Shared Risk Pool

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 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.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2010*

The Board of Directors is the governing body of the Consortium. The Board of Education of each Consortium Member appoints its Superintendent or such Superintendent's designee to be its representative on the Board of Directors. The officers of the Board of Directors consist of a Chairman, Vice-Chairman and Recording Secretary, who are elected at the annual meeting of Board of Directors and serve until the next annual meeting. All of the authority of the Consortium is exercised by or under the direction of the Board of Directors. The Board of Directors also set all premiums and other amounts to be paid by the Consortium Members, and the Board of Directors have the authority to waive premiums and other payments. All members of the Board of Directors serve without compensation.

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 the Treasurer of the North Royalton City School District (the Fiscal Agent) at 6579 Royalton Road, North Royalton, Ohio 44133.

The School District serves as fiscal agent and custodian of the Consortium, but is not financially accountable for the Consortium; therefore the operations of the Consortium have been excluded from the School District's financial statements but the funds held on behalf of the Consortium are included as an agency fund.

North Royalton City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

Note 19 - Set-Aside Calculations

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

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

	<u>Textbooks</u>	<u>Capital Improvements</u>
Set-aside Reserve Balance as of June 30, 2009	(\$1,239,980)	\$155,729
Current Year Set-aside Requirement	739,058	739,058
Qualifying Disbursements	(623,720)	(1,102,111)
Totals	<u>(\$1,124,642)</u>	<u>(\$207,324)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$1,124,642)</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2010	<u>\$0</u>	<u>\$0</u>

The School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the textbook and capital improvements set-aside. The extra amount in the textbook set-aside may be used to reduce the set-aside requirement of future years. Although the School District had qualifying disbursements during the fiscal year that reduced the capital acquisition set-aside amounts below zero, these amounts will not be used to reduce the set-aside requirements of future years.

Note 20 – Subsequent Event

The School District issued \$289,940 energy conservation notes at 1.50 percent on July 8, 2010. These notes mature on July 7, 2011 and were issued to refinance previous energy conservation notes. These notes were purchased by the bond retirement debt service fund as an investment.

**Combining and Individual
Fund Statements and Schedules**

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes. Following is a description of the School District's nonmajor special revenue funds:

Food Service Fund – To account for the grants and charges for services related to the food service operations of the School District.

Scholarship Fund – To account for assets held by the School District for individuals and/or private organizations which benefit the student body or the local community.

Adult Education Fund – To account for revenues and expenses involved in upgrading and retraining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupation or planned occupation as well as providing educational services including preschool.

Public School Support Fund – To account for school site sales revenue and expenditure for field trips, assemblies and other activity costs.

Local Grants Fund – To account for funds received to promote community involvement and volunteer activities between the school and community.

Athletics and Music Fund – To account for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's Athletic Program and transportation of the band to and from athletic events.

Auxiliary Services Fund – To account for services to non-public schools within the School District which are provided for in state law. Funds are primarily for educational supplies, materials, and testing.

Educational Management Information Systems Fund – To account for State monies which are used solely for costs associated with the requirements of the education management information system.

Entry Year Program Fund – To account for Federal and State monies used for teacher mentoring.

Network Connectivity Fund – To account for money appropriated for Ohio Educational Computer Network Connections.

Title VI-B Fund – To account for Federal revenues that assist states in identification of handicapped children and provide full educational opportunities to handicapped children at the preschool, elementary and secondary levels. It also accounts for Federal monies used to implement a variety of programs intended to provide instruction for early childhood education.

State Fiscal Stabilization Fund – To account for Federal grant monies to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

Title II-D Fund – To account for Federal grant monies used for technology.

Team Nutrition Fund – To account for Federal grant monies used to promote activities related to gardening.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Immigrant Education Fund – To account for Federal revenues received for programs to assist in the public education of immigrants.

Title I Fund – This fund accounts for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Title V Fund – To account for Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Drug Free Schools Grant Fund – To account for Federal monies which support the implementation of programs for drug abuse education and prevention.

Preschool Grant Fund – To account for Federal monies which provide for the cost of developing a public school preschool for handicapped and non-handicapped children.

Class Size Reduction Grant Fund – To account for various monies to hire additional classroom teachers so the number of students per teacher will be reduced.

Miscellaneous Federal Grants Fund – This fund accounts for various monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Following is a description of the nonmajor capital projects funds:

Permanent Improvement Fund – To account for all transactions related to the acquiring, construction, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

Building Fund – To account for monies used for the building, restoration or improvement of the School District property.

North Royalton City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$717,759	\$1,001,153	\$1,718,912
Property Taxes Receivable	0	916,075	916,075
Inventory Held for Resale	20,331	0	20,331
<i>Total Assets</i>	<u>\$738,090</u>	<u>\$1,917,228</u>	<u>\$2,655,318</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$3,924	\$0	\$3,924
Accrued Wages and Benefits	129,316	0	129,316
Interfund Payable	57,581	402,940	460,521
Intergovernmental Payable	30,947	0	30,947
Deferred Revenue	0	791,869	791,869
Accrued Interest Payable	0	8,942	8,942
<i>Total Liabilities</i>	<u>221,768</u>	<u>1,203,751</u>	<u>1,425,519</u>
Fund Balances			
Reserved for Encumbrances	144,185	635,605	779,790
Reserved for Property Taxes	0	124,148	124,148
Unreserved, Undesignated Reported in:			
Special Revenue Funds	372,137	0	372,137
Capital Projects Funds (Deficit)	0	(46,276)	(46,276)
<i>Total Fund Balances</i>	<u>516,322</u>	<u>713,477</u>	<u>1,229,799</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$738,090</u>	<u>\$1,917,228</u>	<u>\$2,655,318</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$0	\$897,256	\$897,256
Intergovernmental	3,281,427	170,412	3,451,839
Interest	581	0	581
Tuition and Fees	18,775	0	18,775
Extracurricular Activities	388,818	0	388,818
Contributions and Donations	115,798	0	115,798
Charges for Services	1,078,024	0	1,078,024
Rentals	2,685	33,500	36,185
Miscellaneous	30,362	137,886	168,248
<i>Total Revenues</i>	<u>4,916,470</u>	<u>1,239,054</u>	<u>6,155,524</u>
Expenditures			
Current:			
Instruction:			
Regular	834,690	77,612	912,302
Special	73,281	5,017	78,298
Student Intervention Services	823,491	0	823,491
Support Services:			
Pupil	191,481	0	191,481
Instructional Staff	169,031	0	169,031
Administration	78,649	36,798	115,447
Fiscal	5,112	12,682	17,794
Operation and Maintenance of Plant	75,536	23,388	98,924
Pupil Transportation	364,892	409,630	774,522
Operation of Non-Instructional Services	656,943	0	656,943
Operation of Food Services	1,330,059	0	1,330,059
Extracurricular Activities	279,429	0	279,429
Capital Outlay	0	582,324	582,324
Debt Service:			
Interest and Fiscal Charges	0	12,495	12,495
<i>Total Expenditures</i>	<u>4,882,594</u>	<u>1,159,946</u>	<u>6,042,540</u>
<i>Excess of Revenues Over Expenditures</i>	<u>33,876</u>	<u>79,108</u>	<u>112,984</u>
Other Financing Sources			
Sale of Capital Assets	0	350	350
Transfers In	45,000	181,000	226,000
<i>Total Other Financing Sources</i>	<u>45,000</u>	<u>181,350</u>	<u>226,350</u>
<i>Net Change in Fund Balances</i>	78,876	260,458	339,334
<i>Fund Balances Beginning of Year</i>	<u>437,446</u>	<u>453,019</u>	<u>890,465</u>
<i>Fund Balances End of Year</i>	<u>\$516,322</u>	<u>\$713,477</u>	<u>\$1,229,799</u>

North Royalton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2010

	Food Service	Scholarship	Adult Education	Public School Support
Assets				
Equity in Pooled Cash and Cash Equivalents	\$191,180	\$1,200	\$37,142	\$83,021
Inventory Held for Resale	20,331	0	0	0
<i>Total Assets</i>	<u>\$211,511</u>	<u>\$1,200</u>	<u>\$37,142</u>	<u>\$83,021</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	45,743	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	6,082	0	5	0
<i>Total Liabilities</i>	<u>51,825</u>	<u>0</u>	<u>5</u>	<u>0</u>
 Fund Balances				
Reserved for Encumbrances	1,229	0	340	3,160
Unreserved, Undesignated (Deficit)	158,457	1,200	36,797	79,861
<i>Total Fund Balances (Deficit)</i>	<u>159,686</u>	<u>1,200</u>	<u>37,137</u>	<u>83,021</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$211,511</u>	<u>\$1,200</u>	<u>\$37,142</u>	<u>\$83,021</u>

<u>Local Grants</u>	<u>Athletics and Music</u>	<u>Auxiliary Services</u>	<u>Educational Management Information Systems</u>	<u>Network Connectivity</u>	<u>Title VI-B</u>
\$57,504	\$118,957	\$52,584	\$2,849	\$16,615	\$91,540
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$57,504</u>	<u>\$118,957</u>	<u>\$52,584</u>	<u>\$2,849</u>	<u>\$16,615</u>	<u>\$91,540</u>
\$0	\$3,924	\$0	\$0	\$0	\$0
0	0	0	0	0	1,188
0	0	9,510	0	0	0
<u>0</u>	<u>260</u>	<u>270</u>	<u>0</u>	<u>0</u>	<u>4,672</u>
<u>0</u>	<u>4,184</u>	<u>9,780</u>	<u>0</u>	<u>0</u>	<u>5,860</u>
12,347	1,443	43,612	0	14,861	61,964
<u>45,157</u>	<u>113,330</u>	<u>(808)</u>	<u>2,849</u>	<u>1,754</u>	<u>23,716</u>
<u>57,504</u>	<u>114,773</u>	<u>42,804</u>	<u>2,849</u>	<u>16,615</u>	<u>85,680</u>
<u>\$57,504</u>	<u>\$118,957</u>	<u>\$52,584</u>	<u>\$2,849</u>	<u>\$16,615</u>	<u>\$91,540</u>

(continued)

North Royalton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2010

	<u>State Fiscal Stabilization</u>	<u>Title II-D</u>	<u>Team Nutrition</u>	<u>Immigrant Education</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$177	\$1,971	\$1,582
Inventory Held for Resale	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$0</u></u>	<u><u>\$177</u></u>	<u><u>\$1,971</u></u>	<u><u>\$1,582</u></u>
 Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	58,969	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	<u>10,301</u>	<u>0</u>	<u>0</u>	<u>1,335</u>
<i>Total Liabilities</i>	<u>69,270</u>	<u>0</u>	<u>0</u>	<u>1,335</u>
 Fund Balances				
Reserved for Encumbrances	0	114	0	528
Unreserved, Undesignated (Deficit)	<u>(69,270)</u>	<u>63</u>	<u>1,971</u>	<u>(281)</u>
<i>Total Fund Balances (Deficit)</i>	<u>(69,270)</u>	<u>177</u>	<u>1,971</u>	<u>247</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$0</u></u>	<u><u>\$177</u></u>	<u><u>\$1,971</u></u>	<u><u>\$1,582</u></u>

<u>Title I</u>	<u>Drug Free Schools Grant</u>	<u>Preschool Grant</u>	<u>Class Size Reduction Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$2,132	\$587	\$2,121	\$1,670	\$54,927	\$717,759
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,331</u>
<u>\$2,132</u>	<u>\$587</u>	<u>\$2,121</u>	<u>\$1,670</u>	<u>\$54,927</u>	<u>\$738,090</u>
\$0	\$0	\$0	\$0	\$0	\$3,924
23,416	0	0	0	0	129,316
1,900	0	0	0	46,171	57,581
<u>5,313</u>	<u>184</u>	<u>84</u>	<u>2,441</u>	<u>0</u>	<u>30,947</u>
<u>30,629</u>	<u>184</u>	<u>84</u>	<u>2,441</u>	<u>46,171</u>	<u>221,768</u>
2,118	537	930	1,002	0	144,185
<u>(30,615)</u>	<u>(134)</u>	<u>1,107</u>	<u>(1,773)</u>	<u>8,756</u>	<u>372,137</u>
<u>(28,497)</u>	<u>403</u>	<u>2,037</u>	<u>(771)</u>	<u>8,756</u>	<u>516,322</u>
<u>\$2,132</u>	<u>\$587</u>	<u>\$2,121</u>	<u>\$1,670</u>	<u>\$54,927</u>	<u>\$738,090</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2010

	Food Service	Scholarship	Adult Education	Public School Support	Local Grants
Revenues					
Intergovernmental	\$313,202	\$0	\$0	\$0	\$5,000
Interest	422	0	0	0	0
Tuition and Fees	0	0	18,775	0	0
Extracurricular Activities	0	0	0	157,855	0
Contributions and Donations	0	0	0	42,225	52,351
Charges for Services	1,078,024	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	14,441	0	8,359	7,562	0
<i>Total Revenues</i>	<u>1,406,089</u>	<u>0</u>	<u>27,134</u>	<u>207,642</u>	<u>57,351</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	0	209,659	0
Special	0	0	0	0	0
Student Intervention Services	0	0	38,329	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	0	0
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	9,395	0	0	0	56,888
Pupil Transportation	0	0	0	0	0
Operation of Non-Instructional Services	0	1,000	0	0	0
Operation of Food Services	1,330,059	0	0	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>1,339,454</u>	<u>1,000</u>	<u>38,329</u>	<u>209,659</u>	<u>56,888</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	66,635	(1,000)	(11,195)	(2,017)	463
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	66,635	(1,000)	(11,195)	(2,017)	463
<i>Fund Balances (Deficit)</i>					
Beginning of Year	<u>93,051</u>	<u>2,200</u>	<u>48,332</u>	<u>85,038</u>	<u>57,041</u>
<i>Fund Balances (Deficit)</i>					
End of Year	<u>\$159,686</u>	<u>\$1,200</u>	<u>\$37,137</u>	<u>\$83,021</u>	<u>\$57,504</u>

Athletics and Music	Auxiliary Services	Educational Management Information Systems	Entry Year Program	Network Connectivity	Title VI-B
\$0	\$620,873	\$7,977	\$0	\$13,718	\$1,604,017
0	159	0	0	0	0
0	0	0	0	0	0
230,963	0	0	0	0	0
21,222	0	0	0	0	0
0	0	0	0	0	0
2,685	0	0	0	0	0
0	0	0	0	0	0
<u>254,870</u>	<u>621,032</u>	<u>7,977</u>	<u>0</u>	<u>13,718</u>	<u>1,604,017</u>
0	0	0	652	5,220	41,474
0	0	0	0	0	37,032
0	0	0	0	0	768,909
0	0	5,110	0	0	186,371
0	0	0	0	0	44,357
0	0	0	0	0	78,649
0	0	5,112	0	0	0
0	0	0	0	0	7,345
0	0	0	0	0	338,527
0	628,260	0	0	0	20,656
0	0	0	0	0	0
<u>279,429</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>279,429</u>	<u>628,260</u>	<u>10,222</u>	<u>652</u>	<u>5,220</u>	<u>1,523,320</u>
(24,559)	(7,228)	(2,245)	(652)	8,498	80,697
<u>45,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
20,441	(7,228)	(2,245)	(652)	8,498	80,697
<u>94,332</u>	<u>50,032</u>	<u>5,094</u>	<u>652</u>	<u>8,117</u>	<u>4,983</u>
<u>\$114,773</u>	<u>\$42,804</u>	<u>\$2,849</u>	<u>\$0</u>	<u>\$16,615</u>	<u>\$85,680</u>

(continued)

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2010

	State Fiscal Stabilization	Title II-D	Team Nutrition	Immigrant Education	Title I
Revenues					
Intergovernmental	\$340,301	\$374	\$2,000	\$21,308	\$203,919
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
Contributions and Donations	0	0	0	0	0
Charges for Services	0	0	0	0	0
Rentals	0	0	0	0	0
Miscellaneous	0	0	0	0	0
<i>Total Revenues</i>	<u>340,301</u>	<u>374</u>	<u>2,000</u>	<u>21,308</u>	<u>203,919</u>
Expenditures					
Current:					
Instruction:					
Regular	373,322	0	29	20,398	168,503
Special	36,249	0	0	0	0
Student Intervention Services	0	0	0	0	0
Support Services:					
Pupil	0	0	0	0	0
Instructional Staff	0	0	0	1,258	29,940
Administration	0	0	0	0	0
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Operation of Non-Instructional Services	0	197	0	693	1,441
Operation of Food Services	0	0	0	0	0
Extracurricular Activities	0	0	0	0	0
<i>Total Expenditures</i>	<u>409,571</u>	<u>197</u>	<u>29</u>	<u>22,349</u>	<u>199,884</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(69,270)	177	1,971	(1,041)	4,035
Other Financing Sources					
Transfers In	0	0	0	0	0
<i>Net Change in Fund Balances</i>	(69,270)	177	1,971	(1,041)	4,035
<i>Fund Balances (Deficit)</i>					
Beginning of Year	0	0	0	1,288	(32,532)
End of Year	<u>(\$69,270)</u>	<u>\$177</u>	<u>\$1,971</u>	<u>\$247</u>	<u>(\$28,497)</u>

Title V	Drug Free Schools Grant	Preschool Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$232	\$12,891	\$35,129	\$64,989	\$35,497	\$3,281,427
0	0	0	0	0	581
0	0	0	0	0	18,775
0	0	0	0	0	388,818
0	0	0	0	0	115,798
0	0	0	0	0	1,078,024
0	0	0	0	0	2,685
0	0	0	0	0	30,362
<u>232</u>	<u>12,891</u>	<u>35,129</u>	<u>64,989</u>	<u>35,497</u>	<u>4,916,470</u>
0	5,954	9,479	0	0	834,690
0	0	0	0	0	73,281
0	0	16,253	0	0	823,491
0	0	0	0	0	191,481
0	3,808	7,158	82,055	455	169,031
0	0	0	0	0	78,649
0	0	0	0	0	5,112
0	1,908	0	0	0	75,536
0	0	0	0	26,365	364,892
693	0	0	3,883	120	656,943
0	0	0	0	0	1,330,059
0	0	0	0	0	279,429
<u>693</u>	<u>11,670</u>	<u>32,890</u>	<u>85,938</u>	<u>26,940</u>	<u>4,882,594</u>
(461)	1,221	2,239	(20,949)	8,557	33,876
0	0	0	0	0	45,000
(461)	1,221	2,239	(20,949)	8,557	78,876
<u>461</u>	<u>(818)</u>	<u>(202)</u>	<u>20,178</u>	<u>199</u>	<u>437,446</u>
<u>\$0</u>	<u>\$403</u>	<u>\$2,037</u>	<u>(\$771)</u>	<u>\$8,756</u>	<u>\$516,322</u>

North Royalton City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2010

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,000,848	\$305	\$1,001,153
Property Taxes Receivable	916,075	0	916,075
<i>Total Assets</i>	<u>\$1,916,923</u>	<u>\$305</u>	<u>\$1,917,228</u>
 Liabilities and Fund Balances			
Liabilities			
Interfund Payable	\$0	\$402,940	\$402,940
Deferred Revenue	791,869	0	791,869
Accrued Interest Payable	0	8,942	8,942
<i>Total Liabilities</i>	<u>791,869</u>	<u>411,882</u>	<u>1,203,751</u>
 Fund Balances			
Reserved for Encumbrances	635,605	0	635,605
Reserved for Property Taxes	124,148	0	124,148
Unreserved, Undesignated (Deficit)	365,301	(411,577)	(46,276)
<i>Total Fund Balances (Deficit)</i>	<u>1,125,054</u>	<u>(411,577)</u>	<u>713,477</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,916,923</u>	<u>\$305</u>	<u>\$1,917,228</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2010

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues			
Property Taxes	\$897,256	\$0	\$897,256
Intergovernmental	155,813	14,599	170,412
Rentals	33,500	0	33,500
Miscellaneous	137,886	0	137,886
<i>Total Revenues</i>	<u>1,224,455</u>	<u>14,599</u>	<u>1,239,054</u>
Expenditures			
Current:			
Instruction:			
Regular	77,612	0	77,612
Special	5,017	0	5,017
Support Services:			
Administration	36,798	0	36,798
Fiscal	12,682	0	12,682
Operation and Maintenance of Plant	23,388	0	23,388
Pupil Transportation	409,630	0	409,630
Capital Outlay	582,324	0	582,324
Debt Service:			
Interest and Fiscal Charges	0	12,495	12,495
<i>Total Expenditures</i>	<u>1,147,451</u>	<u>12,495</u>	<u>1,159,946</u>
<i>Excess of Revenues Over Expenditures</i>	<u>77,004</u>	<u>2,104</u>	<u>79,108</u>
Other Financing Sources			
Sale of Capital Assets	350	0	350
Transfers In	0	181,000	181,000
<i>Total Other Financing Sources</i>	<u>350</u>	<u>181,000</u>	<u>181,350</u>
<i>Net Change in Fund Balances</i>	77,354	183,104	260,458
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,047,700</u>	<u>(594,681)</u>	<u>453,019</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,125,054</u></u>	<u><u>(\$411,577)</u></u>	<u><u>\$713,477</u></u>

Combining Statements - Fiduciary Funds

Agency Funds

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

Student Activities Fund This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Suburban Health Insurance Consortium Fund This fund reflects the activity of the Suburban Health Consortium.

North Royalton City School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2010

	Beginning Balance 6/30/09	Additions	Deductions	Ending Balance 6/30/10
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$346,424	\$654,273	\$623,694	\$377,003
Liabilities				
Due to Students	\$346,424	\$654,273	\$623,694	\$377,003
<i>Suburban Health Insurance Consortium</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$21,194,439	\$55,575,126	\$57,984,279	\$18,785,286
Accrued Interest Receivable	166,042	0	166,042	0
<i>Total Assets</i>	\$21,360,481	\$55,575,126	\$58,150,321	\$18,785,286
Liabilities				
Undistributed Monies	\$21,360,481	\$55,575,126	\$58,150,321	\$18,785,286
<i>Total Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$21,540,863	\$56,229,399	\$58,607,973	\$19,162,289
Accrued Interest Receivable	166,042	0	166,042	0
<i>Total Assets</i>	\$21,706,905	\$56,229,399	\$58,774,015	\$19,162,289
Liabilities				
Due to Students	\$346,424	\$654,273	\$623,694	\$377,003
Undistributed Monies	21,360,481	55,575,126	58,150,321	18,785,286
<i>Total Liabilities</i>	\$21,706,905	\$56,229,399	\$58,774,015	\$19,162,289

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual**

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$31,978,385	\$32,412,844	\$32,412,844	\$0
Intergovernmental	11,185,132	10,896,050	10,896,050	0
Interest	250,000	252,946	271,796	18,850
Tuition and Fees	296,763	327,977	328,421	444
Extracurricular Activities	120,225	150,964	150,964	0
Rentals	48,746	32,071	32,071	0
Miscellaneous	79,025	155,763	155,810	47
<i>Total Revenues</i>	<u>43,958,276</u>	<u>44,228,615</u>	<u>44,247,956</u>	<u>19,341</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	14,212,737	14,969,939	14,696,639	273,300
Fringe Benefits	4,467,464	4,804,963	4,708,646	96,317
Purchased Services	491,772	561,391	548,391	13,000
Materials and Supplies	621,788	438,730	413,863	24,867
Capital Outlay - New	38,354	122,627	117,961	4,666
Other	1,756	2,600	2,600	0
Total Regular	<u>19,833,871</u>	<u>20,900,250</u>	<u>20,488,100</u>	<u>412,150</u>
Special:				
Salaries and Wages	3,020,400	2,338,743	2,267,172	71,571
Fringe Benefits	759,280	569,596	551,432	18,164
Purchased Services	1,506,786	1,573,048	1,425,117	147,931
Materials and Supplies	16,224	16,899	11,594	5,305
Capital Outlay - New	16,000	16,524	16,524	0
Other	33,000	29,487	29,487	0
Total Special	<u>5,351,690</u>	<u>4,544,297</u>	<u>4,301,326</u>	<u>242,971</u>
Vocational:				
Salaries and Wages	131,200	131,200	129,710	1,490
Fringe Benefits	47,230	45,474	43,391	2,083
Purchased Services	310	310	310	0
Materials and Supplies	13,668	13,668	13,480	188
Capital Outlay - New	22,523	22,523	9,752	12,771
Total Vocational	<u>\$214,931</u>	<u>\$213,175</u>	<u>\$196,643</u>	<u>\$16,532</u>

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Student Intervention Services:				
Salaries and Wages	\$622,600	\$672,206	\$662,026	\$10,180
Fringe Benefits	199,750	426,781	415,773	11,008
Total Student Intervention Services	822,350	1,098,987	1,077,799	21,188
Total Instruction	26,222,842	26,756,709	26,063,868	692,841
Support Services:				
Pupil:				
Salaries and Wages	1,653,400	1,661,169	1,640,873	20,296
Fringe Benefits	530,710	498,222	487,164	11,058
Purchased Services	427,105	427,065	200,112	226,953
Materials and Supplies	19,797	27,724	27,391	333
Other	2,075	1,455	1,455	0
Total Pupil	2,633,087	2,615,635	2,356,995	258,640
Instructional Staff:				
Salaries and Wages	1,490,900	1,345,405	1,325,930	19,475
Fringe Benefits	695,680	363,218	356,859	6,359
Purchased Services	155,285	151,479	145,220	6,259
Materials and Supplies	15,750	18,664	16,835	1,829
Other	1,000	1,000	249	751
Total Instructional Staff	2,358,615	1,879,766	1,845,093	34,673
Board of Education:				
Salaries and Wages	22,000	22,000	19,790	2,210
Fringe Benefits	300	300	287	13
Purchased Services	11,030	11,030	9,099	1,931
Materials and Supplies	300	300	60	240
Other	10,300	10,000	8,081	1,919
Total Board of Education	\$43,930	\$43,630	\$37,317	\$6,313

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Administration:				
Salaries and Wages	\$2,136,700	\$2,052,860	\$2,003,105	\$49,755
Fringe Benefits	942,985	978,897	972,016	6,881
Purchased Services	248,077	253,990	210,140	43,850
Materials and Supplies	12,919	29,812	29,811	1
Capital Outlay - New	5,750	13,408	13,258	150
Other	29,665	16,164	12,656	3,508
Total Administration	3,376,096	3,345,131	3,240,986	104,145
Fiscal:				
Salaries and Wages	368,900	370,190	368,403	1,787
Fringe Benefits	145,570	145,216	145,028	188
Purchased Services	13,202	12,126	11,210	916
Materials and Supplies	5,720	5,720	5,563	157
Capital Outlay - New	0	1,575	1,575	0
Other	592,300	603,038	589,862	13,176
Total Fiscal	1,125,692	1,137,865	1,121,641	16,224
Business:				
Salaries and Wages	222,600	224,510	217,071	7,439
Fringe Benefits	109,290	105,282	103,661	1,621
Purchased Services	8,273	7,571	6,686	885
Materials and Supplies	1,000	999	376	623
Other	2,500	985	985	0
Total Business	343,663	339,347	328,779	10,568
Operation and Maintenance of Plant:				
Salaries and Wages	1,591,400	1,561,919	1,520,119	41,800
Fringe Benefits	764,520	711,245	700,472	10,773
Purchased Services	1,308,770	1,190,990	942,047	248,943
Materials and Supplies	252,522	239,543	233,729	5,814
Capital Outlay - Replacement	0	428	428	0
Other	3,400	3,258	3,258	0
Total Operation and Maintenance of Plant	\$3,920,612	\$3,707,383	\$3,400,053	\$307,330

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Pupil Transportation:				
Salaries and Wages	\$1,399,400	\$1,433,183	\$1,404,161	\$29,022
Fringe Benefits	500,430	574,447	570,805	3,642
Purchased Services	384,088	401,838	251,367	150,471
Materials and Supplies	463,000	477,476	450,499	26,977
Capital Outlay - New	0	2,442	2,442	0
Total Pupil Transportation	2,746,918	2,889,386	2,679,274	210,112
Central:				
Salaries and Wages	272,500	271,398	263,567	7,831
Fringe Benefits	64,250	60,338	58,484	1,854
Purchased Services	175,035	168,828	133,934	34,894
Materials and Supplies	48,165	48,165	47,240	925
Capital Outlay - New	0	2,131	2,131	0
Total Central	559,950	550,860	505,356	45,504
Total Support Services	17,108,563	16,509,003	15,515,494	993,509
Operation of Non-Instructional Services:				
Salaries and Wages	34,900	34,900	34,615	285
Fringe Benefits	12,960	12,649	12,599	50
Purchased Services	33,800	27,800	19,278	8,522
Materials and Supplies	1,500	1,500	202	1,298
Total Operation of Non-Instructional Services	83,160	76,849	66,694	10,155
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	172,100	185,511	182,030	3,481
Fringe Benefits	8,000	8,000	7,737	263
Total Academic Oriented Activities	180,100	193,511	189,767	3,744
Sport Oriented Activities:				
Salaries and Wages	495,600	508,708	479,928	28,780
Fringe Benefits	25,000	15,937	6,927	9,010
Purchased Services	25,000	24,817	24,817	0
Other	0	1,155	1,155	0
Total Sport Oriented Activities	545,600	550,617	512,827	37,790
Total Extracurricular Activities	725,700	744,128	702,594	41,534
Total Expenditures	44,140,265	44,086,689	42,348,650	1,738,039
Excess of Revenues Over (Under) Expenditures	(\$181,989)	\$141,926	\$1,899,306	\$1,757,380

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Sale of Capital Assets	\$4,755	\$10,275	\$10,275	\$0
Advances In	1,000	710	710	0
Advances Out	(1,000)	(57,581)	(57,581)	0
Transfers Out	(225,000)	(226,000)	(226,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(220,245)</u>	<u>(272,596)</u>	<u>(272,596)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(402,234)	(130,670)	1,626,710	1,757,380
<i>Fund Balance Beginning of Year</i>	5,107,166	5,107,166	5,107,166	0
Prior Year Encumbrances Appropriated	<u>598,255</u>	<u>598,255</u>	<u>598,255</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$5,303,187</u></u>	<u><u>\$5,574,751</u></u>	<u><u>\$7,332,131</u></u>	<u><u>\$1,757,380</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$1,785,818	\$1,785,819	\$1
Intergovernmental	249,155	249,155	0
<i>Total Revenues</i>	<u>2,034,973</u>	<u>2,034,974</u>	<u>1</u>
Expenditures			
Current:			
Support Services:			
Fiscal:			
Other	24,095	24,095	0
Debt Service:			
Principal Retirement	1,991,419	1,883,940	107,479
Interest and Fiscal Charges	636,486	536,486	100,000
Total Debt Service	<u>2,627,905</u>	<u>2,420,426</u>	<u>207,479</u>
<i>Total Expenditures</i>	<u>2,652,000</u>	<u>2,444,521</u>	<u>207,479</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(617,027)</u>	<u>(409,547)</u>	<u>207,480</u>
Other Financing Sources			
General Obligation Notes Issued	402,940	402,940	0
Transfers In	181,000	181,000	0
<i>Total Other Financing Sources</i>	<u>583,940</u>	<u>583,940</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(33,087)	174,393	207,480
<i>Fund Balance Beginning of Year</i>	<u>3,224,837</u>	<u>3,224,837</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,191,750</u></u>	<u><u>\$3,399,230</u></u>	<u><u>\$207,480</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$351,527	\$351,527	\$0
Interest	353	422	69
Charges for Services	1,078,024	1,078,024	0
Miscellaneous	14,441	14,441	0
<i>Total Revenues</i>	<u>1,444,345</u>	<u>1,444,414</u>	<u>69</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	10,585	10,585	0
Operation of Food Services:			
Salaries and Wages	523,230	493,230	30,000
Fringe Benefits	250,496	250,496	0
Purchased Services	13,228	13,228	0
Materials and Supplies	664,169	584,021	80,148
Capital Outlay - New	7,543	7,543	0
Capital Outlay - Replacement	1,485	1,485	0
Total Operation of Food Services	<u>1,460,151</u>	<u>1,350,003</u>	<u>110,148</u>
<i>Total Expenditures</i>	<u>1,470,736</u>	<u>1,360,588</u>	<u>110,148</u>
<i>Net Change in Fund Balance</i>	(26,391)	83,826	110,217
<i>Fund Balance Beginning of Year</i>	105,999	105,999	0
Prior Year Encumbrances Appropriated	126	126	0
<i>Fund Balance End of Year</i>	<u>\$79,734</u>	<u>\$189,951</u>	<u>\$110,217</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	1,000	1,000	0
<i>Net Change in Fund Balance</i>	(1,000)	(1,000)	0
<i>Fund Balance Beginning of Year</i>	2,200	2,200	0
<i>Fund Balance End of Year</i>	\$1,200	\$1,200	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$18,370	\$18,775	\$405
Miscellaneous	8,359	8,359	0
<i>Total Revenues</i>	<u>26,729</u>	<u>27,134</u>	<u>405</u>
Expenditures			
Current:			
Instruction:			
Student Intervention Services:			
Salaries and Wages	44,590	33,375	11,215
Fringe Benefits	476	476	0
Materials and Supplies	4,960	4,960	0
<i>Total Expenditures</i>	<u>50,026</u>	<u>38,811</u>	<u>11,215</u>
<i>Net Change in Fund Balance</i>	(23,297)	(11,677)	11,620
<i>Fund Balance Beginning of Year</i>	48,453	48,453	0
Prior Year Encumbrances Appropriated	<u>26</u>	<u>26</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$25,182</u></u>	<u><u>\$36,802</u></u>	<u><u>\$11,620</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$157,823	\$157,855	\$32
Contributions and Donations	42,165	42,225	60
Miscellaneous	7,337	7,562	225
<i>Total Revenues</i>	<u>207,325</u>	<u>207,642</u>	<u>317</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	32,680	32,680	0
Capital Outlay - New	50,601	50,601	0
Other	141,680	132,564	9,116
<i>Total Expenditures</i>	<u>224,961</u>	<u>215,845</u>	<u>9,116</u>
<i>Net Change in Fund Balance</i>	(17,636)	(8,203)	9,433
<i>Fund Balance Beginning of Year</i>	81,497	81,497	0
Prior Year Encumbrances Appropriated	4,961	4,961	0
<i>Fund Balance End of Year</i>	<u>\$68,822</u>	<u>\$78,255</u>	<u>\$9,433</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$5,000	\$5,000	\$0
Contributions and Donations	47,919	52,351	4,432
<i>Total Revenues</i>	<u>52,919</u>	<u>57,351</u>	<u>4,432</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	1,000	0	1,000
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	28,445	28,445	0
Materials and Supplies	27,365	18,479	8,886
Capital Outlay - New	14,149	14,149	0
Total Support Services	<u>69,959</u>	<u>61,073</u>	<u>8,886</u>
Capital Outlay:			
Site Improvement Services:			
Capital Outlay - New	8,162	8,162	0
<i>Total Expenditures</i>	<u>79,121</u>	<u>69,235</u>	<u>9,886</u>
<i>Net Change in Fund Balance</i>	(26,202)	(11,884)	14,318
<i>Fund Balance Beginning of Year</i>	53,920	53,920	0
Prior Year Encumbrances Appropriated	<u>3,121</u>	<u>3,121</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30,839</u></u>	<u><u>\$45,157</u></u>	<u><u>\$14,318</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics and Music Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$210,365	\$218,821	\$8,456
Contributions and Donations	21,202	21,222	20
Rentals	2,685	2,685	0
<i>Total Revenues</i>	<u>234,252</u>	<u>242,728</u>	<u>8,476</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic Oriented Activities:			
Other	623	623	0
Occupation Oriented Activities			
Materials and Supplies	1,101	1,101	0
Other	4,384	4,384	0
Total Occupation Oriented Activities	<u>5,485</u>	<u>5,485</u>	<u>0</u>
Sport Oriented Activities:			
Purchased Services	29,451	29,451	0
Materials and Supplies	37,778	27,778	10,000
Capital Outlay - New	29,892	29,892	0
Other	217,302	184,961	32,341
Total Sport Oriented Activities	<u>314,423</u>	<u>272,082</u>	<u>42,341</u>
School and Public Service			
Co-curricular Activities:			
Other	265	265	0
<i>Total Expenditures</i>	<u>320,796</u>	<u>278,455</u>	<u>42,341</u>
<i>Excess of Revenues Under Expenditures</i>	(86,544)	(35,727)	50,817
Other Financing Sources			
Transfers In	45,000	45,000	0
<i>Net Change in Fund Balance</i>	(41,544)	9,273	50,817
<i>Fund Balance Beginning of Year</i>	95,678	95,678	0
Prior Year Encumbrances Appropriated	10,796	10,796	0
<i>Fund Balance End of Year</i>	<u>\$64,930</u>	<u>\$115,747</u>	<u>\$50,817</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$620,880	\$620,873	(\$7)
Interest	132	159	27
<i>Total Revenues</i>	<u>621,012</u>	<u>621,032</u>	<u>20</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	45,243	41,333	3,910
Fringe Benefits	23,670	23,670	0
Purchased Services	417,515	417,515	0
Materials and Supplies	173,869	173,869	0
Capital Outlay - New	24,547	24,547	0
<i>Total Expenditures</i>	<u>684,844</u>	<u>680,934</u>	<u>3,910</u>
<i>Excess of Revenues Under Expenditures</i>	(63,832)	(59,902)	3,930
Other Financing Sources			
Advances In	9,510	9,510	0
<i>Net Change in Fund Balance</i>	(54,322)	(50,392)	3,930
<i>Fund Balance Beginning of Year</i>	4,520	4,520	0
Prior Year Encumbrances Appropriated	54,844	54,844	0
<i>Fund Balance End of Year</i>	<u>\$5,042</u>	<u>\$8,972</u>	<u>\$3,930</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$7,977	\$7,977	\$0
Expenditures			
Current:			
Support Services:			
Pupil:			
Purchased Services	5,110	5,110	0
Fiscal:			
Purchased Services	5,112	5,112	0
<i>Total Expenditures</i>	10,222	10,222	0
<i>Net Change in Fund Balance</i>	(2,245)	(2,245)	0
<i>Fund Balance Beginning of Year</i>	5,094	5,094	0
<i>Fund Balance End of Year</i>	\$2,849	\$2,849	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Entry Year Program Fund
For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	<u>750</u>	<u>750</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(750)	(750)	0
<i>Fund Balance Beginning of Year</i>	<u>750</u>	<u>750</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Network Connectivity Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$13,718	\$13,718	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	20,081	20,081	0
<i>Net Change in Fund Balance</i>	(6,363)	(6,363)	0
<i>Fund Balance Beginning of Year</i>	7,119	7,119	0
Prior Year Encumbrances Appropriated	998	998	0
<i>Fund Balance End of Year</i>	\$1,754	\$1,754	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,604,016	\$1,604,017	\$1
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	39,066	39,066	0
Materials and Supplies	2,408	2,408	0
Total Regular	41,474	41,474	0
Special:			
Materials and Supplies	28,285	28,285	0
Capital Outlay - New	10,988	10,988	0
Total Special	39,273	39,273	0
Student Intervention Services:			
Salaries and Wages	530,142	530,142	0
Fringe Benefits	252,922	252,922	0
Total Student Intervention Services	783,064	783,064	0
Total Instruction	863,811	863,811	0
Support Services:			
Pupil:			
Salaries and Wages	10,152	10,152	0
Fringe Benefits	1,569	1,569	0
Purchased Services	195,156	195,156	0
Capital Outlay - New	6,174	5,000	1,174
Total Pupil	213,051	211,877	1,174
Instructional Staff:			
Salaries and Wages	5,980	5,980	0
Fringe Benefits	911	911	0
Purchased Services	65,620	65,620	0
Total Instructional Staff	\$72,511	\$72,511	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Administration:			
Salaries and Wages	\$32,845	\$32,845	\$0
Fringe Benefits	20,117	20,117	0
Purchased Services	18,135	18,135	0
Capital Outlay - New	9,614	9,614	0
Total Administration	<u>80,711</u>	<u>80,711</u>	<u>0</u>
Operation and Maintenance of Plant:			
Capital Outlay - New	7,345	7,345	0
Pupil Transportation:			
Purchased Services	150,922	150,921	1
Capital Outlay - New	192,814	192,814	0
Total Pupil Transportation	<u>343,736</u>	<u>343,735</u>	<u>1</u>
Total Support Services	<u>717,354</u>	<u>716,179</u>	<u>1,175</u>
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	34	34	0
Fringe Benefits	5	5	0
Purchased Services	15,803	15,803	0
Materials and Supplies	4,883	4,883	0
Total Operation of Non-Instructional Services	<u>20,725</u>	<u>20,725</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,601,890</u>	<u>1,600,715</u>	<u>1,175</u>
<i>Net Change in Fund Balance</i>	2,126	3,302	1,176
<i>Fund Balance Beginning of Year</i>	19,384	19,384	0
Prior Year Encumbrances Appropriated	<u>6,890</u>	<u>6,890</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$28,400</u>	<u>\$29,576</u>	<u>\$1,176</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
State Fiscal Stabilization Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$340,301	\$340,301	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	220,757	220,757	0
Fringe Benefits	83,295	83,295	0
Total Regular	304,052	304,052	0
Special:			
Purchased Services	36,249	36,249	0
<i>Total Expenditures</i>	340,301	340,301	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-D Fund
For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$375	\$374	(\$1)
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	<u>311</u>	<u>311</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	64	63	(1)
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$64</u></u>	<u><u>\$63</u></u>	<u><u>(\$1)</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Team Nutrition Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,000	\$2,000	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	2,000	29	1,971
<i>Net Change in Fund Balance</i>	0	1,971	1,971
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$1,971	\$1,971

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Immigrant Education Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$21,308	\$21,308	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	12,843	12,843	0
Fringe Benefits	1,984	1,984	0
Materials and Supplies	658	658	0
Capital Outlay - New	3,649	3,649	0
Total Instruction	19,134	19,134	0
Support Services:			
Instructional Staff:			
Purchased Services	1,258	1,258	0
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	1,221	1,221	0
<i>Total Expenditures</i>	21,613	21,613	0
<i>Net Change in Fund Balance</i>	(305)	(305)	0
<i>Fund Balance Beginning of Year</i>	1,359	1,359	0
<i>Fund Balance End of Year</i>	\$1,054	\$1,054	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$203,919	\$203,919	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	147,335	147,335	0
Fringe Benefits	33,665	33,665	0
Materials and Supplies	3,264	3,264	0
Capital Outlay - New	2,549	2,549	0
Total Instruction	186,813	186,813	0
Support Services:			
Instructional Staff:			
Salaries and Wages	4,063	4,063	0
Fringe Benefits	623	623	0
Purchased Services	26,579	26,579	0
Total Support Services	31,265	31,265	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	1,441	1,441	0
<i>Total Expenditures</i>	219,519	219,519	0
<i>Excess of Revenues Under Expenditures</i>	(15,600)	(15,600)	0
Other Financing Sources			
Advances In	1,900	1,900	0
<i>Net Change in Fund Balance</i>	(13,700)	(13,700)	0
<i>Fund Balance Beginning of Year</i>	11,362	11,362	0
Prior Year Encumbrances Appropriated	2,352	2,352	0
<i>Fund Balance End of Year</i>	\$14	\$14	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$232	\$232	\$0
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	<u>693</u>	<u>693</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(461)	(461)	0
<i>Fund Balance Beginning of Year</i>	<u>461</u>	<u>461</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Free Schools Grant Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$12,891	\$12,891	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	4,191	4,190	1
Fringe Benefits	646	646	0
Materials and Supplies	493	493	0
Capital Outlay - New	543	543	0
Total Instruction	5,873	5,872	1
Support Services:			
Instructional Staff:			
Purchased Services	3,808	3,808	0
Operation and Maintenance of Plant:			
Capital Outlay - New	1,914	1,914	0
Total Support Services	5,722	5,722	0
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	537	537	0
<i>Total Expenditures</i>	12,132	12,131	1
<i>Excess of Revenues Over Expenditures</i>	759	760	1
Other Financing Uses			
Advances Out	(710)	(710)	0
<i>Net Change in Fund Balance</i>	49	50	1
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$49	\$50	\$1

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grant Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$35,128	\$35,129	\$1
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	3,319	3,319	0
Capital Outlay - New	6,396	6,396	0
Total Regular	9,715	9,715	0
Student Intervention Services:			
Salaries and Wages	16,823	16,823	0
Total Instruction	26,538	26,538	0
Support Services:			
Instructional Staff:			
Materials and Supplies	3,252	3,252	0
Capital Outlay - New	4,600	4,600	0
Total Support Services	7,852	7,852	0
<i>Total Expenditures</i>	34,390	34,390	0
<i>Net Change in Fund Balance</i>	738	739	1
<i>Fund Balance Beginning of Year</i>	452	452	0
<i>Fund Balance End of Year</i>	\$1,190	\$1,191	\$1

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction Grant Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$64,989	\$64,989	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	11,835	11,835	0
Fringe Benefits	1,808	1,808	0
Purchased Services	69,522	69,522	0
Total Support Services	83,165	83,165	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	3,970	3,969	1
<i>Total Expenditures</i>	87,135	87,134	1
<i>Net Change in Fund Balance</i>	(22,146)	(22,145)	1
<i>Fund Balance Beginning of Year</i>	22,331	22,331	0
Prior Year Encumbrances Appropriated	482	482	0
<i>Fund Balance End of Year</i>	\$667	\$668	\$1

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$35,497	\$35,497	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	500	500	0
Fringe Benefits	75	75	0
Total Instructional Staff	575	575	0
Pupil Transportation:			
Purchased Services	26,365	26,365	0
Total Support Services	26,940	26,940	0
Operation of Non-Instructional Services:			
Community Services:			
Materials and Supplies	120	120	0
<i>Total Expenditures</i>	27,060	27,060	0
<i>Excess of Revenues Over Expenditures</i>	8,437	8,437	0
Other Financing Sources			
Advances In	46,171	46,171	0
<i>Net Change in Fund Balance</i>	54,608	54,608	0
<i>Fund Balance Beginning of Year</i>	319	319	0
<i>Fund Balance End of Year</i>	\$54,927	\$54,927	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$939,904	\$939,905	\$1
Intergovernmental	155,813	155,813	0
Rentals	33,500	33,500	0
Miscellaneous	137,886	137,886	0
<i>Total Revenues</i>	<u>1,267,103</u>	<u>1,267,104</u>	<u>1</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	11,105	11,105	0
Capital Outlay - New	121,808	121,806	2
Capital Outlay - Replacement	1,323	1,323	0
Total Regular	134,236	134,234	2
Special:			
Capital Outlay - New	5,017	5,017	0
Total Instruction	<u>139,253</u>	<u>139,251</u>	<u>2</u>
Support Services:			
Administration:			
Purchased Services	41,956	41,956	0
Capital Outlay - New	898	898	0
Capital Outlay - Replacement	3,183	3,183	0
Total Administration	<u>46,037</u>	<u>46,037</u>	<u>0</u>
Fiscal:			
Other	12,682	12,682	0
Operation and Maintenance of Plant:			
Purchased Services	30,635	30,635	0
Materials and Supplies	800	800	0
Capital Outlay - New	7,023	7,023	0
Capital Outlay - Replacement	3,395	3,395	0
Total Operation and Maintenance of Plant	<u>41,853</u>	<u>41,853</u>	<u>0</u>
Pupil Transportation:			
Capital Outlay - New	163,852	163,852	0
Capital Outlay - Replacement	245,778	245,778	0
Total Pupil Transportation	<u>409,630</u>	<u>409,630</u>	<u>0</u>
Total Support Services	<u>\$510,202</u>	<u>\$510,202</u>	<u>\$0</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay:			
Site Acquisition Services:			
Purchased Services	\$146,594	\$146,594	\$0
Capital Outlay - New	166,356	166,356	0
Capital Outlay - Replacement	40,357	40,357	0
Total Site Acquisition Services	353,307	353,307	0
Building Improvement Services:			
Purchased Services	46,652	46,652	0
Capital Outlay - New	13,424	13,424	0
Capital Outlay - Replacement	1,009,719	971,675	38,044
Total Building Improvement Services	1,069,795	1,031,751	38,044
Total Capital Outlay	1,423,102	1,385,058	38,044
<i>Total Expenditures</i>	2,072,557	2,034,511	38,046
<i>Excess of Revenues Under Expenditures</i>	(805,454)	(767,407)	38,047
Other Financing Sources			
Sale of Capital Assets	350	350	0
<i>Net Change in Fund Balance</i>	(805,104)	(767,057)	38,047
<i>Fund Balance Beginning of Year</i>	579,243	579,243	0
Prior Year Encumbrances Appropriated	553,057	553,057	0
<i>Fund Balance End of Year</i>	\$327,196	\$365,243	\$38,047

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	305	305	0
<i>Fund Balance End of Year</i>	\$305	\$305	\$0

North Royalton City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$152,931	\$152,931	\$0
Expenses			
Purchased Services	24,728	24,728	0
Claims	135,272	116,029	19,243
<i>Total Expenses</i>	160,000	140,757	19,243
<i>Net Change in Fund Equity</i>	(7,069)	12,174	19,243
<i>Fund Equity Beginning of Year</i>	169,674	169,674	0
<i>Fund Equity End of Year</i>	\$162,605	\$181,848	\$19,243

**STATISTICAL
SECTION**

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Statistical Section

This part of the North Royalton 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 School District's overall financial health.

Contents	Pages(s)
<i>Financial Trends</i>	S2 – S9
These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	S10 – S19
These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.	
<i>Debt Capacity</i>	S20 – S23
These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	
<i>Economic and Demographic Information</i>	S24 – S26
These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	
<i>Operating Information</i>	S27 – S36
These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The School District implemented GASB Statement No. 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year. Revenue and expenditure information on a modified accrual basis prior to 1999 is unavailable.

North Royalton City School District
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Invested in Capital Assets, Net of Related Debt	\$5,676,183	\$8,008,290	\$7,984,585	\$9,387,547
Restricted for:				
Capital Projects	351,756	470,886	694,252	253,191
Debt Service	2,262,835	2,704,713	3,149,780	3,328,432
Other Purposes	408,144	369,575	277,658	337,334
Unrestricted (Deficit)	<u>(3,485,176)</u>	<u>537,280</u>	<u>1,834,615</u>	<u>2,167,301</u>
Total Net Assets	<u><u>\$5,213,742</u></u>	<u><u>\$12,090,744</u></u>	<u><u>\$13,940,890</u></u>	<u><u>\$15,473,805</u></u>

2007	2008	2009	2010
\$10,404,332	\$11,206,829	\$11,158,736	\$11,374,852
243,059	0	1,092,228	1,161,025
3,472,628	3,728,413	3,453,480	3,458,042
426,672	303,158	389,361	525,067
1,747,843	2,194,118	844,751	2,828,962
\$16,294,534	\$17,432,518	\$16,938,556	\$19,347,948

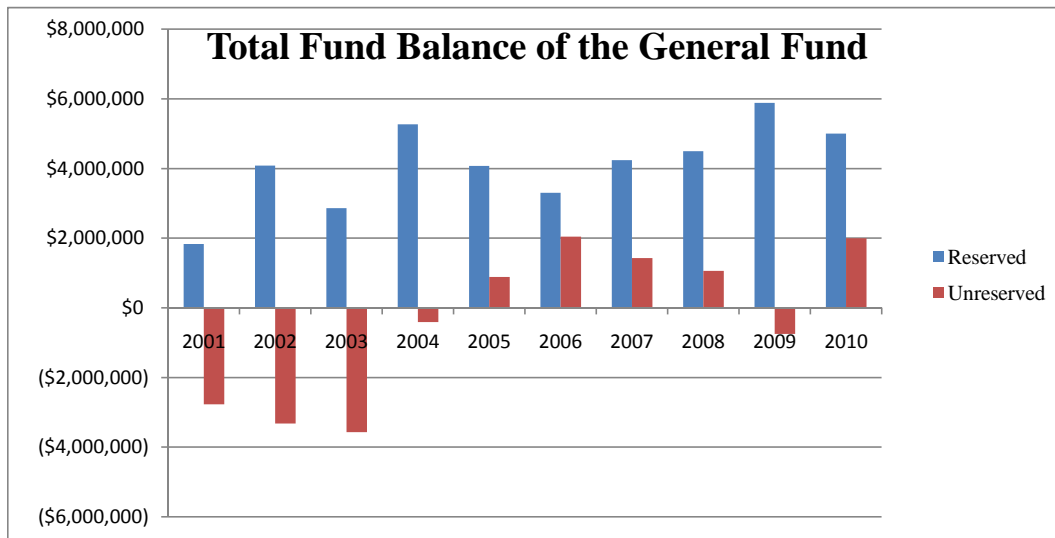
North Royalton City School District
Changes in Net Assets of Governmental Activities
Last Eight Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006
Expenses				
Regular Instruction	\$17,302,942	\$17,400,569	\$18,824,347	\$19,181,614
Special Instruction	2,932,155	3,405,594	3,694,607	3,964,579
Vocational Instruction	165,516	100,839	196,199	168,079
Student Intervention Services	0	0	0	0
Pupil Support	1,834,793	1,931,083	2,073,596	2,201,623
Instructional Staff Support	2,236,506	2,544,774	2,854,523	2,806,302
Board of Education	17,890	27,367	32,209	32,661
Administration	2,767,986	2,676,212	2,956,743	3,045,649
Fiscal	797,449	911,411	925,283	1,003,012
Business	225,304	281,670	300,767	287,549
Operation and Maintenance of Plant	2,928,794	3,188,596	3,422,885	3,776,192
Pupil Transportation	2,197,402	2,700,384	2,991,475	3,258,231
Central	268,640	299,018	348,821	437,407
Operation of Non-Instructional Services	592,156	607,217	835,474	760,088
Operation of Food Services	612,425	1,318,533	1,383,071	1,386,551
Extracurricular Activities	1,477,114	856,680	928,390	886,853
Interest and Fiscal Charges	1,552,707	1,453,624	1,096,586	1,161,101
<i>Total Expenses</i>	<u>37,909,779</u>	<u>39,703,571</u>	<u>42,864,976</u>	<u>44,357,491</u>
Program Revenues				
Charges for Services and Sales				
Regular Instruction	39,966	205,392	466,294	338,402
Special Instruction	214,701	249,760	0	0
Student Intervention Services	0	0	0	0
Pupil Support	0	1,733	586	353
Administration	0	0	0	145
Fiscal	0	0	0	90
Business	33,260	57,500	0	0
Operation and Maintenance of Plant	0	0	59,358	50,344
Pupil Transportation	0	0	0	2,073
Operation of Food Services	1,039,189	1,058,187	1,125,999	1,176,372
Extracurricular Activities	314,716	184,324	228,083	228,596
Operating Grants, Contributions and Interest	1,249,769	1,809,757	2,097,894	2,186,617
Capital Grants and Contributions	177,730	21,489	153,862	61,179
<i>Total Program Revenues</i>	<u>3,069,331</u>	<u>3,588,142</u>	<u>4,132,076</u>	<u>4,044,171</u>
Net Expense	<u>(34,840,448)</u>	<u>(36,115,429)</u>	<u>(38,732,900)</u>	<u>(40,313,320)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	20,685,488	29,363,757	27,467,331	28,267,848
Debt Service	2,119,417	2,747,051	2,434,371	2,622,996
Capital Outlay	623,569	858,498	801,374	873,788
Grants and Entitlements not				
Restricted to Specific Programs	9,099,437	9,707,794	9,539,711	9,475,185
Interest	82,610	76,094	236,072	516,550
Gain on Sale of Capital Assets	0	37,000	0	44
Miscellaneous	211,124	202,237	104,187	89,824
<i>Total General Revenues</i>	<u>32,821,645</u>	<u>42,992,431</u>	<u>40,583,046</u>	<u>41,846,235</u>
<i>Change in Net Assets</i>	<u>(\$2,018,803)</u>	<u>\$6,877,002</u>	<u>\$1,850,146</u>	<u>\$1,532,915</u>

2007	2008	2009	2010
\$20,004,883	\$21,558,320	\$22,398,158	\$21,810,291
4,603,113	4,835,486	4,129,027	4,401,022
193,147	194,028	193,977	210,031
0	0	1,672,402	1,914,412
2,418,861	2,490,528	2,611,154	2,598,723
3,132,012	2,974,945	2,295,479	1,944,788
35,706	38,657	27,253	37,330
3,249,707	3,574,520	3,431,405	3,466,191
970,782	1,048,878	1,093,106	1,137,626
299,718	325,633	339,281	314,186
3,949,268	4,002,858	4,067,791	3,323,518
3,490,934	3,540,389	3,093,446	3,303,329
469,215	578,689	613,370	503,859
777,482	856,858	742,839	832,087
1,373,576	1,492,421	1,442,093	1,336,266
971,326	975,997	976,880	1,009,845
1,249,576	1,131,121	1,122,733	1,266,086
<u>47,189,306</u>	<u>49,619,328</u>	<u>50,250,394</u>	<u>49,409,590</u>
251,613	418,480	308,774	424,291
0	0	0	0
0	0	16,058	18,775
0	0	0	0
45	0	0	0
48	0	0	0
0	0	0	0
66,496	68,309	57,433	175,476
1,068	0	0	33,500
1,162,798	1,170,607	1,166,919	968,240
216,673	245,313	402,090	406,526
2,155,796	2,160,289	2,791,285	3,631,781
46,019	75,317	25,460	170,412
<u>3,900,556</u>	<u>4,138,315</u>	<u>4,768,019</u>	<u>5,829,001</u>
<u>(43,288,750)</u>	<u>(45,481,013)</u>	<u>(45,482,375)</u>	<u>(43,580,589)</u>
29,852,874	31,273,337	30,527,173	32,022,770
2,621,799	2,558,605	2,034,569	1,688,528
938,459	998,619	984,472	888,699
9,734,777	10,435,570	10,759,786	10,896,050
855,268	814,931	481,638	160,026
3,000	358,462	5,534	9,850
103,302	179,473	195,241	324,058
<u>44,109,479</u>	<u>46,618,997</u>	<u>44,988,413</u>	<u>45,989,981</u>
<u>\$820,729</u>	<u>\$1,137,984</u>	<u>(\$493,962)</u>	<u>\$2,409,392</u>

North Royalton City School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004
General Fund				
Reserved	\$1,837,447	\$4,084,889	\$2,858,989	\$5,267,827
Unreserved	(2,773,494)	(3,323,666)	(3,572,721)	(407,775)
<i>Total General Fund</i>	<u>(936,047)</u>	<u>761,223</u>	<u>(713,732)</u>	<u>4,860,052</u>
All Other Governmental Funds				
Reserved	403,208	654,939	685,236	953,271
Unreserved, Undesignated, Reported in:				
Special Revenue funds	259,757	362,082	349,737	354,312
Debt Service funds	1,947,210	2,085,527	2,163,827	2,307,768
Capital Projects funds (Deficit)	22,450	21,261	59,945	(161,003)
<i>Total All Other Governmental Funds</i>	<u>2,632,625</u>	<u>3,123,809</u>	<u>3,258,745</u>	<u>3,454,348</u>
<i>Total Governmental Funds</i>	<u><u>\$1,696,578</u></u>	<u><u>\$3,885,032</u></u>	<u><u>\$2,545,013</u></u>	<u><u>\$8,314,400</u></u>



2005	2006	2007	2008	2009	2010
\$4,076,588	\$3,307,757	\$4,236,611	\$4,502,522	\$5,882,948	\$5,002,571
884,649	2,045,734	1,426,330	1,061,446	(748,015)	1,998,153
4,961,237	5,353,491	5,662,941	5,563,968	5,134,933	7,000,724
1,155,733	793,273	955,911	703,953	855,885	1,139,820
155,988	322,889	380,916	369,398	366,085	372,137
2,776,408	3,017,612	3,241,776	3,441,305	3,225,464	3,399,341
(521,989)	(225,506)	(336,647)	(459,998)	(15,108)	(46,276)
3,566,140	3,908,268	4,241,956	4,054,658	4,432,326	4,865,022
<u>\$8,527,377</u>	<u>\$9,261,759</u>	<u>\$9,904,897</u>	<u>\$9,618,626</u>	<u>\$9,567,259</u>	<u>\$11,865,746</u>

North Royalton City School District
Changes in Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2001	2002	2003	2004
Revenues				
Property Taxes	\$23,556,926	\$28,737,806	\$24,186,901	\$32,761,249
Intergovernmental	9,294,779	10,286,408	10,480,631	11,440,394
Interest	344,644	139,229	88,781	79,545
Tuition and Fees	189,970	273,604	174,784	557,370
Extracurricular Activities	172,601	203,585	274,061	182,504
Contributions and Donations	0	68,922	79,368	95,195
Charges for Services	0	1,507	1,040,802	1,088,120
Rentals	0	34,730	33,260	57,500
Miscellaneous	318,075	97,354	211,124	202,237
<i>Total Revenues</i>	<u>\$33,876,995</u>	<u>39,843,145</u>	<u>36,569,712</u>	<u>46,464,114</u>
Expenditures				
Current:				
Instruction:				
Regular and Special	17,346,887	0	0	0
Vocational, Adult and Other	667,207	0	0	0
Regular	0	16,287,227	16,301,818	16,937,356
Special	0	2,980,258	2,882,418	3,322,726
Vocational	0	126,076	174,975	92,605
Student Intervention Services	0	0	0	0
Support Services:				
Pupil	1,678,325	1,947,784	1,810,813	1,881,898
Instructional Staff	1,860,622	2,107,635	2,089,874	2,371,198
Board of Education	0	19,469	18,060	27,367
Administration	2,672,500	2,913,381	2,670,552	2,646,460
Fiscal	943,231	820,527	773,273	884,703
Business	0	213,961	215,157	279,716
Operation and Maintenance of Plant	2,985,176	2,901,312	2,801,943	2,959,316
Pupil Transportation	2,418,968	2,240,886	2,014,230	2,393,572
Central	95,031	222,259	253,322	294,075
Operation of Non-Instructional Services	482,556	686,446	650,522	645,440
Operation of Food Services	0	0	1,203,507	1,283,994
Extracurricular Activities	760,587	746,566	809,598	826,667
Capital Outlay	10,581	817,988	631,320	1,255,125
Debt Service:				
Principal Retirement	1,295,000	1,350,000	1,390,000	1,435,000
Interest and Fiscal Charges	1,332,570	1,280,896	1,240,693	845,566
Capital Appreciation Bonds Interest	0	0	0	348,943
Bond Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>34,549,241</u>	<u>37,662,671</u>	<u>37,932,075</u>	<u>40,731,727</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>(672,246)</u>	<u>2,180,474</u>	<u>(1,362,363)</u>	<u>5,732,387</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	1,100	7,980	22,344	37,000
General Obligation Bonds Issued	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	471,896	35,500	35,500	35,500
Transfers Out	(471,896)	(35,500)	(35,500)	(35,500)
<i>Total Other Financing Sources (Uses)</i>	<u>1,100</u>	<u>7,980</u>	<u>22,344</u>	<u>37,000</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$671,146)</u></u>	<u><u>\$2,188,454</u></u>	<u><u>(\$1,340,019)</u></u>	<u><u>\$5,769,387</u></u>
<i>Debt Service as a Percentage of</i>				
<i>Noncapital Expenditures</i>	7.61%	7.14%	7.05%	6.66%

(1) Includes General, Special Revenue, Capital Projects and Debt Service Funds.

(2) Regular and Special Instruction were shown in total for fiscal years 2000 and 2001.

(3) Vocational, Adult and Other Instruction were shown in total for fiscal years 2000 and 2001.

2005	2006	2007	2008	2009	2010
\$29,811,003	\$31,621,162	\$33,415,877	\$34,205,019	\$33,945,326	\$34,620,543
11,619,390	11,570,058	11,818,103	12,556,835	13,459,733	14,582,445
245,241	525,868	864,152	820,943	481,638	160,026
332,735	305,125	381,057	322,892	305,695	347,196
225,983	227,206	215,637	241,921	397,324	554,175
162,908	123,105	109,605	108,329	116,798	115,798
1,154,091	1,203,212	1,240,255	1,278,303	1,175,407	1,078,024
59,358	51,989	58,872	62,488	53,711	68,603
104,187	89,824	103,302	179,473	195,241	324,058
<u>43,714,896</u>	<u>45,717,549</u>	<u>48,206,860</u>	<u>49,776,203</u>	<u>50,130,873</u>	<u>51,850,868</u>
0	0	0	0	0	0
0	0	0	0	0	0
17,952,372	18,458,518	19,290,075	20,407,395	21,503,101	21,295,590
3,590,761	3,877,343	4,515,969	4,735,179	4,067,766	4,304,154
182,888	168,184	186,400	179,747	196,590	192,427
0	0	0	0	1,600,301	1,901,290
2,051,487	2,161,006	2,356,571	2,469,230	2,544,283	2,542,093
2,803,076	2,631,753	3,027,227	2,928,773	2,253,825	1,964,190
32,209	32,661	35,706	38,657	27,253	37,330
2,732,941	2,809,307	3,054,205	3,292,509	3,305,585	3,333,173
927,855	995,258	950,820	1,026,711	1,058,988	1,134,329
299,538	286,639	297,493	317,103	334,570	310,387
3,345,796	3,569,376	3,548,421	3,638,912	3,579,539	3,239,354
2,625,312	2,812,288	2,965,680	3,029,463	2,802,742	3,361,002
330,191	418,949	452,042	557,250	597,043	485,603
819,413	771,554	761,606	915,948	764,229	721,145
1,343,360	1,313,791	1,299,759	1,408,263	1,375,593	1,330,059
915,181	931,901	954,755	967,013	966,033	994,174
1,242,520	1,025,493	1,247,094	1,828,259	647,255	582,324
1,480,000	1,935,000	1,930,000	1,241,594	1,243,984	525,137
828,558	788,646	693,899	628,495	567,299	534,382
0	0	0	728,406	751,016	774,863
198,293	0	0	0	0	0
<u>43,701,751</u>	<u>44,987,667</u>	<u>47,567,722</u>	<u>50,338,907</u>	<u>50,186,995</u>	<u>49,563,006</u>
<u>13,145</u>	<u>729,882</u>	<u>639,138</u>	<u>(562,704)</u>	<u>(56,122)</u>	<u>2,287,862</u>
0	4,500	4,000	276,433	4,755	10,625
14,424,974	0	0	0	0	0
2,120,721	0	0	0	0	0
(16,345,863)	0	0	0	0	0
80,500	155,500	147,000	147,000	225,000	226,000
(80,500)	(155,500)	(147,000)	(147,000)	(225,000)	(226,000)
<u>199,832</u>	<u>4,500</u>	<u>4,000</u>	<u>276,433</u>	<u>4,755</u>	<u>10,625</u>
<u>\$212,977</u>	<u>\$734,382</u>	<u>\$643,138</u>	<u>(\$286,271)</u>	<u>(\$51,367)</u>	<u>\$2,298,487</u>
5.90%	6.20%	5.61%	5.30%	5.15%	3.80%

North Royalton City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Estimated Actual Value	Tangible
	Assessed Value				General
	Residential/ Agricultural	Commercial/ Industrial	Total		Assessed Value
2001	\$605,963,050	\$118,372,750	\$724,335,800	\$2,069,530,857	\$26,445,510
2002	625,785,930	121,542,850	747,328,780	2,135,225,086	30,539,440
2003	651,970,300	127,003,500	778,973,800	2,225,639,429	30,116,086
2004	714,571,850	136,287,030	850,858,880	2,431,025,371	28,710,170
2005	750,490,800	138,749,800	889,240,600	2,540,687,429	25,647,714
2006	790,921,970	140,998,620	931,920,590	2,662,630,257	29,503,890
2007	892,068,420	157,094,370	1,049,162,790	2,997,607,971	23,533,932
2008	906,951,690	160,657,050	1,067,608,740	3,050,310,686	7,052,513
2009	919,081,060	148,347,310	1,067,428,370	3,049,795,343	3,526,257
2010	880,649,410	147,271,440	1,027,920,850	2,936,916,714	0

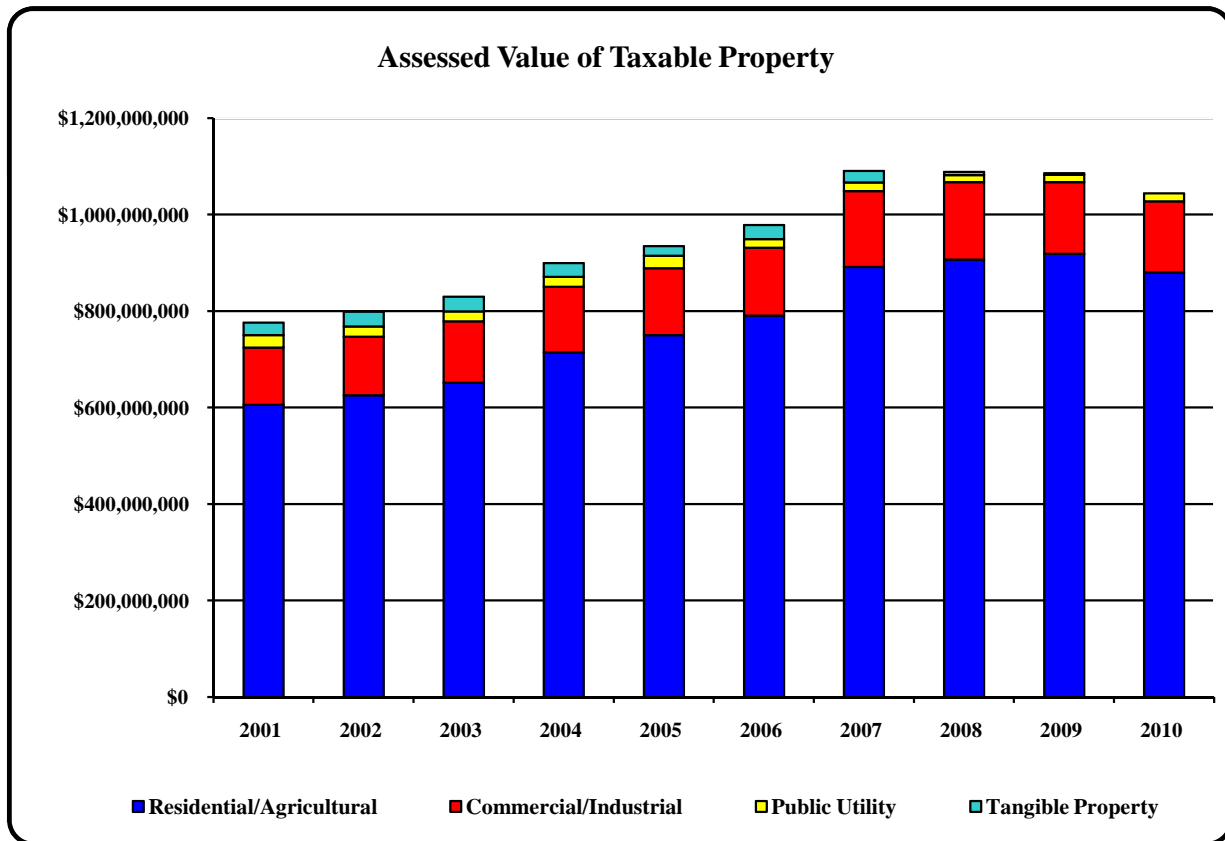
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 12.5 for 2007, 6.25 percent for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010).

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

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

Personal Property	Tangible Personal Property		Total		
Business	Public Utility				
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$105,782,040	\$25,459,179	\$28,930,885	\$776,240,489	\$2,204,243,782	\$35.27836
122,157,760	21,240,630	24,137,079	799,108,850	2,281,519,925	34.72641
120,464,344	20,709,590	23,533,625	829,799,476	2,369,637,398	39.93739
124,826,826	20,459,520	23,249,455	900,028,570	2,579,101,652	38.37126
111,511,800	19,944,270	22,663,943	934,832,584	2,674,863,172	37.82423
157,354,080	17,260,620	19,614,341	978,685,100	2,839,598,678	37.11332
188,271,456	17,952,160	20,400,182	1,090,648,882	3,206,279,609	35.65467
112,840,208	14,318,510	16,271,034	1,088,979,763	3,179,421,928	34.99258
56,420,104	15,178,170	17,247,920	1,086,132,797	3,123,463,367	28.11395
0	16,176,820	18,382,750	1,044,097,670	2,955,299,464	27.88268



North Royalton City School District
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Years

	2001	2002	2003	2004
Unvoted Millage				
Operating	\$6.000000	\$6.000000	\$6.000000	\$6.000000
Voted Millage - by levy				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	13.042400	13.045900	13.050000	13.092800
Commercial/Industrial	12.813900	12.819900	12.820500	12.862200
Tangible/Public Utility Personal	36.100000	36.100000	36.100000	36.100000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.073800	1.072700	1.071500	1.058600
Commercial/Industrial	1.155700	1.153800	1.153600	1.140300
Tangible/Public Utility Personal	2.500000	2.500000	2.500000	2.500000
1987 Bond (\$7,750,000)	1.000000	0.800000	0.800000	0.800000
1988 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	0.883800	0.881400	0.878500	0.848600
Commercial/Industrial	1.030400	1.026300	1.025900	0.997600
Tangible/Public Utility Personal	1.500000	1.500000	1.500000	1.500000
1994 Bond (\$24,000,000)	2.600000	2.600000	2.600000	2.300000
1995 Emergency (\$2,900,000) (1)	4.000000	3.800000	3.700000	3.400000
1996 Emergency (\$3,795,000) (2)	5.000000	4.900000	4.800000	4.400000
2002 Emergency (\$4,395,000)	0.000000	0.000000	5.500000	5.100000
2005 Emergency (\$6,695,000)	0.000000	0.000000	0.000000	0.000000
2007 Emergency (\$4,395,000)	0.000000	0.000000	0.000000	0.000000
Total Effective Voted Millage by type of property				
Residential/Agricultural	\$27.600000	\$27.100000	\$32.400000	\$31.000000
Commercial/Industrial	27.600000	27.100000	32.400000	31.000100
Tangible/Public Utility Personal	52.700000	52.200000	57.500000	56.100000
Total Effective Millage by type of property				
Residential/Agricultural	\$33.600000	\$33.100000	\$38.400000	\$37.000000
Commercial/Industrial	33.600000	33.100000	38.400000	37.000100
Tangible/Public Utility Personal	58.700000	58.200000	63.500000	62.100000

2005	2006	2007	2008	2009	2010
<u>\$6.000000</u>	<u>\$6.000000</u>	<u>\$6.000000</u>	<u>\$6.000000</u>	<u>\$6.000000</u>	<u>\$5.000000</u>
\$13.101000	\$13.104600	\$13.161000	\$13.161400	\$13.161600	\$13.816300
12.865000	12.947600	12.899900	12.899900	13.248100	13.283900
36.100000	36.100000	36.100000	36.100000	36.100000	36.100000
1.056200	1.055100	1.038100	1.038000	1.038000	1.089600
1.139400	1.146700	1.128200	1.128200	1.158700	1.161800
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
0.800000	0.900000	0.700000	0.500000	0.800000	0.000000
0.842900	0.840400	0.800800	0.800600	0.800500	0.840300
0.995700	1.002100	0.971900	0.971900	0.998100	1.000800
1.500000	1.500000	1.500000	1.500000	1.500000	1.500000
2.200000	2.100000	2.000000	2.000000	1.100000	1.900000
3.300000	0.000000	0.000000	0.000000	0.000000	0.000000
4.300000	0.000000	0.000000	0.000000	0.000000	0.000000
5.000000	4.700000	4.400000	0.000000	0.000000	0.000000
0.000000	7.200000	6.600000	6.600000	6.500000	6.700000
0.000000	0.000000	0.000000	4.400000	4.300000	4.400000
<u>\$30.600100</u>	<u>\$29.900100</u>	<u>\$28.699900</u>	<u>\$28.500000</u>	<u>\$27.700100</u>	<u>\$28.746200</u>
30.600100	29.996400	28.700000	28.500000	28.104900	28.446500
<u>55.700000</u>	<u>55.000000</u>	<u>53.800000</u>	<u>53.600000</u>	<u>52.800000</u>	<u>53.100000</u>
<u>\$36.600100</u>	<u>\$35.900100</u>	<u>\$34.699900</u>	<u>\$34.500000</u>	<u>\$33.700100</u>	<u>\$33.746200</u>
36.600100	35.996400	34.700000	34.500000	34.104900	33.446500
<u>61.700000</u>	<u>61.000000</u>	<u>59.800000</u>	<u>59.600000</u>	<u>58.800000</u>	<u>58.100000</u>

(continued)

North Royalton City School District
Property Tax Rates - Direct and Overlapping Governments (continued)
(per \$1,000 of assessed value)
Last Ten Years (1)

	2001	2002	2003	2004
Overlapping Rates by Taxing District				
City of North Royalton				
Effective Millage Rates				
Residential/Agricultural	\$6.018800	\$6.349300	\$6.339500	\$6.139900
Commercial/Industrial	6.471200	6.797500	6.793600	6.625000
Tangible/Public Utility Personal	8.200000	8.200000	8.200000	8.200000
City of Broadview Heights				
Effective Millage Rates				
Residential/Agricultural	6.413200	6.410000	6.405700	6.343900
Commercial/Industrial	7.020400	6.991700	7.003000	6.956500
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
Cuyahoga County				
Effective Millage Rates				
Residential/Agricultural	11.396700	11.381500	12.460900	13.442800
Commercial/Industrial	11.929800	12.002300	12.876400	14.736300
Tangible/Public Utility Personal	14.650000	14.650000	14.650000	16.450000
Cuyahoga County Library				
Effective Millage Rates				
Residential/Agricultural	1.261000	1.258300	1.256500	1.159300
Commercial/Industrial	1.200600	1.198500	1.205000	1.171500
Tangible/Public Utility Personal	1.400000	1.400000	1.400000	1.400000
Cuyahoga Valley JVSD				
Effective Millage Rates				
Residential/Agricultural	2.000000	2.000000	2.000000	2.000000
Commercial/Industrial	2.000000	2.000000	2.000000	2.000000
Tangible/Public Utility Personal	2.000000	2.000000	2.000000	2.000000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	1.281200	1.277100	1.275800	1.166100
Commercial/Industrial	1.324700	1.333500	1.344700	1.316600
Tangible/Public Utility Personal	1.550000	1.550000	1.550000	1.550000

(1) This levy was renewed in 2000. This levy was then combined with the 1996 emergency levy and renewed in 2005.

(2) This levy was renewed in 2001. This levy was then combined with the 1995 emergency levy and renewed in 2005.

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

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

Real property tax rates for voted continuing and operating levies are reduced so that inflationary increases in value do not generate additional revenue.

Source: Ohio Department of Taxation

2005	2006	2007	2008	2009	2010
\$6.131600	\$6.120300	\$5.774100	\$5.770800	\$5.769800	\$5.911700
6.596800	6.625300	6.465800	6.468300	6.591400	6.621000
8.200000	8.200000	8.200000	8.200000	8.200000	8.200000
6.330900	6.326500	6.272500	6.273100	0.000000	0.000000
6.953400	6.953200	6.817300	6.814700	0.000000	0.000000
9.400000	9.400000	9.400000	9.400000	0.000000	0.000000
13.424600	14.172700	14.351600	14.355800	15.150600	13.178900
14.662400	15.281400	15.171600	15.121000	15.489300	12.845700
16.450000	16.450000	16.350000	16.350000	16.250000	13.320000
1.993100	1.993500	1.809300	1.808600	2.500000	2.500000
1.989200	2.000000	1.876400	1.871900	2.500000	2.500000
2.000000	2.000000	2.000000	2.000000	2.500000	2.500000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
1.845700	1.846500	1.671500	1.672000	1.669800	1.806800
1.839700	1.850000	1.718700	1.712500	1.717100	1.724900
1.850000	1.850000	1.850000	1.850000	1.850000	1.850000

North Royalton City School District
Property Tax Levies and Collections (1)
Last Ten Years

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2000	\$27,405,644	\$25,952,337	94.70%	\$485,133	\$26,437,470	96.47%
2001	27,755,925	26,898,677	96.91	600,751	27,499,428	99.08
2002	28,751,361	27,596,484	95.98	784,292	28,380,776	98.71
2003	36,339,103	32,846,659	90.39	1,015,315	33,861,974	93.18
2004	36,868,413	34,061,837	92.39	886,993	34,948,830	94.79
2005	37,663,289	35,455,548	94.14	900,530	36,356,078	96.53
2006	38,967,809	35,586,595	91.32	697,313	36,283,908	93.11
2007	38,310,937	36,802,765	96.06	971,671	37,774,436	98.60
2008	37,443,566	36,204,256	96.69	822,499	37,026,755	98.89
2009	43,410,682	42,242,926	97.31	964,940	43,207,866	99.53

Source: Office of the Auditor, Cuyahoga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2010 information cannot be presented because all collections have not been made by June 30, 2010.
- (3) The County does not maintain delinquency information by tax year.

North Royalton City School District

Principal Taxpayers

Real Estate Tax

2010 and 2001

Name of Taxpayer	2010	
	Assessed Value	Percent of Real Property Assessed Value
Spruce Lake, LTD	\$7,629,760	0.74 %
Hampton Club Company	7,163,330	0.70
JVM Royal Oaks Apartments	6,557,600	0.64
JVM Dover Farms Apartments	5,565,010	0.54
I & J Associates, LTD	3,539,870	0.34
Deer Creek Apt. LTD	3,360,010	0.33
Oak Brook Garden Apartments	3,243,600	0.32
Diplomate Land Holdings	3,213,010	0.31
Pine Forest Apartments	3,202,500	0.31
Shadow Creek Enterprises, LTD	2,819,540	0.27
Total	\$46,294,230	4.50 %
Total Real Estate Assessed Valuation	\$1,027,920,850	
Name of Taxpayer	2001	
	Assessed Value	Percent of Real Property Assessed Value
Royal Oaks	\$6,392,720	0.88 %
M & J - Dover Farms Apartments	5,201,390	0.72
MCI Communications Corporation	5,067,690	0.70
Spruce Lake, Ltd.	4,285,510	0.59
I & J Associates, Limited	3,689,910	0.51
Deer Creek Apartments, Limited	3,656,350	0.50
Oak Brook Garden Apartments	3,482,610	0.48
Pine Forest Apartments	3,402,460	0.47
Shadow Creek Enterprise, Limited	2,844,310	0.40
Spartan House, Limited	2,818,100	0.39
Total	\$40,841,050	5.64 %
Total Real Estate Assessed Valuation	\$724,335,800	

Source: Office of the Auditor, Cuyahoga County, Ohio

North Royalton City School District

Principal Taxpayers

Public Utilities Tax

2010 and 2001

Name of Taxpayer	2010	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$12,823,380	79.27 %
Columbia Gas of Ohio, Inc.	2,036,970	12.59
American Transmission System	1,132,500	7.00
Total	\$15,992,850	98.86 %
Total Public Utility Valuation	\$16,176,820	

Name of Taxpayer	2001	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$11,092,160	43.57 %
Ohio Bell Telephone Company	3,827,710	15.03
Columbia Gas of Ohio, Inc.	1,410,030	5.54
Total	\$16,329,900	64.14 %
Total Public Utility Valuation	\$25,459,179	

Source: Office of the Auditor, Cuyahoga County, Ohio

North Royalton City School District

Computation of Direct and Overlapping

Governmental Activities Debt

December 31, 2010

	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
North Royalton City School District General Obligation Bonds	<u>\$14,806,925</u>	100.00%	<u>\$14,806,925</u>
Overlapping:			
City of North Royalton			
General Obligation Bonds	10,223,545	98.56	10,076,326
Special Assessment Bonds	1,553,460	98.56	1,531,090
Capital Lease Obligations	362,043	98.56	356,830
Police and Fire Pension	122,891	98.56	121,121
Notes Payable	5,000,000	98.56	4,928,000
OPWC Loans	417,695	98.56	411,680
City of Broadview Heights			
General Obligation Bonds	6,193,813	18.38	1,138,423
Special Assessment Bonds	2,792,203	18.38	513,207
OWDA Loans	3,252,923	18.38	597,887
Revolving Loan	250,983	18.38	46,131
OPWC Loans	190,000	98.56	187,264
Capital Lease Obligations	10,585	18.38	1,946
Cuyahoga County			
General Obligation Bonds	26,519,000	3.05	808,830
Capital Lease Obligations	24,219,000	3.05	738,680
Loans Payable	4,703,000	3.05	143,442
Regional Transit Authority			
General Obligation Bonds	163,025,000	3.05	4,972,263
SIB Loan	3,040,281	3.05	92,729
Capital Lease Obligation	<u>22,308,138</u>	3.05	<u>680,398</u>
Total Overlapping	<u>274,184,560</u>		<u>27,346,243</u>
Total	<u>\$288,991,485</u>		<u>\$42,153,168</u>

Source: Office of the Auditor, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2010 collection year.

North Royalton City School District
Ratio of General Obligation Bonded Debt
to Estimated Actual Value, Personal Income and Population
Last Ten Fiscal Years

Fiscal Year	Estimated Actual Value	Bonded Debt	Ratio of Bonded Debt to Estimated Actual Value	Ratio of Bonded Debt to Personal Income (1)	Bonded Debt per Capita (2)
2001	\$2,204,243,782	\$26,268,522	1.19 %	3.45 %	\$917
2002	2,281,519,925	25,164,136	1.10	3.30	878
2003	2,369,637,398	23,600,179	1.00	3.10	824
2004	2,579,101,652	22,455,319	0.87	2.95	784
2005	2,674,863,172	21,469,751	0.80	2.82	749
2006	2,839,598,678	19,898,979	0.70	2.61	695
2007	3,206,279,609	18,398,102	0.57	2.41	642
2008	3,179,421,928	16,916,326	0.53	2.22	590
2009	3,123,463,367	15,462,270	0.50	2.03	540
2010	2,955,299,464	14,806,925	0.50	1.94	517

(1) The personal income can be found on S24

(2) The population can be found S24

Source: Office of the Treasurer, North Royalton City School District, Cuyahoga County Auditor and the U.S. Census Bureau (Census 2000)

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North Royalton City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2001	2002	2003	2004
Residential/Agricultural Real Property	\$605,963,050	\$625,514,189	\$652,001,071	\$712,168,883
Commercial/Industrial Real Property	118,372,750	121,814,591	126,972,729	138,689,997
Tangible Personal Property	26,445,510	30,539,440	30,116,086	28,710,170
Public Utility Tangible	25,459,179	21,240,630	20,709,590	20,459,520
Less: Rail Road and Telephone Tangible Property	0	0	0	0
Assessed Valuation	<u>\$776,240,489</u>	<u>\$799,108,850</u>	<u>\$829,799,476</u>	<u>\$900,028,570</u>
Debt Limit - 9% of Assessed Value (2)	\$69,861,644	\$71,919,797	\$74,681,953	\$81,002,571
Amount of Debt Outstanding				
General Obligation Bonds	26,268,522	24,235,000	21,657,123	20,571,066
Less Amount Available in Debt Service	<u>(2,142,384)</u>	<u>(2,535,911)</u>	<u>(2,388,460)</u>	<u>(2,782,034)</u>
Amount of Debt Subject to Limit	<u>24,126,138</u>	<u>21,699,089</u>	<u>19,268,663</u>	<u>17,789,032</u>
Overall Debt Margin	<u>\$45,735,506</u>	<u>\$50,220,708</u>	<u>\$55,413,290</u>	<u>\$63,213,539</u>
Legal Debt Margin as a Percentage of Debt Limit	65.47%	69.83%	74.20%	78.04%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$776,240	\$799,109	\$829,799	\$900,029
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$776,240</u>	<u>\$799,109</u>	<u>\$829,799</u>	<u>\$900,029</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: Cuyahoga County Auditor and School District Financial Records

- (1) HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

2005	2006 (1)	2007 (1)	2008 (1)	2009 (1)	2010
\$744,294,382	\$780,017,534	\$878,149,255	\$893,588,515	\$893,437,546	\$860,369,751
144,946,218	151,903,056	171,013,535	174,020,225	173,990,824	167,551,099
25,647,714	29,503,890	23,533,932	7,052,513	3,526,257	0
19,944,270	17,260,620	17,952,160	14,318,510	15,178,170	16,176,820
0	(33,657,710)	(27,632,182)	(10,089,603)	0	0
<u>\$934,832,584</u>	<u>\$945,027,390</u>	<u>\$1,063,016,700</u>	<u>\$1,078,890,160</u>	<u>\$1,086,132,797</u>	<u>\$1,044,097,670</u>
\$84,134,933	\$85,052,465	\$95,671,503	\$97,100,114	\$97,751,952	\$93,968,790
19,454,079	17,895,689	15,965,689	14,724,095	13,480,111	12,954,974
(3,130,487)	(3,282,793)	(3,546,596)	(3,763,757)	(3,225,464)	(3,635,223)
<u>16,323,592</u>	<u>14,612,896</u>	<u>12,419,093</u>	<u>10,960,338</u>	<u>10,254,647</u>	<u>9,319,751</u>
<u>\$67,811,341</u>	<u>\$70,439,569</u>	<u>\$83,252,410</u>	<u>\$86,139,776</u>	<u>\$87,497,305</u>	<u>\$84,649,039</u>
80.60%	82.82%	87.02%	88.71%	89.51%	90.08%
\$934,833	\$945,027	\$1,063,017	\$1,078,890	\$1,086,133	\$1,044,098
0	0	0	0	0	0
<u>\$934,833</u>	<u>\$945,027</u>	<u>\$1,063,017</u>	<u>\$1,078,890</u>	<u>\$1,086,133</u>	<u>\$1,044,098</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

North Royalton City School District
Demographic and Economic Statistics
Last Ten Years

Year	Estimated Population	Total Personal Income	Personal Income Per Capita	Median Household Income	Median Age
2001	28,648	\$762,323,280	\$26,610	\$57,398	38.60
2002	28,648	762,323,280	26,610	57,398	38.60
2003	28,648	762,323,280	26,610	57,398	38.60
2004	28,648	762,323,280	26,610	57,398	38.60
2005	28,648	762,323,280	26,610	57,398	38.60
2006	28,648	762,323,280	26,610	57,398	38.60
2007	28,648	762,323,280	26,610	57,398	38.60
2008	28,648	762,323,280	26,610	57,398	38.60
2009	28,648	762,323,280	26,610	57,398	38.60
2010	28,648	762,323,280	26,610	57,398	38.60

Source: 2000 U.S. Census Bureau

1) Information includes only the City of North Royalton.

Median Value of Residential Property	Cuyahoga County Unemployment Rate	Total Assessed Property Value
\$175,000	4.5%	\$776,240,489
175,000	4.6	799,108,850
175,000	6.7	829,799,476
175,000	6.6	900,028,570
175,000	6.6	934,832,584
175,000	9.6	978,685,100
175,000	6.3	1,090,648,882
175,000	7.4	1,088,979,763
175,000	10.2	1,086,132,797
175,000	9.7	1,044,097,670

North Royalton City School District
Principal Employers
December 31, 2009 and December 31, 2005 (1)

2009			
Employer	City	Nature of Business or Activity	Number of Employees
North Royalton City School District	North Royalton	Public Education	581
Patrician Inc.	North Royalton	Nursing Home	299
City of North Royalton	North Royalton	Government	245
Riser Foods Company	North Royalton	Grocery Store	150
Northeast Care Center Inc.	North Royalton	Residential/Habilitative Service for Disability	170
Commercial Drivers	North Royalton	Transportation	140
Valley Tool & Die Inc.	North Royalton	Machine Fasteners	75
Krenz Krist	North Royalton	Metal Fabricatives	44
Royal Wire Products Inc.	North Royalton	Wire Products	65
Seneca Tape and Label, Inc.	North Royalton	Tape and Label Services	34
Total			1,803
Total Employment within the School District			n/a

2005			
Employer	City	Nature of Business or Activity	Number of Employees
North Royalton City School District	North Royalton	Public Education	541
Patrician Inc.	North Royalton	Nursing Home	299
City of North Royalton	North Royalton	Government	254
Riser Foods Company	North Royalton	Grocery Store	185
Commercial Drivers	North Royalton	Transportation	169
Northeast Care Center Inc.	North Royalton	Residential/Habilitative Services for the Disabled	150
Krenz Krist	North Royalton	Metal Fabricators	75
Valley Tool & Die Inc.	North Royalton	Machining Fasteners	64
Royal Wire Products Inc.	North Royalton	Wire Products	50
Seneca Tape and Label, Inc.	North Royalton	Tape and Label Services	40
Total			1,827
Total Employment within the School District			n/a

Source: City of North Royalton, Ohio

(1) Information prior to 2005 not available.

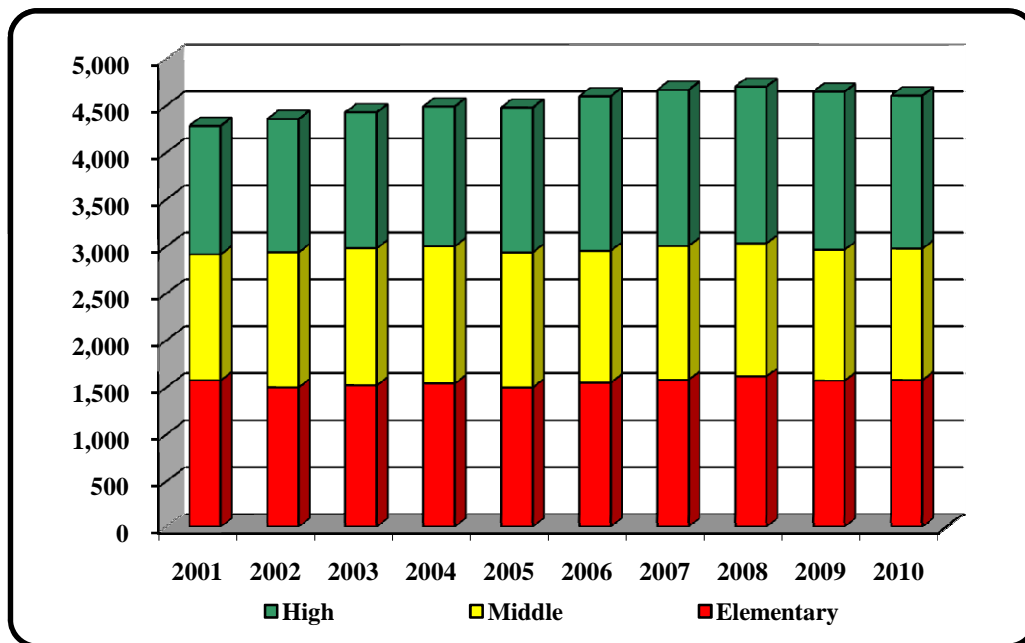
n/a - Information not available

North Royalton City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools (1)	Middle School	High School	Total
2001	1,577	1,341	1,367	4,285
2002	1,503	1,437	1,417	4,357
2003	1,524	1,459	1,445	4,428
2004	1,543	1,460	1,488	4,491
2005	1,501	1,438	1,541	4,480
2006	1,551	1,404	1,644	4,599
2007	1,581	1,425	1,660	4,666
2008	1,618	1,416	1,667	4,701
2009	1,573	1,393	1,681	4,647
2010	1,580	1,399	1,628	4,607



Source: North Royalton City School Records

(1) Enrollment includes Kindergarten students

North Royalton City School District*Building Statistics by Function/Program**Last Seven Fiscal Years (1)*

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Albion Elementary School			
Constructed in 1955			
Total Building Square Footage	45,405	45,505	45,505
Enrollment Grades 1 - 4	396	372	365
Student Capacity	476	476	476
Regular Instruction Classrooms	20	18	18
Regular Instruction Teachers	20	18	18
Special Instruction Classrooms	3	3	3
Special Instruction Teachers	3	3	3
Royal View Elementary School			
Constructed in 1965			
Total Building Square Footage	48,460	48,460	48,460
Enrollment Grades 1 - 4	481	439	420
Student Capacity	525	525	525
Regular Instruction Classrooms	24	24	24
Regular Instruction Teachers	24	24	24
Special Instruction Classrooms	2	2	3
Special Instruction Teachers	2	2	3
Valley Vista Elementary School			
Constructed in 1959			
Total Building Square Footage	42,536	42,536	42,536
Enrollment Grades 1 - 4	338	380	403
Student Capacity	426	426	426
Regular Instruction Classrooms	18	19	18
Regular Instruction Teachers	18	19	18
Special Instruction Classrooms	2	2	2
Special Instruction Teachers	2	2	2
North Royalton Middle School			
Constructed in 1996			
Total Building Square Footage	242,400	242,400	242,400
Enrollment Grades 5 - 8	1,460	1,438	1,404
Student Capacity	1,300	1,300	1,300
Regular Instruction Classrooms	58	61	64
Regular Instruction Teachers	58	61	64
Special Instruction Classrooms	11	11	10
Special Instruction Teachers	11	11	10
High School			
Constructed in 1950			
Total Building Square Footage	260,900	260,900	260,900
Enrollment Grades 9 - 12	1,488	1,541	1,644
Student Capacity	1,480	1,480	1,480
Regular Instruction Classrooms	61	64	64
Regular Instruction Teachers	61	64	64
Special Instruction Classrooms	8	8	9
Special Instruction Teachers	8	8	9

Source: North Royalton City School District Records

(1) Information prior to 2004 is not available.

2007	2008	2009	2010
45,505	45,405	45,405	45,405
382	390	398	389
476	476	476	786
18	18	18	18
18	18	18	18
3	3	3	3
3	3	3	3
48,460	48,460	48,460	48,460
439	445	440	470
525	525	525	525
25	25	25	25
25	25	25	25
3	3	3	3
3	3	3	3
42,536	42,536	42,536	42,536
430	423	424	396
426	426	426	426
18	18	18	18
18	18	18	18
2	2	2	2
2	2	2	2
242,400	242,400	242,400	242,400
1,425	1,416	1,393	1,399
1,300	1,300	1,300	1,300
64	64	64	64
64	10	64	64
10	10	10	10
10	10	10	10
260,900	260,900	260,900	260,900
1,660	1,667	1,681	1,628
1,480	1,480	1,480	1,480
64	64	64	64
64	64	64	64
9	9	9	9
9	9	9	9

North Royalton City School District

Per Pupil Cost

Last Ten Fiscal Years

Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
2001	4,285	1.98 %	\$31,921,671	\$7,450
2002	4,357	1.68	34,978,226	8,028
2003	4,428	1.63	35,301,382	7,972
2004	4,491	1.42	38,102,218	8,484
2005	4,480	(0.24)	41,194,900	9,195
2006	4,599	2.66	42,264,021	9,190
2007	4,666	1.46	44,943,823	9,632
2008	4,701	0.75	47,740,412	10,155
2009	4,647	(1.15)	47,624,696	10,248
2010	4,607	(0.86)	47,728,624	10,360

(1) Debt Service totals have been excluded.

(2) The School District implemented GASB-34 in fiscal year 2003.

Governmental Activities		Food Service Operations	
Total Expenses (1)(2)	Per Pupil Cost	Number of Students Receiving Free or Reduced Lunch	Percentage of Free or Reduced Lunches to Total Enrollment
N/A	N/A	290	6.77%
N/A	N/A	275	6.31
\$36,357,072	\$8,211	303	6.84
38,249,947	8,517	377	8.39
41,768,390	9,323	394	8.79
43,196,390	9,393	429	9.33
45,939,730	9,846	433	9.28
48,488,207	10,314	557	11.85
49,127,661	10,572	460	9.90
48,143,504	10,450	807	17.52

North Royalton City School District
School District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004
Regular Instruction				
Elementary Classroom Teachers	78	76	75	76
Middle School Classroom Teachers	69	69	71	69
High School Classroom Teachers	66	66	66	67
Special Instruction				
Small Group Instructors	6	8	10	7
Elementary Classroom Teachers	9	9	9	9
Gifted Education Teachers	3	3	3	3
Middle School Classroom Teachers	10	10	10	11
High School Classroom Teachers	5	7	7	8
Vocational Instruction				
High School Classroom Teachers	2	2	2	2
Pupil Support Services				
Guidance Counselors	11	11	11	10
Media Specialists	4	4	4	4
Psychologists	4	5	5	5
Speech & Language Pathologists	4	4	4	4
Administrators				
Elementary	3	3	3	3
Middle School	4	4	3	3
High School	4	4	4	4
Districtwide	4	4	5	5
Total Certificated Staff	286	289	292	290
Support Staff				
Elementary Schools	57	57	56	63
Middle School	49	54	55	54
High School	49	53	52	51
Districtwide	69	67	70	75
Total Support Staff	224	231	233	243
Total Staffing	510	520	525	533

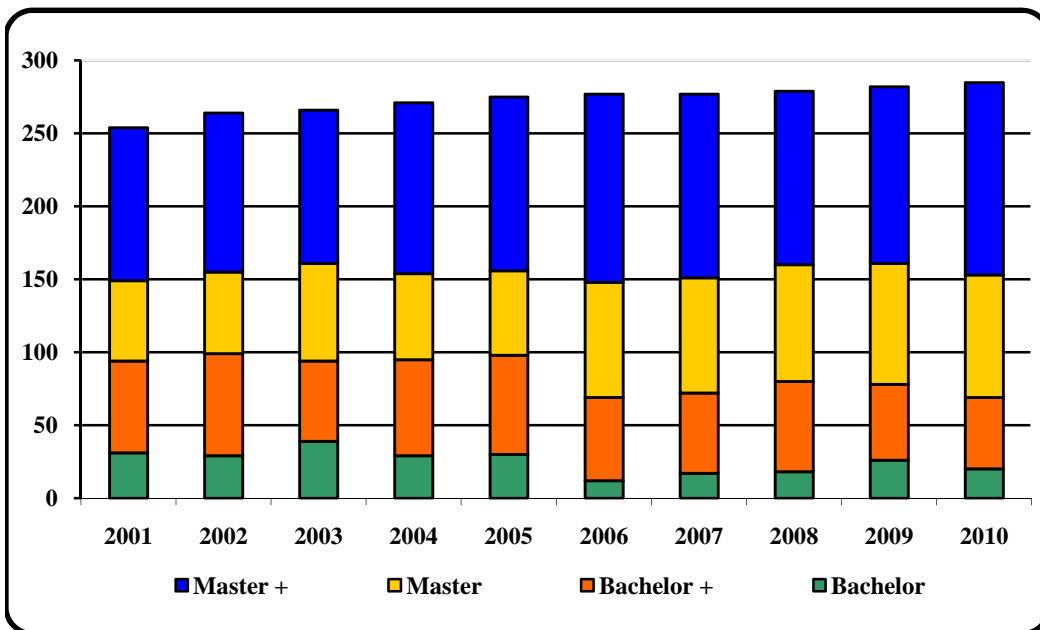
Method: Using 1.0 for each full-time employee at fiscal year end.

Source: North Royalton City School District Records

2005	2006	2007	2008	2009	2010
75	76	82	83	87	83
72	74	74	74	79	78
70	71	73	75	78	76
6	10	10	10	10	10
10	12	13	13	13	13
3	3	3	3	3	3
11	10	10	10	10	10
8	9	9	9	10	9
2	2	2	2	2	2
10	11	11	10	11	11
4	2	4	4	4	4
6	6	6	5	4	4
4	4	5	6	6	6
3	4	4	4	4	4
3	3	3	4	4	4
4	4	5	5	5	5
5	5	5	5	5	5
<u>296</u>	<u>306</u>	<u>319</u>	<u>322</u>	<u>335</u>	<u>327</u>
70	72	74	72	67	69
52	52	53	54	48	49
51	54	54	53	49	52
72	77	75	77	79	84
<u>245</u>	<u>255</u>	<u>256</u>	<u>256</u>	<u>243</u>	<u>254</u>
<u>541</u>	<u>561</u>	<u>575</u>	<u>578</u>	<u>578</u>	<u>581</u>

North Royalton City School District
Full-Time Equivalent Teachers by Education
Last Ten Fiscal Years

Degree	2001	2002	2003	2004
Bachelor	31	29	39	29
Bachelor +6	9	13	6	8
Bachelor +12	7	7	12	13
Bachelor +18	11	10	7	11
Bachelor +24	4	7	8	8
Bachelor +30	32	33	22	26
Master	55	56	67	59
Master +6	27	27	21	23
Master +12	43	43	44	45
Master +18	12	12	16	20
Master +24	6	10	5	6
Master +30	7	4	4	7
Master +36	3	3	4	4
Master +42	0	2	2	2
Master +48	7	8	9	10
Total	254	264	266	271



Source: School District Records

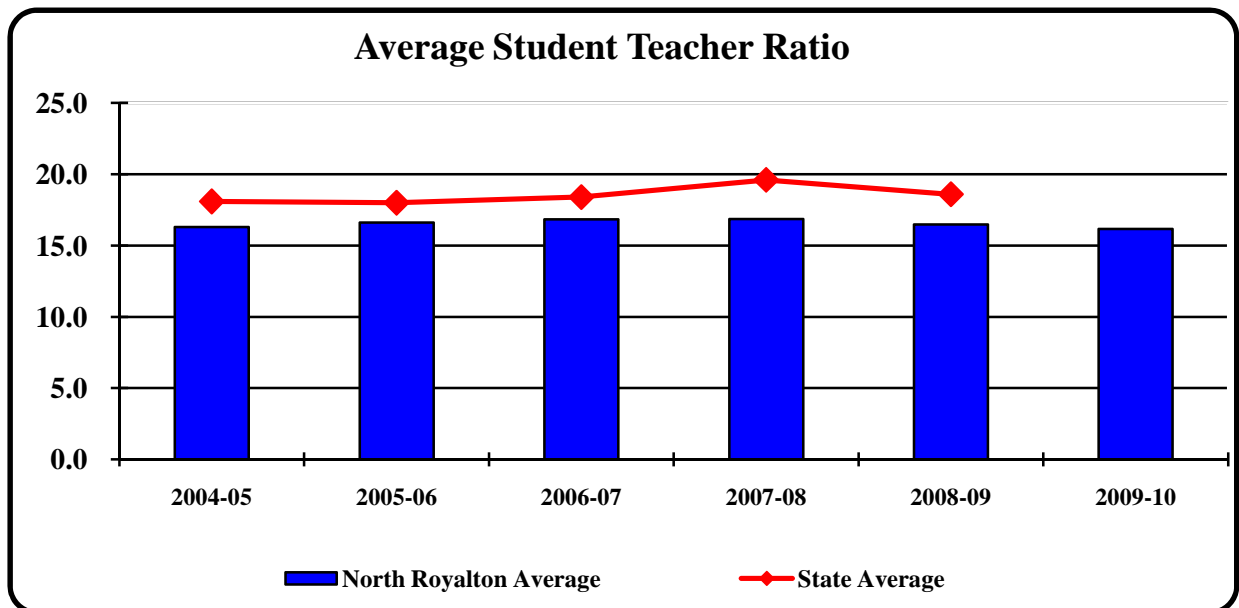
2005	2006	2007	2008	2009	2010
30	12	17	18	26	20
9	8	9	10	7	8
13	8	9	13	5	6
11	10	10	11	9	7
9	8	7	6	9	3
26	23	20	22	22	25
58	79	79	80	83	84
23	28	26	26	27	37
46	45	45	48	45	42
20	19	21	21	23	23
7	8	6	6	8	8
7	7	6	4	4	7
4	10	8	3	1	2
2	0	2	1	3	3
10	12	12	10	10	10
<u>275</u>	<u>277</u>	<u>277</u>	<u>279</u>	<u>282</u>	<u>285</u>

North Royalton City School District
Average Number of Students per Teacher
Last Ten School Years

School Year	North Royalton Average	State Average
2000 - 2001	16.9	18.0
2001 - 2002	16.5	16.9
2002 - 2003	16.6	16.6
2003 - 2004	16.6	18.5
2004 - 2005	16.3	18.0
2005 - 2006	16.6	18.4
2006 - 2007	16.8	19.6
2007 - 2008	16.8	18.6
2008 - 2009	16.5	19.4
2009 - 2010	16.2	N/A

Source: Ohio Department of Education, EMIS Reports

N/A: Not Available





Mary Taylor, CPA
Auditor of State

NORTH ROYALTON 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 6, 2011**