

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2013



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Grade 12

ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County • Ohio



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Grade 5

ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2013

Prepared by Treasurer's Office
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ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County, Ohio

Rocky River City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013
Table of Contents

Title Page	Page
Table of Contents	i - iv
 I. Introductory Section	
Letter of Transmittal	1
List of Principal Officials	28
Organizational Chart.....	29
GFOA Certificate of Achievement.....	30
 II. Financial Section	
Independent Auditors' Report	31
Management's Discussion and Analysis	35
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	53
Statement of Activities.....	54
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	55
Reconciliation of Total Governmental Fund Balances to Net Position - Governmental Activities	56
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	57
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities.....	58
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) - General Fund	59
Statement of Fiduciary Net Position - Fiduciary Funds.....	60
Statement of Changes in Fiduciary Net Position - Fiduciary Fund.....	61
Notes to the Basic Financial Statements.....	62

Combining and Individual Fund Statements and Schedules:

Major Funds:

Fund Descriptions – Major Governmental Funds	100
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	101
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Bond Retirement Fund	105
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Building Fund.....	106

Combining Statements - Nonmajor Governmental Funds:

Combining Balance Sheet - Nonmajor Governmental Funds	107
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	108

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

Fund Descriptions - Nonmajor Special Revenue Funds.....	109
Combining Balance Sheet - Nonmajor Special Revenue Funds	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	116
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	

Nonmajor Special Revenue Funds:

Food Service Fund.....	120
Special Trust Fund.....	121
Other Grants Fund	122
District Managed Activity Fund.....	123
Auxiliary Services Fund	124
Data Communications Fund	125
Race To The Top Fund.....	126
Title VI-B Fund	127
Title III Fund	128
Title I Fund.....	129
Preschool Disability Fund	130
Title II-A Fund	131
Miscellaneous Federal Grants Fund	132
Unclaimed Monies Fund	133
Uniform School Supplies Fund	134
Beach Building Fund.....	135
Building Rotary Fund.....	136
Public School Support Fund	137

Individual Fund Schedule – Nonmajor Capital Projects Fund:

Fund Description – Nonmajor Capital Projects Fund 138

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

Nonmajor Capital Project Fund:
Permanent Improvements Fund..... 139

Combining Statements and Individual Fund Schedules - Fiduciary Funds:

Fund Descriptions - Fiduciary Funds 141

Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual (Non-GAAP Budgetary Basis) - Private-Purpose Trust Fund:

Special Trust Fund 142

Statement of Changes in Assets and Liabilities - Agency Fund 143

III. Statistical Section

Table of Contents 145

Net Position by Component - Last Ten Fiscal Years
(Accrual Basis of Accounting) 146

Changes in Net Position - Last Ten Fiscal Years
(Accrual Basis of Accounting) 148

Fund Balances, Governmental Funds - Last Ten Fiscal
Years (Modified Accrual Basis of Accounting) 154

Changes in Fund Balances, Governmental Funds – Last
Ten Fiscal Years (Modified Accrual Basis of Accounting) 156

Assessed Valuation and Estimated Actual Value of Taxable
Property - Last Ten Years..... 158

Direct and Overlapping Property Tax Rates - Last
Ten Years 160

Principal Taxpayers, Real Estate Tax - December 31,
2012 and December 31, 2003 161

Principal Taxpayers, Tangible Personal Property and Public Utility Property Tax -
December 31, 2012 and December 31, 2003..... 162

Property Tax Levies and Collections - Last
Ten Fiscal Years 164

Ratios of Outstanding Debt by Type - Last
Ten Fiscal Years 166

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years	167
Direct and Overlapping Governmental Activities Debt - June 30, 2013.....	168
Legal Debt Margin Information - Last Ten Fiscal Years	169
Demographic and Economic Statistics - Last Ten Fiscal Years	170
Principal Employers - Current Year and Seven Years Ago.....	171
Staffing Statistics, Full Time Equivalents (FTE) by Type and Function - Last Ten Fiscal Years	172
Operating Indicators by Function - Last Ten Fiscal Years	174
Capital Asset Statistics - Last Ten Fiscal Years	176
School Building Information - Last Ten Fiscal Years	178
Operating Statistics - Last Ten Fiscal Years	180
Certificated Teaching Staff Education, Experience and Average Salaries Information - Last Ten Fiscal Years	182

Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2013

Introductory Section



ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio



December 13, 2013

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Rocky River City School District (the “District”) for the fiscal year ended June 30, 2013. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The District

History¹

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

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

Current Organization

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

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

The District is located in a suburban area west of Cleveland, Ohio and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. The property tax base is primarily residential with a significant amount of retail commercial property. The District serves 2,635 students ranging from Kindergarten through Twelfth Grade. In addition, a wide range of services are provided for preschool-aged children and adults.

The Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformance with the Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the District (the primary government) and its potential component units. The District has no component units and the District is not a component unit of any other governmental organization.

The District is associated with the North Coast Council and the Ohio Schools Council Association, both jointly governed organizations; the Suburban Health Consortium and the Ohio Schools' Council Workers' Compensation Group Rating Program, both insurance purchasing pools; and the Rocky River Public Library, a related organization.

Demographics, Economic Condition and Outlook²

The 2010 U.S. Census data reports a population of 20,213 in the City of Rocky River with 10,181 housing units. The population estimate for 2012 is 20,011. The 2007 business census reports a total of 1,987 businesses within the City. The median household income is \$66,337 (year 2012 data) and the per capita income is \$42,489 (year 2010 data). The median home value is \$207,200 (year 2010 data). In 2005 the average sale price for a single family home was \$288,506 with 65 days on the market. As of 7/31/2013, there were a total of 157 homes listed for sale with the least expensive home listed at \$19,900 and the most expensive listed at \$3,500,000. For the month of July 2013, there were 54 homes that sold with an average sale price of \$243,750 (lowest at \$27,500 and highest at \$775,000) with an average of 140 days on the market. The housing price trend in Rocky River as of July 2013 is stable.

Per the 2010 U.S. Census, the median age for residents of Rocky River is 43.5 and families (non-single residences) represent 56.5% of the population. The racial makeup of the city was 95.5% White, 1.0% African American, 0.1% Native American, 1.8% Asian, and 1.6% from other races. Hispanic or Latino of any race was 1.8% of the population.

There were 8,682 households (2012 data) out of which 26.1% had their own children under the age of 18 living with them, 49.6% were married couples living together, 6.7% had a female householder with no husband present, and 41.2% were single/non-family households. 26.7% of the households were made up of at least one individual under 18 years of age and 36.8% was made up of at least one individual 65 years of age or older. The average household size was 2.30 and the average family size was 3.15. In the city the population was spread amongst age groupings with 25.1% under the age of 20, 2.8% from 20 to 24, 8.3% from 25 to 34, 14% from 35 to 44, 15.7% from 45 to 54, 12.2% from 55 – 64 and 21.9% who were 65 years of age or older.

² Primary sources of data used for this section are http://realtymtimes.com/rtmcrlc/Ohio~Rocky_River, <http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk> and <http://quickfacts.census.gov/qfd/states/39/3968056.html>

Per the 2008-2012 American Community Survey 5-Year Estimates, the City has an employed civilian population ages 16 years and over of 9,710 with the occupational makeup being 53.8% management, business, science, and arts occupations, 11.5% Service occupations, 25.8% Sales and office occupations, 3.2% Natural resources, construction, and maintenance occupations, and 5.7% Production, transportation, and material moving occupations. Of the population 25 years of age or older, over 55.7% have at least a bachelor's degree. Businesses within the community are predominantly retail and service oriented.

The District receives almost 73% of its governmental fund revenues from local property tax collections. Therefore, the long-term financial health of the District is very dependent on its tax base. The total assessed valuation of the District's tax duplicate has risen just over 5% over the last ten years. The increased value in the tax duplicate is due primarily to revisions in property values made by the County Auditor every three years as well as some new construction, although assessed values have decreased more recently due to the elimination of tangible personal property values from the tax duplicate as well as an overall reduction based on the triennial property update that took effect for calendar 2010.

The City of Rocky River is almost completely developed, so future assessed valuation increases will come primarily from property value changes. There may also be some growth from the demolition of existing commercial and residential building stock and the subsequent redevelopment of such property, as this is becoming increasingly common in fully-developed suburban areas like Rocky River. There are no major manufacturing plants located within the District's boundaries. In terms of assessed dollar value, the largest real property taxpayer owns approximately 2.12% of the total real property in the District.

Major Initiatives - Fiscal Year 2013

During fiscal year 2013, the District continued working towards the goals as outlined in the District's Strategic Plan that was adopted in fiscal 2009. This strategic plan outlines actions designed to achieve desired outcomes. It is a statement of the Rocky River City School District's mission, beliefs, and goals. It defines what we as a community envision for the future of our schools, and details objectives and strategies to guide us on our journey. Approved by the Board of Education on June 25, 2009, this Plan is meant to serve as the compass by which the District will chart its course for the next ten years. The Strategic Plan, as adopted, is as follows:

BELIEFS

We believe ...

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

An exceptional school district demonstrates all of the above.

STRATEGIC OBJECTIVES

By 2014 ...

- All students will engage in contemporary, globally competitive curricular and co-curricular programs of excellence.
- All students will achieve their educational goals incorporating the highest international standards.
- All students will participate in a student-centered environment that addresses educational, social and emotional needs.
- All students will learn through lessons and experience that communication is open, sincere, timely and responsive.
- All students will attend schools that are state-of-the art facilities.
- All students will learn in an environment that is technologically competitive on a global level.

COMMUNICATIONS

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

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

CURRICULUM and CO-CURRICULUM

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

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

FACILITIES

Provide facilities that meet our mission.

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

FINANCE

Provide traditional and nontraditional fiscal resources to meet our mission.

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

HUMAN RESOURCES

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

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

TECHNOLOGY

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

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

Goals for 2013

One of the primary goals for 2013 is to continue the implementation components of the aforementioned Strategic Plan. As of August 2013, the following progress has been made towards the indicated components of the plan:

Strategic Objective: Communications
Strategy: Develop guidelines, protocol and procedures to disseminate information to all students, staff, parents, alumni and community about the strategic plan, including updates on progress and status in achieving our mission.
Result #1 District staff members understand and are committed to the achievement of the mission.
Action (Completed 09-10) <ul style="list-style-type: none">• The strategic plan was shared with the district Instructional Leadership Team, the leadership of the Rocky River Teachers' Association and the Ohio Association of Public School Employees. It was also presented to all certificated and support staff members.• All staff members were presented with an item containing the mission statement at Convocation.• The mission statement is displayed in all buildings, classrooms and on district letterhead and business cards.• Staff members were provided with a brochure detailing the components of the strategic plan.• Inaugural issue of online education journal, the River Educator, was launched in August 2009. The theme was collaboration.
Action (Completed 10-11) <ul style="list-style-type: none">• The strategic plan was presented to new staff members during orientation meetings in August.• The strategic plan update was posted on the district website.
Action (Completed 11-12) <ul style="list-style-type: none">• The strategic plan was presented to new staff members during orientation meetings in August.• The strategic plan update was posted on the district website.
Action (Completed 12-13) <ul style="list-style-type: none">• The strategic plan was presented to new staff members during orientation meetings in August.• The strategic plan update was posted on the district website.
Result # 2: Students understand and support the achievement of the mission.

Action (Completed 09-10)

- The mission, beliefs, and strategic objectives are included in student planners and teachers presented the strategic plan to students in an age-appropriate manner during the first week of school.
- The strategic plan was presented to student groups, including student-board liaisons, student council, clubs and athletic teams.

Action (Completed 10-11)

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

Action (Completed 11-12)

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

Action (Completed 12-13)

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

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

Action (Completed 09-10)

- The strategic plan was presented to parent and community groups, including PTA Council and Units, Boosters, Rocky River Clergy Group, Rocky River Community Federation, Rocky River City Council, Rocky River Recreation Center, Rocky River Senior Center, Rocky River Chamber of Commerce, and League of Women Voters.
- Building administrators presented the strategic plan to parents at Open House in the fall of 2009.
- Parents, civic leaders, and community members were presented with printed material detailing the components of the strategic plan.
- A fall campaign was conducted for parents, civic leaders, and community members to sign up for the new email notification system.

Action (Completed 10-11)

- The strategic plan update was presented to parent and community groups, including PTA Council and Units, Boosters, Rocky River Clergy Group, Rocky River Community Federation, Rocky River City Council, Rocky River Recreation Center, Rocky River Senior Center, Rocky River Chamber of Commerce, and League of Women Voters.
- The strategic plan update was presented at the State of the Schools in February, 2011.
- The strategic plan update was posted on the district website.

Action (Completed 11-12)

- The strategic plan update was presented to parent and community groups, including PTA Council and Units, Boosters, Rocky River Clergy Group, Rocky River Community Federation, Rocky River City Council, Rocky River Recreation Center, Rocky River Senior Center, Rocky River Chamber of Commerce, and League of Women Voters.
- The strategic plan update was presented at the State of the Schools in January, 2012.
- The strategic plan update was posted on the district website.

Action (Completed 12-13)

- The strategic plan update was presented to parent and community groups, including PTA Council and Units, Boosters, Rocky River Clergy Group, Rocky River Community Federation, Rocky River City Council, Rocky River Recreation Center, Rocky River Senior Center, Rocky River Chamber of Commerce, and League of Women Voters.

- The strategic plan update was presented at the State of the Schools in October, 2012.
- The strategic plan update was posted on the district website.

Result # 4: Updates on the progress and status of achieving our District’s strategic objectives are accessible to stakeholders in a variety of formats, including social media.

Action (In Progress)

- Press releases are issued as strategies are achieved.
- The District website is used to disseminate updates on the progress and status of achieving our strategic objectives, including social media to provide a vehicle for two-way communication about the strategic plan.
- Digital and print publications are used to disseminate updates on the progress and status of achieving our strategic objectives, including the R Schools, Annual Report, River Educator and school bulletins.
- The email notification system is used to disseminate updates on the progress and status of achieving our strategic objectives.

Strategic Objective: Curriculum and Co-Curriculum

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

Result #1: Curricula, instruction and assessments are aligned and articulated.

Action (Completed 09-10)

- Guidance K-12 course of study (COS) revision
- Foreign Language 7-12 COS revision
- Technology 6-8 COS revision
- Math K-8 COS alignment and pacing
- Social Studies K-12 alignment and pacing
- 3-12 writing practice alignment: assessments and rubrics

Action (Completed 10-11)

- Fitness/Health K-12 COS revision
- Crosswalking from 2003 Ohio Academic Content Standards to Common Core State Standards for Math and English/Language Arts and to 2010 Revised ODE Standards for Science and Social Studies

Action (Completed 11-12)

- English/Language Arts K-12 COS revision, to include the acquisition of a new online, collaborative curriculum management system
- Technology 6-8 COS revision

Action (completed 12-13)

- Social studies K-12 COS revision
- Technology 3-8 COS revision
- Business 9-12 COS revision
- Fitness 9-12 COS replacement
- English language arts materials adoption K-8

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

Action (Completed 09-10)

- 2 tutors added at KIS for Response to Intervention data tracking and student intervention
- New laptops issued to district tutoring staff and used to maintain and monitor student progress

- New electronic IEP program purchased and implemented
- AIMSweb data tracking and progress monitoring implemented 6-8
- Practice alignment for K-5 Response to Intervention /Intervention Assistance Team data tracking

Action (Completed 10-11)

- After school tutoring program for at-risk students implemented at Kensington Intermediate School, to include snack and transportation.
- Fountas and Pinnell Leveled Literacy Intervention (LLI) introduced K-3 for at-risk students. Necessary personnel trained over the course of the year.

Action (Completed 11-12)

- After school tutoring program for at-risk students implemented at Rocky River Middle School, to include snack and transportation.
- After school tutoring program continues at Kensington
- New electronic IEP program purchased and implemented, IEP Anywhere.
- Gifted intervention specialist position added for RRMS and RRHS to work with gifted students, and teachers of gifted students.
- Summer OGT intervention and testing program implemented

Action (completed 12-13)

- First cohort of 7th graders successfully take Algebra I for high school credit as a result of Iowa Algebra Aptitude Test implemented in 11-12.

Result #3: A rigorous curriculum ensures that every student is appropriately challenged and learning at his/her highest level.

Action (Completed 09-10)

New course 09-10:

- Grade 8 Honors Science (for HS credit)

New courses of study written for 10-11:

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

Action (Completed 10-11)

New courses 10-11:

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

New courses of study written for 11-12:

- College and Career Readiness 7 & 8
- AP Government

Action (Completed 11-12)

New courses 11-12:

- College and Career Readiness 7-8
- AP Government

New courses of study written for 12-13:

- College and Career Readiness 6
- AP Music Theory

Action (Completed 12-13)

New courses 12-13:

- College and Career Readiness 6
- AP Music Theory

New courses of study written for 13-14:

- Economics and Financial Literacy
- Contemporary World Issues
- Digital Age Thinking
- Animation and Robotics
- Web Development and Design
- Fitness 101
- Club Sports
- Recreational Sports
- Speed, Weights and Agility Training
- Personal Fitness

Result #4: Multiple assessments provide student driven data necessary to communicate progress in each child's growth and development.

Action (Completed 09-10)

- Formative assessment professional development training provided to cadre of 35 district teachers
- Grades 3-12 district writing sample rubrics rewritten

Action (Completed 11-12)

- Iowa Algebra Aptitude Test (IAAT) introduced and used at grade 6 to assess a student's readiness to be introduced to Algebra I concepts in grade 7.
- EXPLORE assessment introduced/administered to all 8th grade students. Results shared with parents, and used by staff to guide instruction and planning.
- PLAN assessment introduced/administered to all 9th grade students. Results shared with parents, and used by staff to guide instruction and planning.
- PSAT test administered to all district sophomores. Results shared with parents, and used by staff to guide instruction and planning.
- Rocky River High School introduces a testing day. On this day, all 9th graders take the PLAN test, and all 10th graders take the PSAT. Both of these tests are paid for by the district.

Action (Completed 12-13)

- No new district assessments added in 12-13.

Result #5: Rocky River students are prepared to succeed in an increasingly interconnected and competitive world.

Action (Completed 09-10)

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

Action (Completed 10-11)

- Google Apps for Educators and Students roll out

Action (Completed 11-12)

- Kensington Intermediate School wins 2011 National Blue Ribbon School recognition
- College Now Greater Cleveland contracted services introduced to high school students and parents. CNGC offers success advising, financial aid counseling, and scholarship services.
- Socio-emotional counseling services introduced at RRHS

- Chromebook pilots are introduced at RRMS and RRHS
- RRHS guidance department introduces Naviance for students and families. It is a college and career readiness platform that helps connect academic achievement to post-secondary goals.

Action (completed 12-13)

- Chromebooks are deployed classroom teachers at Kensington and RRMS.
- District participates in the Scripps National Spelling Bee for K-8 students.

Strategic Objective: Facilities

Strategy: Provide facilities to meet our mission.

Result #1: Recommendations from the facility study for repairs and updates to district facilities are complete.

Action (Completed 08-09)

- Review and update of assessment of district facilities completed by Project and Construction Services, Inc. (PCS). The assessment cited over \$13,000,000 in repairs that are needed to maintain safe, warm, and dry facilities. The assessment did not include additions or facility upgrades to meet the needs of 21st century learning.

Result # 2: A facilities master plan provides a blueprint for buildings that support student success.

Action (Completed 08-09)

- Burt, Hill Architects led three community engagements during the spring of 2009. The engagements focused on the following primary topics: Academics and Technology, Athletics and Activities, and Fine Arts and Music.
- Community telephone survey of 400 residents was conducted in early December of 2009 by Triad Research to gauge the level of community support for a bond issue to renovate and/or add new learning environments.
- An additional community engagement was completed in January 2010 and was facilitated by Triad Research.
- The facilities master plan was finalized in January 2010 prior to the initiation of a bond issue. The master plan recommended facilities that are globally competitive for all students.
- On May 4, 2010 a 3.2 mill bond issue was approved by residents.

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

Goldwood Primary School

Action (Completed 10-11)

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

Action (In-progress 10-11)

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

Action (In-progress 11-12)

- The second grade wing demolition and renovation started immediately following the 2011-12 school year. Completion of this wing will be prior to the start of the 2012-13 school year. Renovations include new windows, cabinetry, light fixtures and switches, ceilings, and painting.
- HVAC systems and roof repair/replacement will be complete by the end of fall 2012.
- Construction of the new reception and office addition will commence following the razing of the former ESC (Board of Education Offices) building. Construction will take place between August 2012 and March 2013.
- The current Goldwood office will be renovated during the spring/summer of 2013 into instructional space.
- The former ESC abatement and demolition started during the spring of 2012 and will be completed in August 2012.
-

Action (Complete 12-13)

- The second grade wing renovation and new building office are complete and fully operational.
- The former Goldwood office area has been renovated/remodeled and is fully being utilized.
- The exterior landscaping is complete.

Kensington Intermediate School:**Action (In-progress 10-11)**

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

Action (In-progress 11-12)

- The commons renovation and abatement took place during the summer of 2012 with completion of the space being ready for the 2012-13 school year.
- The former cafeteria (basement) renovation will be complete prior to the start of the 2012-13 school year. A new computer lab with green room for television announcements, several instructional areas, and a workroom are part of this renovation.
- Classroom renovations will be complete prior to the start of the 2012-13 school year. Renovations include new windows, carpeting, painting, lighting and switches.
- HVAC systems and roof repair/replacement will be complete by the end of fall 2012.

Action (Complete 12-13)

- The Kensington Intermediate School renovations and remodeling projects are complete and being fully utilized.

Rocky River Middle School:**Action (Completed 10-11)**

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

Rocky River High School:**Action (Completed 10-11)**

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

Action (In-progress 10-11)

- Construction of the new two-story Science Wing, Music Wing and Administrative Office additions are scheduled to be under roof before January 2012. These spaces will be ready for occupancy at the start of the 2012-13 school year.
- Renovation of the existing locker rooms is on-going.
- The first part of the main gym renovation will occur after basketball season and both spaces will be open by August 1, 2012. The second part of the main gym renovation (new floor, bleachers, basketball backstops, divider curtain, and painting) will take place next year, using the same time frame (between the end of basketball season and August 1, 2013).
- A small addition and renovation of the Wrestling Room will begin in the spring of 2012 and be complete for the start of the 2012-2013 wrestling season.
- An addition to the bus garage will take place during the 2012-2013 school year.
- The existing Pirate's Cove and the south half of the existing Media Center will be renovated during the summer of 2012 into a new commons area and guidance offices. At the same time, the remaining portion of the Media Center and the existing guidance offices adjacent to it will be renovated into a new Media Center, new Media Center computer classroom, and workroom.
- The existing computer and business classrooms will be renovated during the summer of 2012.
- Once the new additions are occupied, renovations to the existing classrooms and adjoining spaces will begin. During this time, the existing science classrooms will be used as "swing space," or classrooms for other departments as their existing classrooms are under construction. Renovations to these classrooms will include HVAC, electrical, and technology upgrades as well as new ceiling, wall, and floor finishes. This phased renovation work will be ongoing through the end of the summer of 2013.
- The entry addition and renovation to the Wagar Road entrance will start in spring of 2013 and be completed for the start of the 2013-14 school year.
- Two small additions to the existing Fieldhouse will begin in late 2012 and be completed in mid-Summer of 2013.
- Renovation of the existing facilities areas and maintenance building will occur during the summer of 2013.
- Repair/replacement of existing parking and drive areas will occur during the summers of 2012 and 2013.

Action (In-progress 11-12)

- The science wing and music wing additions will be ready for instructional use during the 2012-13 school year.
- Significant renovations are taking place at Rocky River High School throughout the summer of 2012. Renovations include extensive remodeling in the media center and student commons, relocation of the guidance offices, completing the addition and remodeling the administrative offices, and demolition and refurbishing of the former science rooms to serve a swing space for the following years.
- Significant renovation will take place next summer as well to include the gymnasium, the addition of a new elevator in the student commons, and on-going renovation of classrooms.
- HVAC systems and roof repair/replacement will be complete by the end of fall 2012.
- Transportation garage will be complete during the fall 2012.

Action (Complete 12-13)

- The science wing and music wing are complete and being fully utilized.

Action (In-progress 12-13)

- Rocky River High School is experiencing significant summer (2013) renovation/remodeling.
- The high school interior/exterior entrances, building hallways, first floor wings, gymnasium, natatorium, and auxiliary gymnasium renovations/remodeling are scheduled for completion prior to the start of the 2013-14 school year.
- The high school exterior sidewalks, curbs, and driveways are being fully renovated during the summer of 2013.
- The Facilities Offices and limited interior sites will be completed following the start of the 2013-14 school year.

- The Campus Landscape Foundation will complete initiatives starting during the Fall of 2013.

Beach School/Board of Education Building:

Action (Completed 10-11)

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

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

Action (Completed 08-09)

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

Action (In-progress 10-11)

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

Action (Completed 09-10)

- A private-public partnership replaced the public address (PA) system at the Rocky River High School stadium in the summer of 2010. A resident offered a donation for a new PA system. Booster clubs conducted fundraisers to add to the donation.

Action (Completed 10-11)

- Ohio School Facilities Commission (OSFC) funding is not an option for the Rocky River City Schools at this time. OSFC funding will only be available to the Rocky River Schools if the district becomes eligible for funding a full project or if the laws that govern the funds change. At this time the Rocky River Schools OSFC eligibility rank is 595 out of 612 for funding of 2% (\$279,821).
- The Board of Education and administration are seeking private-public partnerships to address facility needs.
- The City of Rocky River has been approached to partner with the school district for the development of a turf sports field at Rocky River Middle School and the replacement of the all-weather track at Rocky River High School. The Board of Education is seeking a financial contribution for the joint use partnership.
- The Rocky River City Schools were approved for participation in the Qualified School Construction Bonds program on May 27, 2010; interest reimbursement subsidies are estimated at \$11,260,000 if all requirements are fulfilled by the district and the program is fully funded.
- The District was approved to participate in the Federal Build America Bonds program. If fully funded and all requirements are fulfilled by the district, projections for interest reimbursement are estimated at \$18,000,000 over 34 years.
- Historic Tax Credits were explored for Beach School renovations. This program is not available for the district.
- A letter was sent to the Cleveland Clinic seeking a partnership to develop a lecture hall facility at Rocky River High School.

Action (In-progress 11-12)

- The *Campus Landscape* initiative is taking organization form to create meaningful instructional spaces around Rocky River High School. This community led initiative will provide extensive landscaping that is educationally purposeful and provides appealing green space for the community.
- The community committee is seeking corporate and private donations to provide necessary funding for the *Campus Landscape* project.

Action (In-progress 12-13)

- The Campus Landscape Foundation has sold commemorative bricks as a means to raise funds for the Campus Landscape initiatives. The Foundation is also working to secure sponsorship/name rights for campus sites/gardens.

Strategic Objective: Finance

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

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

Action (Completed 09-10)

- American Express Corporate Card program for District purchasing earns dollars (as of June 2012, \$9,616 in rewards credit had been redeemed mostly for Home Depot gift cards in order to purchase needed supplies and equipment for facilities in addition to receiving a cash rebate in the amount of \$5,840)
- Agreement with Magnificat High School for use of our stadium field for Girls' Soccer. District retains admission charges and the Rocky River Boosters operates concession stands and keeps the proceeds.
- Cell tower lease agreement with AT&T that produced \$30,000 in upfront rental payments (for the first two years) and will produce an additional \$15,000 per year in years three–five.
- Registration for district-hosted professional development opportunities opened to surrounding districts thus reducing PD costs for our district.

Action (Completed 10-11)

- Continued utilization of the American Express Corporate Card program - An additional \$4,200 worth of equivalent points redeemed for technology equipment and Home Depot gift cards as of November 2011. This card program was converted to a direct cash rebate program in the spring of 2011 whereas the District will earn up to a 1% cash rebate on all eligible purchases.
- Successfully secured an allocation of \$11,260,000 in Qualified School Construction Bonds (QSCB's) to be used as an integral part of the plan of finance for the \$42.9M bond issue passed by the voters in May 2010. It is anticipated that these bonds will be marketed and issued in mid-September 2010. The federal subsidies received on these bonds, along with Build America Bonds (BAB's) that the District issued for the vast majority of the remaining bond authority, provided in excess of \$25M in federal funding to offset a substantial portion of interest cost related to the bonds. A portion of this \$25M was also utilized to delay an operating levy for one year from fiscal 2011 to fiscal 2012 saving the average homeowner \$300 in taxes the first year while keeping District programs intact.

Action (In Progress)

- Private-public partnerships and shared services are explored with outside entities:
 - A community committee is seeking corporate and private donations to provide necessary funding for the *Campus Landscape* project described in the Facilities section.
 - The Board of Education, the City of Rocky River and hockey booster parents are in the planning stages of securing private donations to supplement public dollars for a new hockey locker room at the city-owned ice rink.
- Continued utilization of the American Express Corporate Card program - An additional \$11,609 in rebates were received in June 2013.

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

Action (Completed 09-10)

- Contracted with a new third-party administrator to administer Section 125 employee flexible benefit plan that will save the District approximately \$6,000 - \$10,000 per year while providing for additional voluntary (100% employee-paid) benefits.
- Issued \$60,500 in General Obligation Notes using the unobligated portion of the bond retirement fund (i.e. internal borrowing) to purchase 60 computers to replace 8+ year old computers located at Goldwood and Kensington labs at a very minimal transaction cost and at an annual borrowing rate of only 2%.

- Shifted significant purchasing activity to Staples for office supplies and certain instructional supplies in order to take advantage of a 10% - 20% savings in this area through the Ohio Schools Council contract.
- Contracted with an outside consultant to review our telecommunication billings. Realized savings of approximately \$13,000 annually starting next year.
- Entered into an electric energy purchase agreement with Duke Energy through the Ohio Schools Council group contract resulting in an approximate annual savings of \$90,000.
- Substitute coding revised to facilitate analysis of expenditures.
- Staff attendance tracking enhanced to include professional leave.

Action (Completed 10-11)

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

Action (Completed 11-12)

- Implemented use of the eSchoolmall online requisitioning and purchasing web-based application in order to streamline purchasing procedures within the District and to realize hard-dollar savings on everyday purchases by utilizing group catalogue purchasing with higher frequency
- Reviewed and reorganized duties amongst Treasurer's Office staff in order to compensate for the retirement of a long-term employee while incorporating a new employee into the department and reducing overall staff FTE
- Entered into a contract with a new telecommunications provider through the e-rate process in order to save approximately \$5,000 annually going forward

Action (Completed 12-13)

- Obtained competitive quotes for banking services and bank relationships to determine if there are additional services available that will lead to efficiencies in processing daily/monthly transactions, provide additional security over transaction processing, provide additional investment opportunities and to ensure that our current fee structure for services is competitive. A projected annual savings of \$4,000 is projected.
- Implementation of AESOP personnel software program district wide, which permits employees to apply for leave (sick, personal or vacation) paperlessly. An annual savings of \$4,000 is projected.

Action (In-Progress)

- Continuing the process of investigating and pursuing outsourcing opportunities for payroll processing with third-party vendors in conjunction with another school district as well as the Cuyahoga County Educational Services Center. A substitute assigning service is planned to be implemented through the District's Human Resources Dept. for the 13-14 school year which will reduce payroll processing tasks by eliminating teaching substitute time cards.
- Evaluation of alternative financial forecasting and financial analytic models with planned implementation of the forecasting portion in late summer of 2013.

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

Action (Completed 10-11)

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

Action (Completed 11-12)

- Provided financial information for the Superintendent to present to the community during his annual State of the Schools update and a community meeting regarding the impact of state funding reductions and other budgetary items that were effected through the State of Ohio's biennial budget adoption.
- Prepared and released a Comprehensive Annual Financial Report for the fiscal year ending June 30, 2011.

Action (In Progress)

- Monthly finance committee meeting updates are provided for the community on the financial inter-workings of the District.
- Treasurer's Office website is maintained with links to important financial documents such as the five-year financial forecast, Comprehensive Annual Financial Report and other pertinent financial information
- Preparation of Comprehensive Annual Financial Report for the fiscal year ending June 30, 2013

Strategic Objective: Human Resources

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

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

Action (Completed 09-10)

09-10 District-Offered Professional Development Opportunities:

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

Action (Completed 10-11)

10-11 District Offered Professional Development Opportunities:

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

Action (Completed 11-12)

- Rocky River LPDC moves toward a paperless process and debuts its new online LPDC portal.
- District hosts a Wilson Foundations facilitator from Massachusetts for 4 days. Facilitator is embedded in grades K-3 to work with new staff and to ensure fidelity to the Foundations program.
- Four primary school teachers and tutors receive official Orton Gillingham training
- Five district staff members complete Wilson Level II Certification.

- Embedded MAX Teaching professional development offered to 3-12 core subject staff.
- Nine new staff members complete the Ohio Resident Educator Program Year -1 training.
- An official from The College Board works with RRHS staff for 4 days to facilitate an ideal implementation of, and effective use of data from, the new PSAT test administration to all 10th graders.
- Ohio Teacher Evaluation System Certification for Administrators
- Ohio Principal Evaluation Certification for Administrators
- Tech I and Tech II Certification courses continues
- A.L.I.C.E. (Alert, Lockdown, Inform, Counter and Evacuate) Safety Training for all certified and non-certified staff by SWAT and Rocky River Police Department staff.
- Federal School Safety Training for school administrators.
- District Safety Plan and Building Safety Plans revised and communicated to all District staff.
- Safe Transport of Special Needs Students Training provided to Transportation staff.

Action (Completed 12-13)

- Embedded MAX Teaching professional development offered to 6-12 non-core subject staff.
- Embedded Foundations training provided throughout the year for K-3 staff.
- Eight staff members complete the Ohio Resident Educator Program Year-2 training.
- Seven staff members complete the Ohio Resident Educator Program Year -1 training.
- RRMS math teachers attend Connected Math conference in Michigan.
- A new cohort of 3 staff members complete Wilson Level I Certification.
- District staff member becomes an official Wilson Certified Trainer and Foundations Facilitator.
- District administrators and 12 building staff members trained by ODE on the new Ohio Teacher Evaluation System (OTES).

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

Action (Completed 09-10)

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

Action (Completed 10-11)

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

Action (Completed 12-13)

- New Goldwood schedule debuts that promotes common planning for K-2 staff.

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

Action (Completed 09-10)

- Tech I & Tech II Certification courses
- Atomic Learning (online video tutorials) available for non-certified staff
- Non-certified Staff Tech Inservice on NEOEA Day
- Non-certified Staff Adobe Acrobat Inservice
- New website Content Management System Inservice
- Website Inservice with company representative
- Individual Non-certified Staff Inservices on technology (12 different sessions)
- SMART Board training was provided for District substitute teachers.

Action (Completed 10-11)

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

Action (Completed 11-12)

- Tech I and Tech II certification courses continue
- A.L.I.C.E (Alert, Lockdown, Inform, Counter and Evacuate) Safety training for all certified and non-certified staff by SWAT and RRPD officials.
- Federal School Safety Training for school administrators.
- District Safety Plan and Building Safety Plans revised and communicated to all District staff.
- Safe Transport for Special Needs Students training provided to Transportation staff.
- Google Apps and Content Management System workshops held for secretaries.

Action (Completed 12-13)

- AESOP inservice for secretarial and administrative staff.
- Maintenance Direct inservice for Facilities Supervisor, Facilities secretary and building secretarial staff.

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

Action (Completed 09-10)

- Positions posted on District website
- Online application process
- Advertise in newspapers, Ohio colleges, and professional organizations
- Three-tiered interview format used to identify top candidates
- Hired an additional school nurse
- Master Teacher recognition awarded to 10 district teachers.

Action (Completed 10-11)

- Comprehensive interview PD for all district administrators on interview practices and protocol
- Creation of new District interview protocol for certificated staff positions
- Expansion of online application and interview warehouse, AppliTrack
- Membership in HR professional organizations, to include NEOASPA and OMRC
- Master Teacher recognition awarded to 2 district teachers.

Action (Completed 11-12)

- Human Resource department transfers to a new, comprehensive personnel database, PD Express, that also manages LPDC documents.
- All District job descriptions updated to reflect current and future desired skill sets of teachers and others.
- District is selected for membership in the Cleveland Area Minority Educators Recruitment Association.
- District enters into a mutual agreement with with the Rocky River Police Department to provide a School Resource Officer within Rocky River High School.
- District hires 21 certificated and 6 non-certificated individuals to join the Rocky River City School District staff.
- Master Teacher recognition awarded to 4 district teachers.

Action (Completed 12-13)

- Master Teacher recognition awarded to 2 district teachers.

- District hires 18 certificated and 11 non-certificated individuals to join the Rocky River City School District staff, including four management positions: Facilities Supervisor, Transportation Director, Pupil Services Supervisor and RRMS Assistant Principal.

Strategic Objective: Technology

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

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

Action (Completed 09-10)

- New 30 iMac computer lab at Goldwood.
- New 30 iMac computer lab at Kensington.
- 12 year old iMacs replaced with 8 year old eMacs in Goldwood and Kensington classrooms
- RRMS Media Center computers networked to copier, replacing old printers
- 120 refurbished desktops deployed throughout the District

Action (Completed 10-11)

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

Action (Completed 11-12)

- 30 Chromebooks and computer cart - pilot program at RRMS
- 30 Chromebooks and computer cart purchased for RRHS Social Studies Department
- 10 Chromebooks for KIS Gifted Program
- 18 SMART Slates
- 25 SMART Document Cameras
- 10 SMART Response Systems

Action (Completed 12-13)

- 620 Chromebooks deployed at Kensington Intermediate School
- 460 Chromebooks deployed at Rocky River Middle School

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

Action (Completed 09-10)

- 36 new laptops purchased for special education and other staff.
- District license purchased for Atomic Learning (online technology video tutorials).
- Special Services Education Module implemented and special education staff members inserviced (special education forms / reporting software)
- Tech I and II Certification Courses offered
- SMART technologies courses offered
- District Web 2.0 tools implemented: Moodle, Google Apps for Education for Staff (RrApps/Staff)
- Staff Development Needs Assessment

- Web-based Facilities Work Request database implemented and staff trained on its use.
- Web-based RRHS/RRMS Music database implemented and staff trained on its use.

Action (Completed 10-11)

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

Action (Completed 11-12)

- Content Management System inservices conducted for certified and classified staff.
- Ongoing Certified and Classified technology inservices
- Tech I and II Certification Courses
- More consistent use of Trouble Trakker by staff to report technology issues.
- New certified and classified staff orientation includes technology component
- New laptops purchased for KIS and RRHS teachers
- New desktop computers purchased for secretarial staff
- Technology curriculum revised in grades 3-8 to reflect accelerated skills in grades 3-8

Action (Completed 12-13)

- New laptops purchased for GPS and RRMS teachers
- New desktop computers purchased for media center staff at GPS and KIS
- Ongoing Certified and Classified technology inservices
- New certified and classified staff orientation includes technology component
- Google Apps and Content Management inservices conducted for PTA and Boosters parents
- District human resource department moves to AESOP, an online substitute placement and absence management system..

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

Action (Completed 09-10)

- Technology Audit conducted

Action (Completed 10-11)

- Updated backup system installed
- UPS replaced
- FitnessGram Server installed
- Google Apps for Education accounts created for students in grades 3-12
- 10 new laptops for administrative and instructional staff
- 12 new desktops for administrative and secretarial staff
- 30 laptops in cart for staff development
- Copiers networked at Goldwood and Board of Education
- District Safety Plan Website created - accessible from administrative mobile devices
- Transportation Zonar GPS System installed in all buses

Action (Completed 11-12)

- Developed RRCSD Data Disaster Recovery Plan
- Updated UPS Backups at all buildings
- Updated DNS DHCP Server
- Updated Microsoft Server 2008 software
- Updated RRCSD data backup system - 4TB Raid Box
- New phone system installed at new Board of Education offices
- Wifi installed at RRMS and Board of Education

- Transportation Zonar Pre Trip System implemented
- All school buses equipped with security cameras and audio/visual recording devices.

Action (Completed 12-13)

- Wifi installed at GPS, KIS and RRHS
- New phone system installed at GPS, KIS, RRMS, RRHS
- Updated RRCSD Data Disaster Recovery Plan
- Updated student and staff backup server hardware

Action (In Progress)

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

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

- To effectively use District resources to assure the highest quality educational program while attempting to meet the District's revised financial plan. This includes continually working towards successfully managing funds that will be generated from the additional 4.9 mill property tax levy that was passed in November of 2012 to support the District's programming by providing financial stability through at least fiscal year 2016. This will be accomplished by carefully developing, monitoring and adjusting short-term and long-term financial projections and expenditures based on educational needs and objectives and attempting to anticipate and react to various outside factors such as state funding changes and major cost drivers.
- To continue to educate the electorate of the District on the District's financial situation and its impact on the future prosperity and financial stability of the District.
- To receive the GFOA Certificate of Achievement for Excellence in Financial Reporting for this fiscal year 2013 CAFR.
- To continue to enhance the District's budget and financial planning information for citizens; to communicate the District's dependence on local taxpayer support and current issues with the state funding such as the accelerated phase-out of the tangible personal property tax and public utility tax reimbursement subsidies that were implemented as part of the states biennial budget that became effective on July 1, 2011.
- To continue to assure that the District's property tax base remains strong and stable by working through economic issues with city and county governments, the business community and individual property owners.
- To continue to effectively and efficiently utilize the \$42.9 million generated from the bond issue that was approved by the voters in May 2010 as part of the District's Master Plan for facilities.

Prospects for the Future

The Rocky River City School District continues to experience many financial challenges based on the current state of the economy and the continued erosion of state funding support. As the preceding information shows, the District heavily depends on its property taxpayers. An operating levy of 5.9 mills was passed back in May of 2008 for a continuing period of time. That levy was planned to enable the District to continue its currently excellent education program level for a three-year levy cycle. However, with the continued emphasis on controlling costs and becoming more efficient with available resources, the District was able to stretch the planned three-year levy cycle to four years. This was in spite of a loss of over \$800,000 in State of Ohio funding (describe in more detail below) starting in July of 2012.

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

The plan for the use of these funds is a comprehensive one that covers the upgrade of virtually all buildings in the District (physical plant upgrades for the primary, intermediate and high schools and technology upgrades for the middle school) with the main emphasis being placed on the renovation and expansion of Rocky River High School to meet the needs of our students in order to provide them a 21st Century education. The construction period will last approximately 42 months and has progressed through various parts of the construction phase for the high school, primary school and intermediate school as of June 2013. The construction phase for the renovated Board of Education administrative offices was substantially completed by July 15, 2011. The construction phases for Goldwood Primary School and Kensington Intermediate School were substantially completed by April, 2013 and December, 2012, respectively. The High School was substantially completed for the beginning of the 2013-14 school year in late August of 2013.

Educationally, the District continues to perform at the highest level as determined by the State of Ohio, which is measured by an objectively defined set of criteria. The District's most recent state report card for the 2012-13 academic year shows its students having met or exceeded the minimum requirements on 24 out of 24 objective performance indicators as mandated by the State of Ohio. Further, the District tied for the third highest performance index score of all public schools in the State of Ohio at 111.5. Under the State's new report card model that assigns letter grades to various objectives, the District earned seven A's, one B and one C.

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

However, the revenue guarantee through fiscal 2013 was eliminated upon the adoption of Amended Substitute H.B. 153 that was signed into law on June 30, 2011. This house bill phases out the District's personal property tax reimbursement and the utility deregulation/SB3/KwH tax reimbursement revenue sources by fiscal year 2013. The impact on the District's revenues is a reduction of over \$821,748 for fiscal year 2012 and an *additional* \$445,684 in fiscal year 2013. The total reduction of revenue over four years of the District's forecast is \$3,491,956 over what was estimated based on previous law. This House Bill also removed all provisions of the "Evidenced Based Model" (EBM) that was in law previously.

On June 30, 2013, Governor Kasich signed H.B. 59 into law for the State's new biennium starting July 1, 2013. A significant piece of this legislation is the new funding model for public education. The most significant piece of the new funding model is the Core Opportunity Aid (formerly known as basic aid). Rather than using the old method of computing the state/local shares of the school funding formula (there is no longer a charge-off), the new funding system will calculate the first and main component using a per-pupil amount times the number of students (ADM) in the district. The per-pupil amounts are \$5,745 in fiscal year 2014 and \$5,800 in fiscal year 2015. This pot of money represents the District's Core Opportunity Aid (COA). The total COA is then multiplied by the new State Share Index to arrive at the state/local totals for this component of the formula.

The new State Share Index (SSI) is a large part of what drives funding for districts. It is determined by using a school district's 3-year average valuation per pupil compared to the statewide 3-year average valuation per pupil. Median income can also be a factor for some districts. The 3-year average valuation per pupil is based on tax years 2010, 2011, and 2012. The ADM figure used for this calculation will be based on fiscal year 2014 ADM (this means that a final SSI will not be determined until the fiscal year 2014 ADM counts are finalized). The calculation for the SSI is made one time according to the bill language and applied to both years of the biennium. This means a district's SSI will be the same regardless of whether or not there are changes in valuation or ADM over the period. Changes to update this calculation in future budget cycles will need to be addressed legislatively. Rocky River's current SSI is estimated at 5.7%, which puts us in the second-lowest sub-group within the state. For perspective, there are only 18 District's out of 612 within the state that are considered wealthier based on the SSI formula.

The other areas of funding within the new formula are:

- Targeted Assistance**
 - Special Education**
 - LEP**
 - Gifted Education
 - Disadvantaged Pupils
 - K-3 Literacy
 - * Tier 1**
 - * Tier 2 (all districts receive the same per-pupil amount for this tier, regardless of wealth)
 - Career Tech**
 - Transportation**
 - Supplemental Transportation
- **Denotes components adjusted by the SSI.

There are two tiers in the Targeted Assistance component calculation. Targeted assistance is meant to supplement districts that do not have the capacity to raise funds locally for programs above a basic education (as produced through the Core Opportunity Aid).

HB 59 holds districts harmless (Transitional Aid Guarantee) from losing state funding based on what was received in fiscal year 2013 for both years of the biennium. Also, in fiscal year 2014, districts cannot receive increases over fiscal year 2013 in excess of 6.25%, or 10.5% in fiscal year 2015 (Gain Caps).

However, while the overall funding a district receives will be driven by these triggers, some components within the formula will not be adjusted proportionally. Special Education and Career Tech funding will be considered to be fully funded (the state portion) and not adjusted because of the Gain Caps (or affected by the Transitional Aid Guarantee). Since there are federal requirements for these categories of funding, it will be assumed that districts are receiving the full amount of state funding as produced by the formula for each.

This District has benefited modestly from the new funding changes and expects to do so through the end of the State's biennium at June 30, 2015, but it has still not recovered the lost funding mentioned prior.

These changes along with upcoming employee group negotiations and the increasingly difficult climate for school levy passage will be crucial issues to be dealt with by the District going forward.

Financial Information

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

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. Further, the District has been utilizing an automated vendor payment auditing system that reviews every vendor disbursement run through the system to verify compliance with laws and regulation and reviews for indications of fraudulent activity. These systems, coupled with the manual auditing of each voucher prior to payment, ensures financial information generated is both accurate and reliable.

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

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

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

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy making roles are covered by a separate, higher limit bond.

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

Financial Reporting

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

Government-wide financial statements: These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

Fund financial statements: The focus of fund financial statements is on major funds rather than reporting funds by type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Fiduciary funds use the accrual basis of accounting.

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

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion is presented in the financial section of this report and provides an assessment of the District finances for fiscal year 2013. This transmittal letter is intended to be read in conjunction with the District's MD&A.

Independent Audit

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. The firm of James G. Zupka, CPA, Inc. was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2013. The opinion appears at the beginning of the financial section of this report.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the Rocky River City School District for its comprehensive annual financial report (CAFR) for the year ended June 30, 2012.

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

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

Acknowledgments

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

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

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

Respectfully Submitted,



Greg R. Markus, CPA
Treasurer/CFO



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

Rocky River City School District

Principal Officials

June 30, 2013

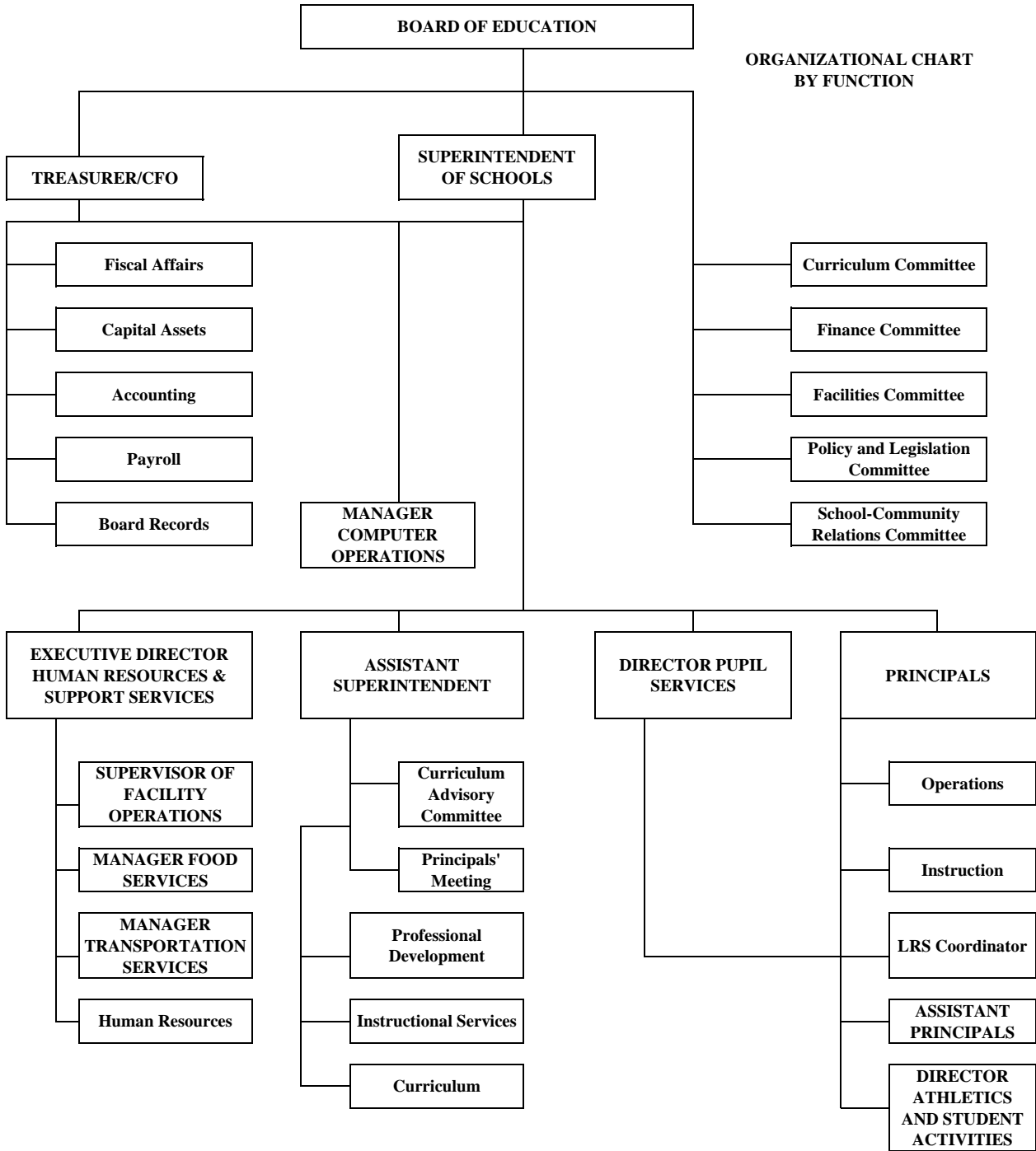
Board of Education

Jon Fancher President
Jean A. Rounds..... Vice-President
Kathleen GoepfertMember
Jay MilanoMember
Scott E. SwartzMember

Administration

Michael G. Shoaf, Ed.D Superintendent
Elizabeth Anderson Assistant Superintendent
Samuel Gifford.....Executive Director of Human Resources and Support Services
Dianna Foley Executive Director of Communications and Organizational Development
Jennifer Norman.....Director of Pupil Services
Greg R. Markus, CPA, CGMA Treasurer/CFO

**ORGANIZATIONAL CHART
BY FUNCTION**





Government Finance Officers Association

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Achievement
for Excellence
in Financial
Reporting**

Presented to

**Rocky River City
School District, Ohio**

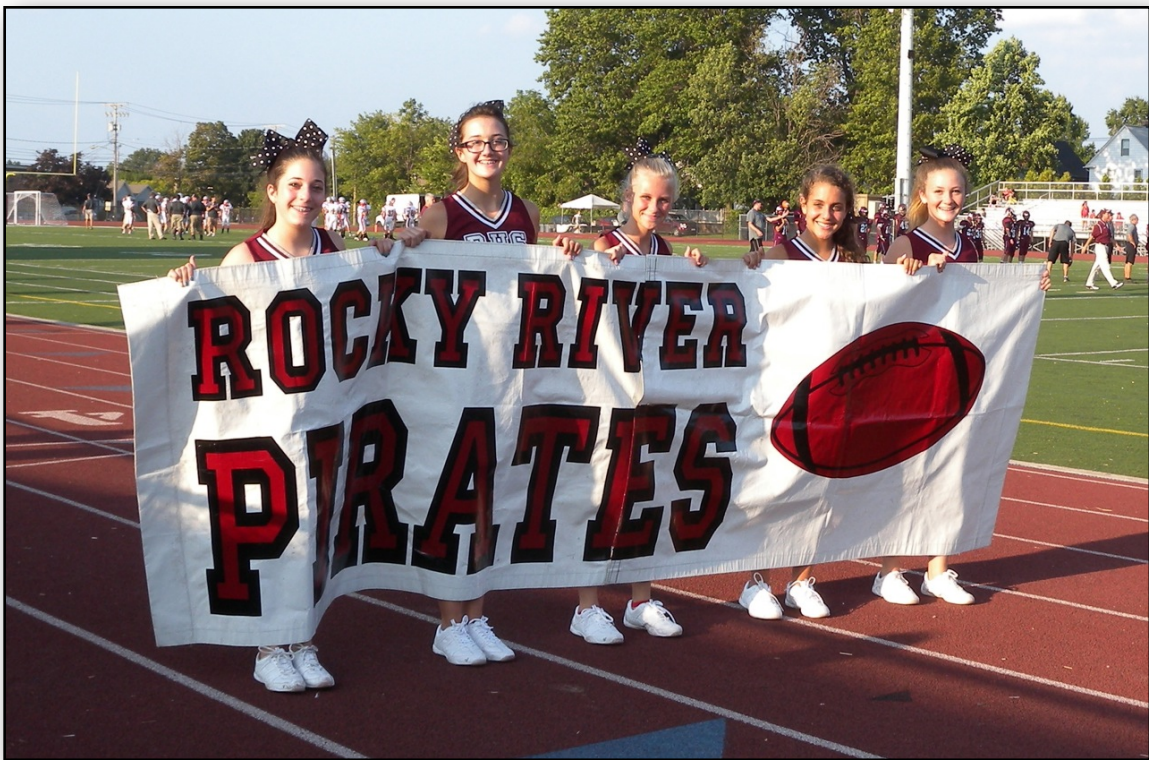
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2013

Financial Section



ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

JAMES G. ZUPKA, C.P.A., INC.

Certified Public Accountants

5240 East 98th Street

Garfield Hts., Ohio 44125

Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Rocky River City School District
Rocky River, Ohio

The Honorable Dave Yost
Auditor of State
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rocky River City School District, Ohio, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 3 to the financial statements, during 2013, the Rocky River City School District, Ohio, adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, and restated its June 30, 2012 net position of governmental activities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rocky River City School District, Ohio's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, on our consideration of the Rocky River City School District, Ohio's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rocky River City School District, Ohio's internal control over financial reporting and compliance.



**James G. Zupka, CPA, Inc.
Certified Public Accountants**

December 13, 2013

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The discussion and analysis of Rocky River City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

In total, net position of the governmental activities increased \$1.0 million from a balance of \$12.0 million at June 30, 2012 (as restated in Note 3.A.) to \$13.0 million at June 30, 2013.

Total governmental activities revenues increased \$1.7 million primarily due to an increase in property tax revenue of \$1.2 million and a miscellaneous gain on sale of lease receivable of \$0.5 million. The revenue increase is further explained on page 37.

Total governmental activities expenses increased \$1.9 million or 4.81 percent. The increase was primarily due to wage and benefit increases implemented by the District.

Program revenue, revenue from specific fees and grants, increased to 9.72 percent of all revenue from 9.41 percent in 2012. Over ninety percent of governmental activities revenues come from general revenues, primarily property taxes.

Total capital assets, net increased from \$42.6 million at June 30, 2012 to \$55.6 million at June 30, 2013. This occurred as construction in progress more than offset depreciation expenses.

The District's outstanding long-term obligations decreased to \$57.1 million at June 30, 2013 from \$58.2 million at June 30, 2012.

The District's major governmental funds are the general fund, bond retirement fund and building fund. The general fund had \$34.1 million in revenues and other financing sources and \$33.0 million in expenditures and other financing uses. During fiscal 2013, the general fund's fund balance increased \$1.1 million, from a balance of \$2.0 million to a balance of \$3.1 million.

The bond retirement fund had \$4.4 million in revenues and \$4.4 million expenditures. During fiscal 2013, the bond retirement fund's fund balance stayed the same at \$2.6 million.

The building fund had \$0.9 million in revenues and other financing sources and \$15.1 million expenditures. During fiscal 2013, the building fund's fund balance decreased \$14.1 million from \$20.0 million to \$5.9 million.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

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

Reporting the District as a Whole

Statement of Net position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

The District's statement of net position and statement of activities can be found on pages 53-54 of this report.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

Governmental Funds: Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end, available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 55-59 of this report.

The District as a Whole

Recall the statement of net position provides the perspective of the District as a whole. The statement of net position presents information on the governmental activities of the District. Table 1 provides a summary of the District's Governmental Activities net position for 2013 compared to the two prior years. The District restated net position at June 30, 2012 and 2011 due to the implementation of GASB Statement No. 63 and GASB Statement No. 65 which removes unamortized bond issuance costs from the statement of net position. Also, certain liabilities and deferred inflows were reclassified to conform to the 2013 presentation for property taxes levied for the next fiscal year.

TABLE 1
Net Position
(In millions)

	Governmental Activities 2013	Restated Governmental Activities 2012	Restated Governmental Activities 2011
<u>Assets</u>			
Current and other assets	\$ 47.3	\$ 58.6	\$ 74.1
Capital assets, net	<u>55.6</u>	<u>42.6</u>	<u>26.9</u>
Total assets	<u>102.9</u>	<u>101.2</u>	<u>101.0</u>
<u>Liabilities</u>			
Current liabilities	5.7	6.8	28.8
Long-term liabilities	<u>57.1</u>	<u>58.2</u>	<u>61.4</u>
Total liabilities	<u>62.8</u>	<u>65.0</u>	<u>90.2</u>
<u>Deferred inflows of resources</u>			
	<u>27.1</u>	<u>24.2</u>	<u>-</u>
<u>Net Position</u>			
Net investment in capital assets	9.5	9.7	9.3
Restricted	2.8	2.9	4.1
Unrestricted (deficit)	<u>0.7</u>	<u>(0.6)</u>	<u>(2.6)</u>
Total net position	<u>\$ 13.0</u>	<u>\$ 12.0</u>	<u>\$ 10.8</u>

Total Assets increased by \$1.7 million. Current assets decreased \$11.3 million primarily due to the current construction project which decreased cash and cash equivalents by \$14.3 million. Capital assets increased by \$13.0 million as capital additions exceeded depreciation expense. The District acquired \$15.2 million in capital assets in fiscal 2013 primarily due to the current construction project.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

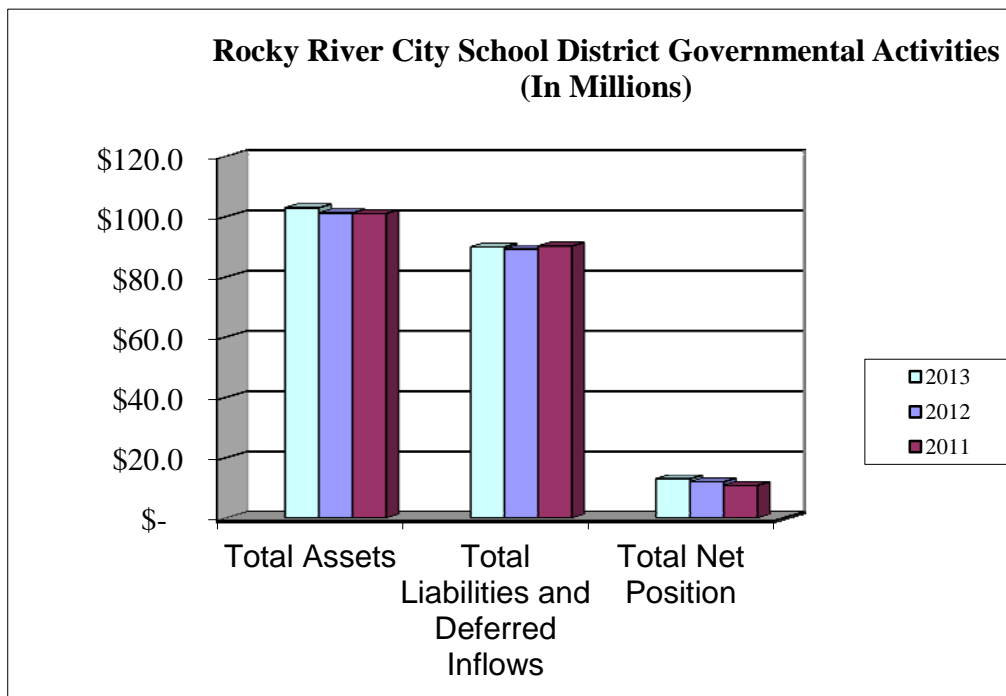
Total Liabilities and deferred inflows increased by \$0.7 million. Long-term liabilities decreased \$1.1 million as the District paid bonds and other long-term obligations. Current liabilities decreased by \$1.1 million due to a decrease in contracts payable due at June 30. Deferred inflows increased \$2.9 million due to an increase of property taxes levied for the next fiscal year.

The unrestricted portion of net position of \$0.7 million at June 30, 2013 was an increase of \$1.3 million from June 30, 2012.

Graph 1 below shows the District's governmental activities assets, liabilities, deferred inflows and net position for fiscal year 2013, 2012 and 2011. Amounts for 2011 and 2012 have been restated to conform to new reporting standards implemented in fiscal year 2013 (see Note 3.A).

Graph 1
Net Position Governmental Activities
(In millions)

	2013	Restated 2012	Restated 2011
Total Assets	\$102.9	\$101.2	\$101.0
Total Liabilities and deferred inflows	89.9	89.2	90.2
Total Net Position	\$13.0	\$12.0	\$10.8



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

Governmental Activities

The District's assets increased by \$1.7 million and total liabilities and deferred inflows increased by \$.7 million. As a result, net position increased \$1.0 million at the end of fiscal year 2013. Table 2 below shows the changes in governmental activities net position for fiscal year 2013, 2012 and 2011. The District restated net position for 2012 and 2011 due to the implementation of GASB Statement No. 65 as shown in Note 3.A.

Table 2
Changes in Net position
(In millions)

	Governmental Activities		
	2013	2012	2011
Revenues			
Program Revenues:			
Charges for Services and Sales	\$1.3	\$1.2	\$1.4
Operating Grants and Contributions	2.8	2.6	3.1
<i>Total Program Revenues</i>	<u>4.1</u>	<u>3.8</u>	<u>4.5</u>
General Revenues:			
Property Taxes	30.6	29.4	28.5
Grants and Entitlements	6.6	6.8	7.2
Other	0.8	0.4	0.3
<i>Total General Revenues</i>	<u>38.0</u>	<u>36.6</u>	<u>36.0</u>
<i>Total Revenues</i>	<u>42.1</u>	<u>40.4</u>	<u>40.5</u>
Program Expenses			
Instruction	20.5	19.6	21.5
Support Services:			
Pupils and Instructional Staff	3.6	3.6	3.3
Board of Education, Administration, Fiscal and Business	3.7	3.5	3.5
Operation and Maintenance of Plant	3.9	3.6	4.1
Pupil Transportation	1.8	1.8	1.8
Central	1.1	0.9	0.7
Operation of Non-Instructional Services:			
Food Service Operations	0.5	0.4	0.5
Other Non-Instructional Services	1.6	1.4	1.7
Extracurricular Activities	1.5	1.3	1.4
Interest and Fiscal Charges	2.9	3.1	2.7
<i>Total Expenses</i>	<u>41.1</u>	<u>39.2</u>	<u>41.2</u>
<i>Increase (Decrease) in Net Position</i>	1.0	1.2	(0.7)
<i>Net Position, July 1 (Restated)</i>	<u>12.0</u>	<u>10.8</u>	<u>11.5</u>
<i>Net Position, June 30</i>	<u><u>\$13.0</u></u>	<u><u>\$12.0</u></u>	<u><u>\$10.8</u></u>

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

Total revenue for *governmental activities* increased \$1.7 million primarily due to an increase in tax revenue resulting from the amount of taxes available as an advance at June 30, 2013. In addition, the District had a decrease in unrestricted grant and entitlement funding in fiscal year 2013 versus 2012 primarily due to Education Jobs revenue from the federal government in 2012.

Total expenses for *governmental activities* increased \$1.9 million.

Instruction expenses increased \$0.9 million primarily due to retirements and attrition in 2012 coupled with increasing healthcare costs. This area accounts for 49.98 percent of the District’s governmental activities expenses for 2013.

Support services expenses increased \$0.7 million primarily due to an increase in operations and maintenance program expenses. The increase is due to increased costs as the District continued a construction project in fiscal 2013. Support services account for 34.31 percent of District’s governmental activities expenses for 2013.

Interest expenses decreased \$0.2 million as the District paid off debt used for the construction project.

Program revenue support for governmental activities increased from 2012. The percent of program revenue support increased to 9.72 percent from 9.41 percent in 2012. Operating grants and contributions increased primarily due to funding received from the federal government. The vast majority of revenue supporting governmental activities, over 90 percent, continues to be general revenue. 72.66 percent of total revenue, \$30.6 million for 2013 was property taxes paid by the residents in the District. Only \$6.6 million (15.72 percent of total revenue) came from unrestricted state or federal sources (general revenue source).

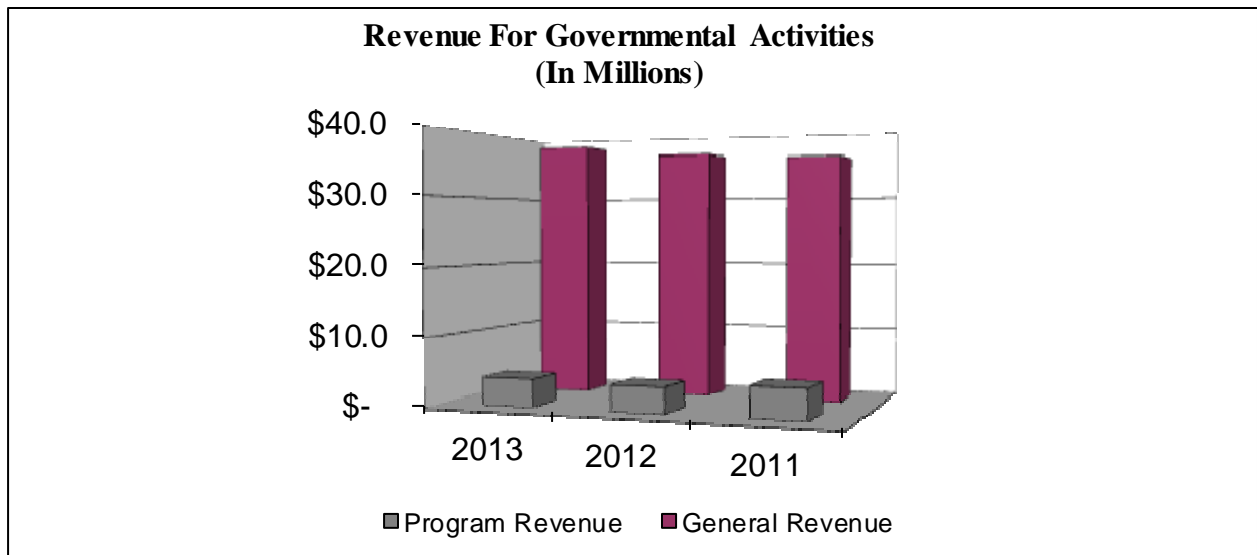
Graph 2 below shows a comparison of program revenues versus general revenue for the governmental activities for fiscal year 2013, 2012 and 2011.

Graph 2
Revenues for Governmental Activities
(In millions)

	2013	2012	2011
Program Revenue	\$4.1	\$3.8	\$4.5
General Revenue	38.0	36.6	36.0

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**



The District's property taxes increased \$1.2 million in 2013 due to collection on the 4.9 mill operating levy which was passed in November 2012. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 72.66 percent of revenues for governmental activities for District in fiscal year 2013.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

Table 3 below shows the governmental activities total cost of services and net cost of services for fiscal year 2013, 2012 and 2011.

Table 3
Governmental Activities
(In millions)

	2013		2012		2011	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 20.5	\$ 19.5	\$ 19.6	\$ 18.6	\$ 21.5	\$ 20.1
Support Services:						
Pupils and Instructional Staff	3.6	3.1	3.6	3.2	3.3	2.8
Board of Education, Administration, Fiscal and Business	3.7	3.6	3.5	3.4	3.5	3.4
Operation and Maintenance of Plant	3.9	3.9	3.6	3.6	4.1	4.0
Pupil Transportation	1.8	1.6	1.8	1.6	1.8	1.7
Central	1.1	1.1	0.9	0.9	0.7	0.7
Operation of Non-Instructional Services:						
Food service Operations	0.5	0.1	0.4	0.0	0.5	0.0
Other Non-Instructional Services	1.6	0.1	1.4	0.0	1.7	0.3
Extracurricular Activities	1.5	1.1	1.3	1.0	1.4	1.0
Interest and Fiscal Charges	2.9	2.9	3.1	3.1	2.7	2.7
Total	\$ 41.1	\$ 37.0	\$ 39.2	\$ 35.4	\$ 41.2	\$ 36.7

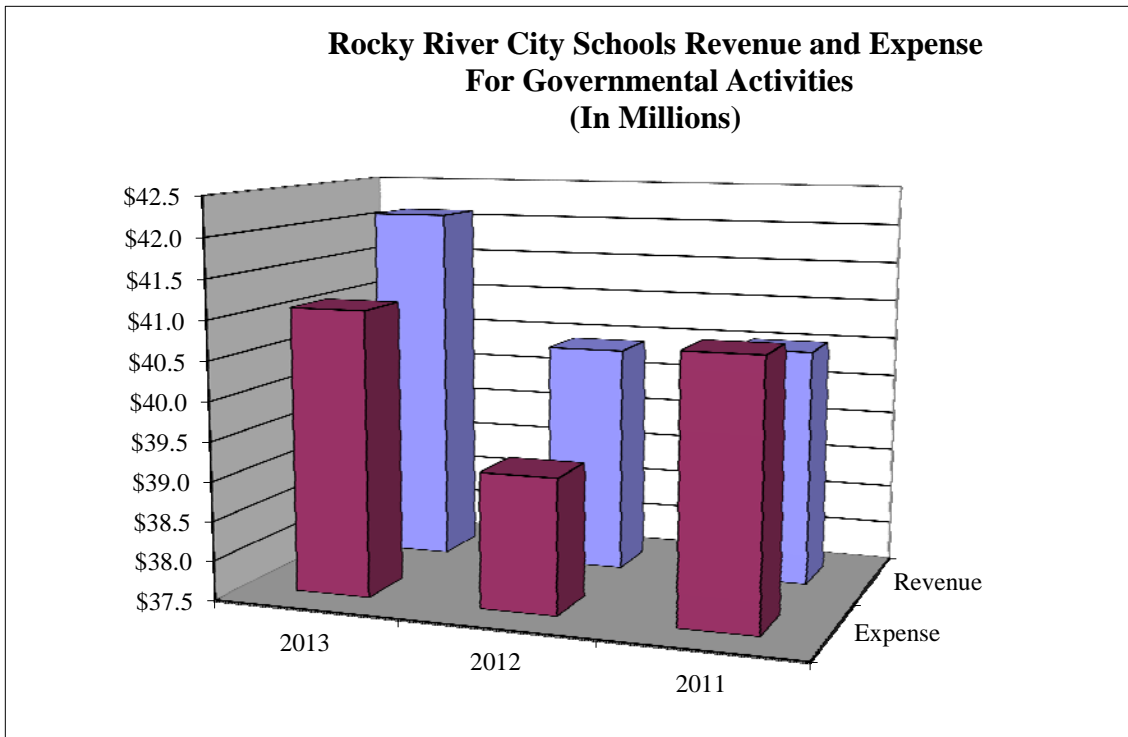
Graph 3 below shows the governmental activities revenues and expenses for fiscal year 2013, 2012 and 2011.

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

	2013	2012	2011
Revenue	\$42.1	\$40.4	\$40.5
Expense	41.1	39.2	41.2

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**



Program revenue for governmental activities in 2012 was \$3.8 million or 9.41 percent of all revenue. For 2013, program revenue was \$4.1 million, or 9.72 percent of all revenue. The largest expense area was instruction, comprising \$20.5 million, 49.98 percent of all governmental activity expenses.

The District's Governmental Funds

The District's major governmental funds are reported on pages 55 and 57. All governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$43.3 million and expenditures and other financing uses of \$56.0 million. The net change in fund balance for the year was most significant in the building fund. The building fund balance decreased by \$14.2 million primarily due to the payments for the District construction project. In addition, the general fund balance increased \$1.1 million primarily due to collection on the 4.9 mill operating levy that was passed in November 2012. The only significant expenditure increase in the general fund was in the area of special instruction which increased 9.73% due to increased costs associated to the education of students with special needs. The fund balance of the bond retirement fund decreased \$36,322. Principal retirement in the bond retirement fund decreased \$1 million from fiscal year 2012 as the District made the final principal payments on the Series 1996 bonds in fiscal year 2012.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

General Fund Budgeting Highlights

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

During the course of fiscal 2013, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was \$2.3 million higher than the original budget estimates of \$31.1 million. Final budgeted revenues were \$33.1 million which was lower than actual budget basis revenues of \$33.5 million.

Total expenditures on the budget basis (cash outlays plus encumbrances) were \$33.1 million. Actual expenditures were more than original budgeted expenditures of \$32.2 million and \$0.2 million less than final budgeted expenditures of \$33.3 million. The actual expenditures were less than the final budgeted amounts primarily due to less than anticipated spending on support services.

The general fund budgetary statement can be found on page 59.

Capital Assets and Debt Administration

Capital Assets

Table 4 below reports the District's capital assets, net of accumulated depreciation, for fiscal year 2013, 2012 and 2011.

Table 4
Capital Assets, Net
(In millions)

	Governmental Activities		
	2013	2012	2011
Land and construction in progress	\$26.1	\$19.1	\$5.3
Land Improvements	1.5	1.2	1.2
Building/Improvements	25.0	20.1	18.7
Furniture/Equipment	2.5	1.6	1.1
Vehicles	0.5	0.6	0.6
	\$55.6	\$42.6	\$26.9
<i>Total</i>			

At the end of fiscal 2013, the District had \$55.6 million in total capital assets. This is the value of land and construction in progress, land improvements, building/improvements, furniture/equipment and vehicles after depreciation is taken off their value. The largest component of these capital assets is building/improvements.

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

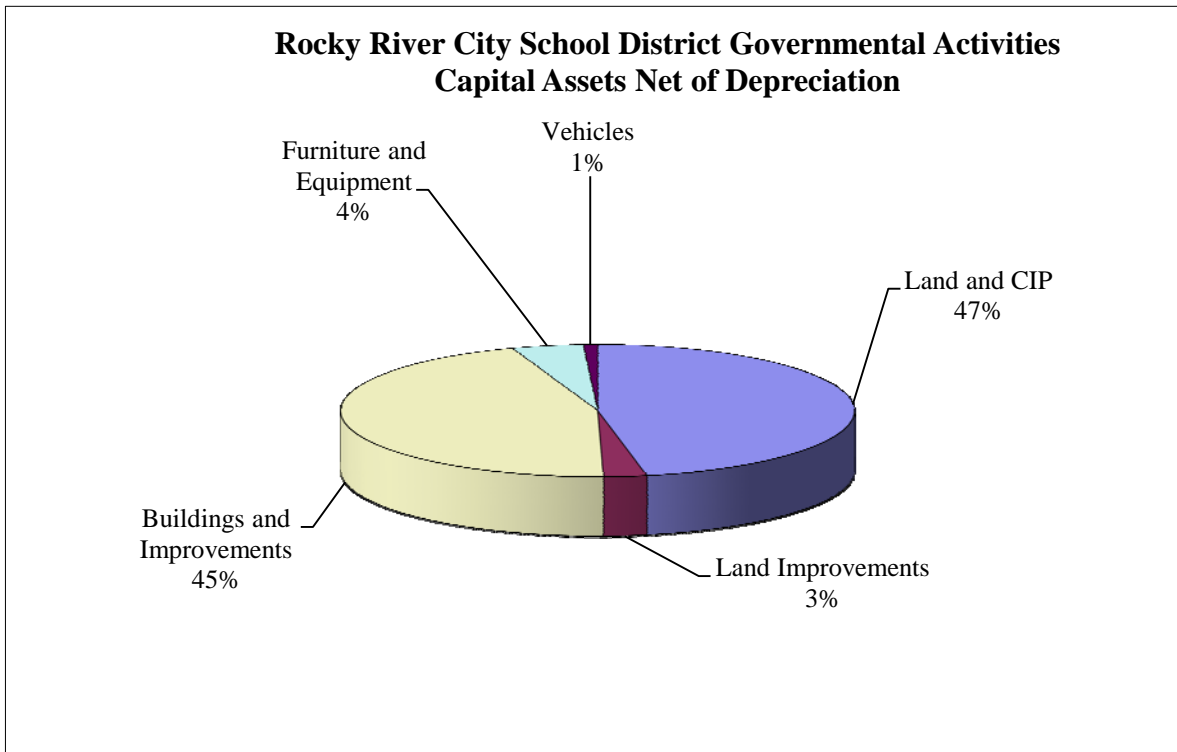
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

Total capital assets increased from \$42.6 million in 2012 to \$55.6 million for 2013. This increase was the result of capital acquisitions offsetting depreciation expense. The District acquired \$15.2 million in capital assets in fiscal 2013. For additional information on capital assets, see Note 9 to the basic financial statements.

Graph 4 below shows the governmental activities capital assets by category and the percentage to total assets for each category for capital assets, net at June 30, 2013

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

	June 30, 2013
Land and construction in progress	\$26.1
Land Improvements	1.5
Building/Improvements	25.0
Furniture/Equipment	2.5
Vehicles	0.5
Total	\$55.6



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

Debt

At June 30, 2013 the District had \$51.4 million in bonds outstanding. Table 5 below summarizes the District's bonds outstanding at June 30, 2013, 2012 and 2011.

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

	Governmental Activities		
	2013	2012	2011
School Building General Obligation Bonds	\$51.4	\$52.9	\$54.2
School Building Refunding Bonds	0.0	0.0	1.0
<i>Total</i>	<u>\$51.4</u>	<u>\$52.9</u>	<u>\$55.2</u>

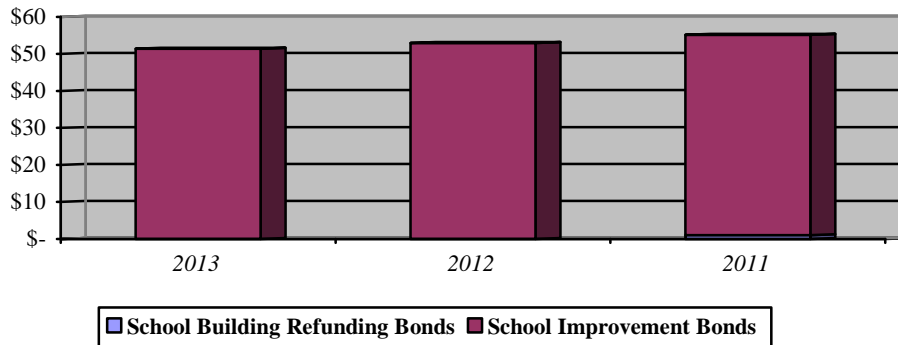
The School Building Improvement Bonds were issued following passage of the bond issue in November 1997. The bonds were issued in February 1998 in the amount of \$24.5 million. The proceeds of the issue funded the construction of the new middle school and renovations of the other facilities in the District.

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

For additional information on debt, see Note 11 to the basic financial statements. Graph 5 below shows the District's debt outstanding at June 30, 2013, 2012 and 2011.

Graph 5
Outstanding Debt at Year End

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



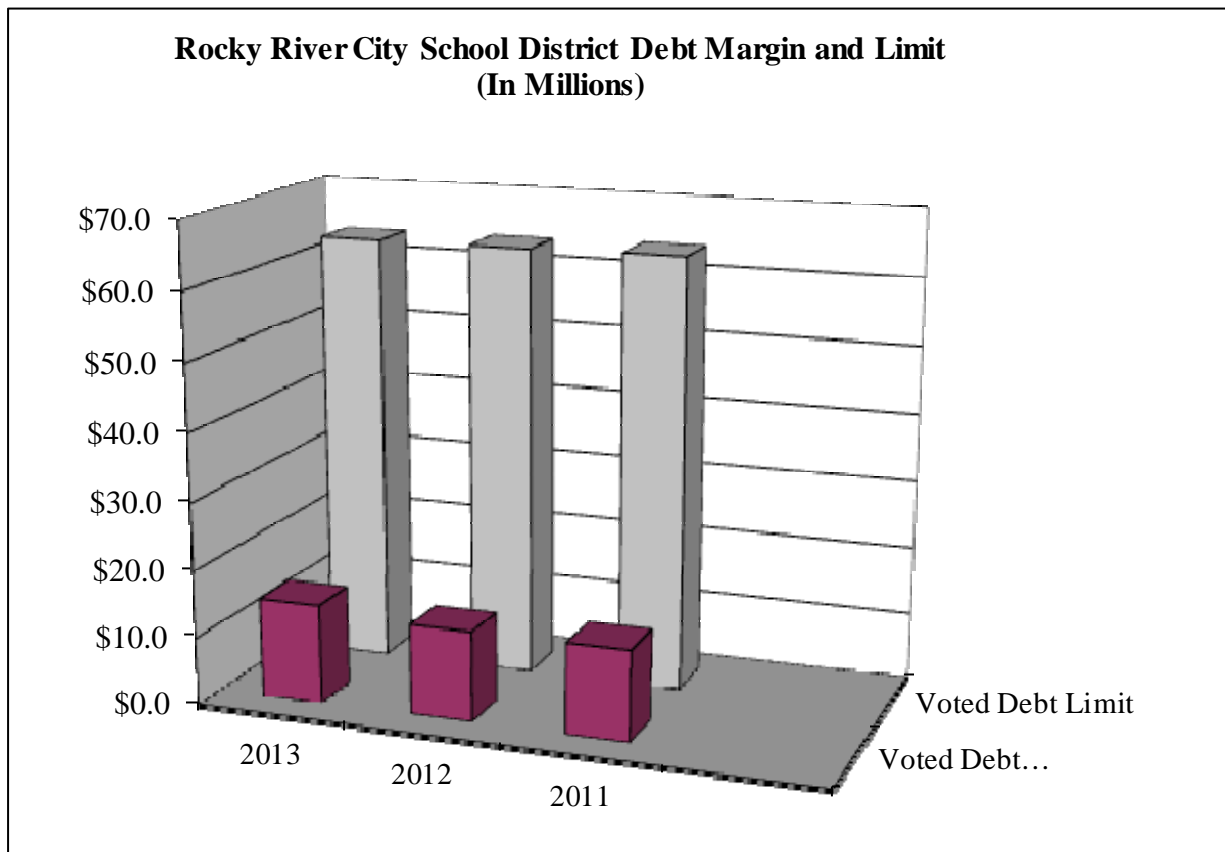
**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

Graph 6 below shows the District's legal debt limit and debt margin at June 30, 2013, 2012 and 2011.

Graph 6
Debt Limit and Margin
(In millions)

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Voted Debt Limit	\$63.5	\$63.6	\$63.9
Voted Debt Margin	14.7	13.4	13.5



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

District Outlook

The Rocky River City School District continues to experience many financial challenges based on the current state of the economy and the continued erosion of state funding support. As the preceding information shows, the District heavily depends on its property taxpayers. An operating levy of 5.9 mills was passed back in May of 2008 for a continuing period of time. That levy was planned to enable the District to continue its currently excellent education program level for a three-year levy cycle. However, with the continued emphasis on controlling costs and becoming more efficient with available resources, the District was able to stretch the planned three-year levy cycle to four years. This was in spite of a loss of over \$800,000 in State of Ohio funding (describe in more detail below) starting in July of 2012.

However, with the continued financial pressures of personnel needs to continue the level of services offered to our students, employee healthcare costs, facility needs, the continued erosion of the commercial tax base through state tax law changes detrimental to schools (e.g. the accelerated "phase out" of the personal property and public utility subsidy payments starting in fiscal year 2012) as well as commercial and residential reductions in property values leading to significant lost revenues and an increase in the amount of delinquent taxes due to the housing market and general economic downturn over the past year, this goal will be very challenging to meet. A once healthy General Fund cash balance was brought down to a dangerously low level at the end of fiscal year 2005 and did not significantly improve by the end of fiscal year 2009. The District continued to operate with a low General Fund cash balance in relation to total budget during fiscal year 2010 as well, although the District ended that year with a moderately larger unencumbered balance than it did at the end of fiscal year 2009. This trend continued to improve into fiscal year 2011 as the District ended the year slightly more than double the unencumbered balance from fiscal year 2010. As the District progressed through fiscal year 2012, it saw an additional increase in the ending unencumbered balance mainly due to an increase in delinquent tax collections during the first half of calendar year 2012.

Due to the need for additional operating funds for programming, the Board of Education placed a 5.9 mill operating levy on the March 2012 primary ballot. This levy was expected to produce an estimated \$4.2 million annually to fund the Districts educational programs and operations for the next 3 – 4 years; however, it was defeated by a very narrow margin. As a result of the levy failure, the District's Board and administrative team undertook a comprehensive re-evaluation of needs and created a plan that reduced costs and delayed some programming initiatives. As a result of this re-evaluation, the Board of Education then placed a reduced 4.9 mill operating levy on the ballot for November 2012 which ultimately passed by a wide margin. This new funding is expected to generate approximately \$3.5 million annually and is expected to carry the District through at least three additional years and, more than likely, a fourth year based on current projections.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The District continued some of the steps during fiscal year 2013 that were started back in fiscal year 2006 to stabilize the District's finances for the current fiscal year as well as for fiscal year 2014 and beyond in order to maintain and improve upon the District's educational and related programs. In March 2011, the District and both bargaining units agreed to a two-year contract for fiscal years 2012 and 2013 that did not include any base salary increases (only step increases). These agreements also called for significant concessions in health care, most notably the implementation of spousal language requiring spouses of employees to enroll in their employers' or retirement systems' insurance plan if certain conditions are met. These provisions also apply to all non-bargaining employees of the District. The District further addressed the employee health insurance expenditure area for the long-term by joining the Suburban Health Consortium as of July 1, 2010, which will enable the District to self-fund employee medical and prescription drug insurance plan with a group of 5,000+ lives. This should hopefully provide leverage in keeping annual increases to levels below general trending and even out increases when high claim years are experienced.

The District also reduced projected salary costs by hiring in certificated staff replacements at a lower placement on the teacher salary schedule wherever possible. This was significant going into fiscal year 2012 as the District had 23 employees (17 teachers, one administrator and five support staff) retire as of the end of fiscal year 2011, producing over \$700,000 in first-year savings for the District. The receipt of one-time federal monies in fiscal 2010 through the American Recovery and Reinvestment Act (ARRA) did help to fund some targeted areas such as special and remedial education. These funds continued to be used during fiscal 2011, but were eliminated for fiscal 2012, at which time funding for those programs reverted back to the District's General Fund for the most part. During October of 2012, the District's Board was able to come to an agreement with both bargaining units for a base pay freeze and an increase in the employee contribution towards health insurance premium funding rates. This pay freeze and insurance cost sharing was also extended to all non-bargaining employees.

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

The plan for the use of these funds is a comprehensive one that covers the upgrade of virtually all buildings in the District (physical plant upgrades for the primary, intermediate and high schools and technology upgrades for the middle school) with the main emphasis being placed on the renovation and expansion of Rocky River High School to meet the needs of our students in order to provide them a 21st Century education. The construction period will last approximately 42 months and has progressed through various parts of the construction phase for the high school, primary school and intermediate school as of June 2013. The construction phase for the renovated Board of Education administrative offices was substantially completed by July 15, 2011. The construction phases for Goldwood Primary School and Kensington Intermediate School were substantially completed by April, 2013 and December, 2012, respectively. The High School was substantially completed for the beginning of the 2013-14 school year in late August of 2013.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

Educationally, the District continues to perform at the highest level as determined by the State of Ohio, which is measured by an objectively defined set of criteria. The District's most recent state report card for the 2012-13 academic year shows its students having met or exceeded the minimum requirements on 24 out of 24 objective performance indicators as mandated by the State of Ohio. Further, the District tied for the third highest performance index score of all public schools in the State of Ohio at 111.5. Under the State's new report card model that assigns letter grades to various objectives, the District earned seven A's, one B and one C.

The District also continued moving forward in fiscal 2013 with its strategic plan that was adopted in June of 2009. This has been the "roadmap" that the District has used to continue to move ahead in all areas of its operation.

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

However, the revenue guarantee through fiscal 2013 was eliminated upon the adoption of Amended Substitute H.B. 153 that was signed into law on June 30, 2011. This house bill phases out the District's personal property tax reimbursement and the utility deregulation/SB3/KwH tax reimbursement revenue sources by fiscal year 2013. The impact on the District's revenues is a reduction of over \$821,748 for fiscal year 2012 and an *additional* \$445,684 in fiscal year 2013. The total reduction of revenue over four years of the District's forecast is \$3,491,956 over what was estimated based on previous law. This House Bill also removed all provisions of the "Evidenced Based Model" (EBM) that was in law previously.

On June 30, 2013, Governor Kasich signed H.B. 59 into law for the State's new biennium starting July 1, 2013. A significant piece of this legislation is the new funding model for public education. The most significant piece of the new funding model is the Core Opportunity Aid (formerly known as basic aid). Rather than using the old method of computing the state/local shares of the school funding formula (there is no longer a charge-off), the new funding system will calculate the first and main component using a per-pupil amount times the number of students (ADM) in the district. The per-pupil amounts are \$5,745 in fiscal year 2014 and \$5,800 in fiscal year 2015. This pot of money represents the district's Core Opportunity Aid (COA). The total COA is then multiplied by the new State Share Index to arrive at the state/local totals for this component of the formula.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

The new State Share Index (SSI) is a large part of what drives funding for districts. It is determined by using a school district's 3-year average valuation per pupil compared to the statewide 3-year average valuation per pupil. Median income can also be a factor for some districts. The 3-year average valuation per pupil is based on tax years 2010, 2011, and 2012. The ADM figure used for this calculation will be based on fiscal year 2014 ADM (this means that a final SSI will not be determined until the fiscal year 2014 ADM counts are finalized). The calculation for the SSI is made one time according to the bill language and applied to both years of the biennium. This means a district's SSI will be the same regardless of whether or not there are changes in valuation or ADM over the period. Changes to update this calculation in future budget cycles will need to be addressed legislatively. Rocky River's current SSI is estimated at 5.7%, which puts us in the second-lowest sub-group within the state. For perspective, there are only 18 District's out of 612 within the state that are considered wealthier based on the SSI formula.

The other areas of funding within the new formula are:

- Targeted Assistance**
 - Special Education**
 - LEP**
 - Gifted Education
 - Disadvantaged Pupils
 - K-3 Literacy
 - * Tier 1**
 - * Tier 2 (all districts receive the same per-pupil amount for this tier, regardless of wealth)
 - Career Tech**
 - Transportation**
 - Supplemental Transportation
- **Denotes components adjusted by the SSI.

There are two tiers in the Targeted Assistance component calculation. Targeted assistance is meant to supplement districts that do not have the capacity to raise funds locally for programs above a basic education (as produced through the Core Opportunity Aid).

HB 59 holds districts harmless (Transitional Aid Guarantee) from losing state funding based on what was received in fiscal year 2013 for both years of the biennium. Also, in fiscal year 2014, districts cannot receive increases over fiscal year 2013 in excess of 6.25%, or 10.5% in fiscal year 2015 (Gain Caps).

However, while the overall funding a district receives will be driven by these triggers, some components within the formula will not be adjusted proportionally. Special Education and Career Tech funding will be considered to be fully funded (the state portion) and not adjusted because of the Gain Caps (or affected by the Transitional Aid Guarantee). Since there are federal requirements for these categories of funding, it will be assumed that districts are receiving the full amount of state funding as produced by the formula for each.

This District has benefited modestly from the new funding changes and expects to do so through the end of the State's biennium at June 30, 2015, but it has still not recovered the lost funding mentioned prior.

These changes along with upcoming employee group negotiations and the increasingly difficult climate for school levy passage will be crucial issues to be dealt with by the District going forward.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)**

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors, creditors and the general public with an overview of the District's finances and to show accountability for the money it receives. If you have any questions about this report or would like additional financial information about the District, please contact Greg R. Markus, CPA, Treasurer/CFO, Rocky River City School District, 1101 Morewood Parkway, Rocky River, Ohio, 44116 or by email at Markus.Greg@rrcs.org. You may also visit the District's website at www.rrcs.org.

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

STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>
Assets:	
Equity in pooled cash and investments	\$ 14,130,815
Cash with escrow agent	265,609
Receivables:	
Property taxes	32,612,833
Accounts	38,835
Accrued interest	8,222
Intergovernmental	206,343
Materials and supplies inventory	32,657
Inventory held for resale	9,064
Capital assets:	
Nondepreciable capital assets	26,098,639
Depreciable capital assets, net	29,541,669
Capital assets, net	<u>55,640,308</u>
Total assets	<u>102,944,686</u>
Liabilities:	
Accounts payable	271,517
Contracts payable	1,162,328
Retainage payable	652,179
Accrued wages and benefits payable	2,659,896
Pension obligation payable	622,860
Intergovernmental payable	130,740
Accrued interest payable	235,862
Long-term liabilities:	
Due within one year	2,837,380
Due in more than one year	54,235,830
Total liabilities	<u>62,808,592</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	<u>27,163,284</u>
Net position:	
Net investment in capital assets	9,527,711
Restricted for:	
Debt service	2,681,951
Locally funded programs	20,420
State funded programs	831
Federally funded programs	5,947
Student activities	44,377
Other purposes	33,317
Unrestricted	658,256
Total net position	<u>\$ 12,972,810</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction:					
Regular	\$ 15,417,387	\$ 421,296	\$ 89,649	\$ 40,274	\$ (14,866,168)
Special	4,540,779	6,176	572,528	-	(3,962,075)
Vocational	524,835	-	-	-	(524,835)
Other	40,578	-	-	-	(40,578)
Support services:					
Pupil	2,161,345	141,136	240,918	-	(1,779,291)
Instructional staff	1,472,831	-	121,831	-	(1,351,000)
Board of education	33,534	-	-	-	(33,534)
Administration	1,995,774	-	-	-	(1,995,774)
Fiscal	1,011,056	3,198	-	-	(1,007,858)
Business	602,245	17,456	2,334	-	(582,455)
Operations and maintenance	3,923,545	-	9,336	-	(3,914,209)
Pupil transportation	1,791,764	54,696	119,369	-	(1,617,699)
Central	1,104,954	11,999	-	-	(1,092,955)
Operation of non-instructional services					
Food service operations	449,119	303,142	90,694	-	(55,283)
Other non-instructional services	1,583,653	27,531	1,422,990	-	(133,132)
Extracurricular activities	1,480,834	275,558	117,985	-	(1,087,291)
Interest and fiscal charges	2,932,133	-	-	-	(2,932,133)
Total governmental activities	\$ 41,066,366	\$ 1,262,188	\$ 2,787,634	\$ 40,274	(36,976,270)
General revenues:					
Property taxes levied for					
General purposes					26,812,721
Debt service					3,757,568
Grants and entitlements not restricted					
to specific programs					6,615,122
Investment earnings					64,417
Gain on sale of lease revenue					495,579
Miscellaneous					239,808
Total general revenues					37,985,215
Change in net position					1,008,945
Net position at beginning of year (restated)					11,963,865
Net position at end of year					\$ 12,972,810

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General</u>	<u>Bond Retirement</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Equity in pooled cash and investments	\$ 3,769,198	\$ 1,758,516	\$ 7,814,290	\$ 788,811	\$ 14,130,815
Cash with escrow agent	-	-	265,609	-	265,609
Receivables:					
Property taxes	28,619,377	3,993,456	-	-	32,612,833
Accounts	38,835	-	-	-	38,835
Accrued interest	4,095	-	4,063	64	8,222
Interfund loans	12,180	305,629	-	-	317,809
Intergovernmental	162,871	-	283	43,189	206,343
Materials and supplies inventory	31,784	-	-	873	32,657
Inventory held for resale	4,035	-	-	5,029	9,064
Total assets	<u>\$ 32,642,375</u>	<u>\$ 6,057,601</u>	<u>\$ 8,084,245</u>	<u>\$ 837,966</u>	<u>\$ 47,622,187</u>
Liabilities:					
Accounts payable	\$ 129,026	\$ -	\$ 74,701	\$ 67,790	\$ 271,517
Contracts payable	-	-	1,162,328	-	1,162,328
Retainage payable	-	-	652,179	-	652,179
Accrued wages and benefits payable	2,630,302	-	12	29,582	2,659,896
Compensated absences payable	841,024	-	-	-	841,024
Interfund loans payable	-	-	305,629	12,180	317,809
Intergovernmental payable	124,526	-	252	5,962	130,740
Pension obligation payable	605,552	-	2,634	14,674	622,860
Total liabilities	<u>4,330,430</u>	<u>-</u>	<u>2,197,735</u>	<u>130,188</u>	<u>6,658,353</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	23,863,571	3,299,713	-	-	27,163,284
Delinquent property tax revenue not available	1,219,067	170,176	-	-	1,389,243
Accrued interest not available	328	-	-	64	392
Intergovernmental revenue not available	-	-	-	2,064	2,064
Miscellaneous revenue not available	96,569	-	-	-	96,569
Total deferred inflows of resources	<u>25,179,535</u>	<u>3,469,889</u>	<u>-</u>	<u>2,128</u>	<u>28,651,552</u>
Fund balances:					
Nonspendable:					
Materials and supplies inventory	31,784	-	-	873	32,657
Unclaimed monies	12,327	-	-	-	12,327
Restricted:					
Debt service	-	2,587,712	-	-	2,587,712
Capital improvements	-	-	5,886,510	-	5,886,510
Food service operations	-	-	-	37,066	37,066
Non-public schools	-	-	-	828	828
Targeted academic assistance	-	-	-	5,947	5,947
Other purposes	-	-	-	20,420	20,420
Extracurricular	-	-	-	44,377	44,377
Committed:					
Capital improvements	-	-	-	602,030	602,030
Other purposes	-	-	-	215	215
Assigned:					
Student instruction	61,946	-	-	-	61,946
Student and staff support	447,790	-	-	-	447,790
Extracurricular activities	2,059	-	-	-	2,059
Facilities acquisition and construction	2,034	-	-	-	2,034
School supplies	27,928	-	-	-	27,928
Unassigned	2,546,542	-	-	(6,106)	2,540,436
Total fund balances	<u>3,132,410</u>	<u>2,587,712</u>	<u>5,886,510</u>	<u>705,650</u>	<u>12,312,282</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 32,642,375</u>	<u>\$ 6,057,601</u>	<u>\$ 8,084,245</u>	<u>\$ 837,966</u>	<u>\$ 47,622,187</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

Total governmental fund balances		\$	12,312,282
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			55,640,308
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	1,389,243	
Accounts receivable		40,000	
Accrued interest receivable		392	
Intergovernmental receivable		58,633	
Total		58,633	1,488,268
Unamortized premiums on bonds issued are not recognized in the funds.			(407,743)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(235,862)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(51,445,937)	
Lease-purchase obligations		(535,555)	
Compensated absences		(3,842,951)	
Total		(55,824,443)	(55,824,443)
Net position of governmental activities		\$	12,972,810

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Bond Retirement</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Property taxes	\$ 27,124,281	\$ 3,836,650	\$ -	\$ -	\$ 30,960,931
Tuition	84,547	-	-	-	84,547
Transportation fees	78,071	-	-	-	78,071
Earnings on investments	28,554	-	55,891	1,461	85,906
Charges for services	-	-	-	303,142	303,142
Extracurricular	16,675	-	-	273,606	290,281
Classroom materials and fees	200,480	-	-	-	200,480
Rental income	20,303	-	140,897	84,782	245,982
Contributions and donations	63,055	-	-	105,614	168,669
Contract services	116,085	-	-	-	116,085
Other local revenues	181,320	-	-	603,791	785,111
Intergovernmental - state	5,059,908	547,662	-	1,345,311	6,952,881
Intergovernmental - federal	1,126,921	-	-	1,075,421	2,202,342
Total revenues	<u>34,100,200</u>	<u>4,384,312</u>	<u>196,788</u>	<u>3,793,128</u>	<u>42,474,428</u>
Expenditures:					
Current:					
Instruction:					
Regular	14,588,814	-	696,005	88,027	15,372,846
Special	3,768,477	-	-	566,426	4,334,903
Vocational	509,236	-	-	-	509,236
Other	39,439	-	-	-	39,439
Support services:					
Pupil	1,982,705	-	-	211,921	2,194,626
Instructional staff	1,298,522	-	-	121,262	1,419,784
Board of education	32,012	-	-	-	32,012
Administration	1,880,084	-	-	-	1,880,084
Fiscal	895,213	60,445	18,509	-	974,167
Business	494,771	-	101,042	1,712	597,525
Operations and maintenance	3,642,982	-	-	6,849	3,649,831
Pupil transportation	1,632,831	-	-	2,783	1,635,614
Central	763,930	-	-	2,566	766,496
Operation of non-instructional services:					
Food service operations	-	-	-	419,234	419,234
Other operation of non-instructional	42,015	-	-	1,585,716	1,627,731
Extracurricular activities	1,030,105	-	-	466,876	1,496,981
Facilities acquisition and construction	-	-	14,255,642	17,948	14,273,590
Debt service:					
Principal retirement	308,871	1,450,000	-	-	1,758,871
Interest and fiscal charges	8,105	2,910,189	3,628	-	2,921,922
Total expenditures	<u>32,918,112</u>	<u>4,420,634</u>	<u>15,074,826</u>	<u>3,491,320</u>	<u>55,904,892</u>
Excess of revenues over (under) expenditures	<u>1,182,088</u>	<u>(36,322)</u>	<u>(14,878,038)</u>	<u>301,808</u>	<u>(13,430,464)</u>
Other financing sources (uses):					
Sale of capital assets	1,820	-	-	-	1,820
Transfers in	-	-	-	60,000	60,000
Transfers (out)	(60,000)	-	-	-	(60,000)
Inception of lease-purchase transaction	-	-	725,000	-	725,000
Total other financing sources (uses)	<u>(58,180)</u>	<u>-</u>	<u>725,000</u>	<u>60,000</u>	<u>726,820</u>
Net change in fund balances	1,123,908	(36,322)	(14,153,038)	361,808	(12,703,644)
Fund balances at beginning of year	<u>2,008,502</u>	<u>2,624,034</u>	<u>20,039,548</u>	<u>343,842</u>	<u>25,015,926</u>
Fund balances at end of year	<u>\$ 3,132,410</u>	<u>\$ 2,587,712</u>	<u>\$ 5,886,510</u>	<u>\$ 705,650</u>	<u>\$ 12,312,282</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds \$ (12,703,644)

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

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

Capital asset additions	\$ 15,119,412	
Current year depreciation	(2,149,440)	
Total		12,969,972

Contributed capital assets are not reported in the funds 40,274

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position. (3,802)

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

Property taxes	(390,642)	
Earnings on investments	(21,026)	
Other local revenues	40,213	
Rental income	(55,000)	
Intergovernmental	2,064	
Total		(424,391)

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

Bonds	1,450,000	
Capital leases	308,871	
Total		1,758,871

The inception of a lease-purchase obligation is recorded as other financing sources in the funds; however, in the statement of activities, it is not reported as revenue as it increase liabilities on the statement of net position. (725,000)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:

(Increase) decrease in accrued interest payable	6,656	
Accreted interest on capital appreciation bonds	(29,851)	
Amortization of bond premiums	12,984	
Total		(10,211)

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

106,876

Change in net position of governmental activities \$ 1,008,945

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
From local sources:				
Property taxes	\$ 24,849,600	\$ 26,556,821	\$ 26,859,931	\$ 303,110
Tuition	90,000	90,000	78,902	(11,098)
Transportation fees	-	-	49,439	49,439
Earnings on investments	70,000	70,000	34,310	(35,690)
Classroom materials and fees	60,985	60,985	25,098	(35,887)
Rental income	80,000	46,533	60,074	13,541
Contributions and donations	-	12,000	12,646	646
Contract services	90,000	104,958	117,488	12,530
Other local revenues	4,013	4,014	12,448	8,434
Intergovernmental - state	4,727,195	4,974,784	4,998,470	23,686
Intergovernmental - federal	1,167,684	1,116,890	1,126,457	9,567
Total revenues	<u>31,139,477</u>	<u>33,036,985</u>	<u>33,375,263</u>	<u>338,278</u>
Expenditures:				
Current:				
Instruction:				
Regular	14,642,569	15,155,985	15,098,974	57,011
Special	3,637,977	3,789,810	3,759,810	30,000
Vocational	515,000	509,236	509,236	-
Other	23,185	39,482	39,482	-
Support services:				
Pupil	1,930,528	1,836,571	1,829,547	7,024
Instructional staff	1,209,458	1,296,260	1,296,270	(10)
Board of education	33,078	31,620	31,620	-
Administration	1,912,842	1,871,860	1,862,514	9,346
Fiscal	946,146	913,305	902,734	10,571
Business	434,546	512,838	512,838	-
Operations and maintenance	3,456,283	3,763,882	3,736,707	27,175
Pupil transportation	1,754,932	1,759,997	1,709,110	50,887
Central	751,801	698,243	690,867	7,376
Other operation of non-instructional services	31,713	-	-	-
Extracurricular activities	818,736	1,021,389	1,021,389	-
Facilities acquisition and construction	-	2,034	2,034	-
Debt service:				
Principal	40,000	40,000	40,000	-
Total expenditures	<u>32,138,794</u>	<u>33,242,512</u>	<u>33,043,132</u>	<u>199,380</u>
Excess of revenues over (under) expenditures	(999,317)	(205,527)	332,131	537,658
Other financing sources (uses):				
Refund of prior year's expenditures	-	18,008	95,017	77,009
Transfers (out)	(30,000)	(60,000)	(60,000)	-
Sale of capital assets	5,000	2,440	13,746	11,306
Total other financing sources (uses)	<u>(25,000)</u>	<u>(39,552)</u>	<u>48,763</u>	<u>88,315</u>
Net change in fund balance	(1,024,317)	(245,079)	380,894	625,973
Fund balance at beginning of year	2,414,783	2,414,783	2,414,783	-
Prior year encumbrances appropriated	329,920	329,920	329,920	-
Fund balance at end of year	<u>\$ 1,720,386</u>	<u>\$ 2,499,624</u>	<u>\$ 3,125,597</u>	<u>\$ 625,973</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and investments	\$ 10,527	\$ 129,656
Receivables:		
Accounts	-	3,840
Accrued interest.	1	11
Total assets.	10,528	\$ 133,507
Liabilities:		
Accounts payable.	-	\$ 1,048
Intergovernmental payable	-	12,277
Due to students.	-	120,182
Total liabilities	-	\$ 133,507
Net position:		
Held in trust for scholarships	10,528	
Total net position.	\$ 10,528	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Private-Purpose Trust
	Scholarship
Additions:	
Gifts and contributions	\$ 17,866
Total additions	17,866
 Deductions:	
Scholarships awarded	22,452
Change in net position	(4,586)
Net position at beginning of year	15,114
Net position at end of year	\$ 10,528

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District is located in a suburban area west of Cleveland, Ohio. It is located in Cuyahoga County, and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. It is staffed by 194 certified, 150 non-certified and 18 administrative personnel who provide services to 2,635 students and other community members. The District currently operates a primary school, an intermediate school, a middle school and a high school.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

RELATED ORGANIZATION

Rocky River Public Library

The Rocky River Public Library (the "Library") is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. The Library did not receive any funding from the District during fiscal year 2013. Financial information can be obtained from the Rocky River Public Library, Gary Hawkinson Clerk/Treasurer, at 1600 Hampton, Rocky River, Ohio 44116.

JOINTLY GOVERNED ORGANIZATIONS

North Coast Council

The District is a member of the North Coast Council (NCC) which was formed when the Lakeshore Northeast Ohio Computer Association and the Lake Erie Educational Computer Association merged during fiscal year 2013. NCC was organized for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among 34 member districts. Each of the governments of these schools supports the NCC based on a per pupil charge. The District contributed \$82,986 to NCC during fiscal year 2013. NCC is governed by a nine member Board of Directors consisting of superintendents from member school districts. Financial information can be obtained by contacting the Treasurer at the Cuyahoga County Educational Service Center, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

Ohio Schools Council Association

The Ohio Schools Council Association (the "Council") is a jointly governed organization comprised of one hundred and fifty-seven member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2013, the District paid participation fees of \$2,356 to the Council. Financial information can be obtained by contacting David Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

The District participates in the Council's Energy for Education III Program. This program allows school districts in the FirstEnergy Territory (Cleveland Electric Illuminating, Ohio Edison, Toledo Edison) to purchase electricity at reduced rates, if the school districts commit to participating in the program for a twenty month period of time. The current contract expires May 31, 2014. Under the program, participating school districts will continue to receive their electricity from their local utility and their monthly bill will include an electric supply cost. Duke Energy Retail Sales, LLC is the electric supplier for the Energy for Education III Program. There are currently 110 school districts participating in the Energy for Education III Program.

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

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

INSURANCE PURCHASING POOL

Suburban Health Consortium

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Orange 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 Greg Slemons, Treasurer of the Orange City School District (the "Fiscal Agent") at 32000 Chagrin Blvd, Cleveland, Ohio 44124-5922.

Ohio Schools' Council Workers' Compensation Group Rating Program

The Ohio Schools' Council Workers' Compensation Group Rating Program (the "Plan") is an insurance purchasing pool (see Note 13.C.). The plan is intended to reduce premiums for the participants. The Worker's Compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan.

B. Fund Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

GOVERNMENTAL FUNDS

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

The following are the District's major governmental funds:

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

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

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

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

PROPRIETARY FUNDS

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

FIDUCIARY FUNDS

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

C. Basis of Presentation and Measurement Focus

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

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

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

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

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

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

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

D. Basis of Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

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

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

Deferred Inflows of Resources and Deferred Outflows of Resources - A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations, and other revenues received in advance of the fiscal year for which they were intended to finance, have been recorded as deferred inflows. Earnings on investments, miscellaneous revenues and grants not received within the available period, grants and entitlements received before the eligibility requirements are met, and delinquent property taxes due at June 30, 2013, are recorded as deferred inflows on the governmental fund financial statements.

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

E. Budgetary Process

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

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

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements. In addition, the District had money held by Huntington National Bank as escrow agent related to a lease-purchase obligation entered into during fiscal year 2013 (see Note 8). The money held by the escrow agent is reported as "cash with escrow agent" on the financial statements.

During fiscal year 2013, investments were limited to non-negotiable certificates of deposit, Federal Home Loan Bank (FHLB) bonds, Federal Farm Credit Bank (FFCB) bonds, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2013. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2013.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2013 amounted to \$28,554 which includes \$12,296 assigned from other District funds.

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

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

G. Inventory

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

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

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

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

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable” and “interfund loans payable.” These amounts are eliminated in the governmental column of the statement of net position. At fiscal year end, the District had \$305,629 in interfund loans receivable/payable related to internal borrowings (manuscript bonds) between governmental funds and \$12,180 in interfund loans receivable/payable related to negative cash balance in a certain nonmajor governmental fund (See Note 5).

J. Interfund Activity

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

K. Compensated Absences

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2013, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Fund Balance

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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

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

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

N. Non-public Schools

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

O. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for food service operations.

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

P. Estimates

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

Q. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2013.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2013, the District has implemented GASB Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements", GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34", GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements", GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position", GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", and GASB Statement No. 66, "Technical Corrections-2012".

GASB Statement No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. An SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The implementation of GASB Statement No. 60 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. The Statement amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. Finally, the Statement also clarifies the reporting of equity interests in legally separate organizations. The implementation of GASB Statement No. 61 did not have an effect on the financial statements of the District.

GASB Statement No. 62 codifies accounting and financial reporting guidance contained in pre-November 30, 1989 FASB and AICPA pronouncements in an effort to codify all sources of GAAP for State and local governments so that they derive from a single source. The implementation of GASB Statement No. 62 did not have an effect on the financial statements of the District.

GASB Statement No. 63 provides financial and reporting guidance for *deferred outflows of resources* and *deferred inflows of resources* which are financial statement elements that are distinct from assets and liabilities. GASB Statement No. 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's *net position*. The implementation of GASB Statement No. 63 has changed the presentation of the District's financial statements to incorporate the concepts of net position, deferred outflows of resources and deferred inflows of resources.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as *deferred outflows of resources* or *deferred inflows of resources*, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements *deferred outflows of resources* and *deferred inflows of resources*, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. For the District, the implementation of GASB Statement No. 65 has changed (1) the classification of certain items, including the deferral of property taxes levied for the subsequent fiscal year, previously reported as liabilities to *deferred inflows of resources*, (2) the reporting of debt issuance costs to an expense in the period incurred rather than amortized over the term of the related debt issuance and (3) net assets of the District as previously reported to remove unamortized bond issuance costs previously reported. The implementation of GASB Statement No. 65 had the following effect on net assets as previously reported:

	Governmental Activities
Net assets, June 30, 2012	\$ 12,376,734
Removal of unamortized bond issuance costs	(412,869)
Net position at July 1, 2012	\$ 11,963,865

GASB Statement No. 66 improves accounting and financial reporting by resolving conflicting guidance that resulted from the issuance of two pronouncements; GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA pronouncements". The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the District.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2013 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Race to the Top	\$ (13)
IDEA Part B	(6,093)

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

A. Cash with Escrow Agent

At June 30, 2013, the District had \$265,609 held by Huntington National Bank as escrow agent related to a lease-purchase obligation entered into during fiscal year 2013 (see Note 8). This amount is not included in "Deposits with Financial Institutions" below.

B. Deposits with Financial Institutions

At June 30, 2013, the carrying amount of all District deposits, including \$1,460,000 in non-negotiable certificates of deposit, was \$12,049,366. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2013, \$10,351,176 of the District's bank balance of \$12,904,165 was exposed to custodial risk as discussed below, while \$2,552,989 was covered by the FDIC.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

C. Investments

As of June 30, 2013, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>6 months or less</u>	<u>Greater than 24 months</u>
FFCB	\$ 995,080	\$ -	\$ 995,080
FHLB	995,020	-	995,020
STAR Ohio	<u>231,532</u>	<u>231,532</u>	<u>-</u>
Total	<u>\$ 2,221,632</u>	<u>\$ 231,532</u>	<u>\$ 1,990,100</u>

The weighted average maturity of investments is 2.37 years.

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

Credit Risk: The District's investments in FFCB and FHLB securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. STAR Ohio was rated AAAM by Standard & Poor's. The District has no investment policy that would further limit its investment choices.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The FFCB and FHLB securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2013:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FFCB	\$ 995,080	44.79
FHLB	995,020	44.79
STAR Ohio	<u>231,532</u>	<u>10.42</u>
	<u>\$ 2,221,632</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2013:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 12,049,366
Investments	2,221,632
Cash with escrow agent	<u>265,609</u>
Total	<u>\$ 14,536,607</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 14,396,424
Private-purpose trust fund	10,527
Agency fund	<u>129,656</u>
Total	<u>\$ 14,536,607</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable consisted of the following at June 30, 2013, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
Bond Retirement	Building	\$ 305,629
General	Nonmajor governmental	<u>12,180</u>
Total		<u>\$ 317,809</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

- B.** Interfund transfers for the year ended June 30, 2013, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from general fund to:</u>	
Nonmajor governmental fund	\$ 60,000

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2013 represent the collection of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed values as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2013 represent the collection of calendar year 2012 taxes. Public utility real and personal property taxes received in calendar year 2013 became a lien on December 31, 2011, were levied after April 1, 2012, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available as an advance at June 30, 2013 was \$3,524,810 in the general fund and \$523,567 in the bond retirement fund. This amount is recorded as revenue. The amount available for advance at June 30, 2012 was \$3,271,789 in the general fund and \$532,802 in the bond retirement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2013 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second Half Collections		2013 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 699,829,940	98.99	\$ 697,315,460	98.90
Public utility personal	<u>7,105,100</u>	<u>1.01</u>	<u>7,754,640</u>	<u>1.10</u>
Total	<u>\$ 706,935,040</u>	<u>100.00</u>	<u>\$ 705,070,100</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 84.35		\$ 89.45	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2013 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	\$ 32,612,833
Accounts	38,835
Intergovernmental	206,343
Accrued interest	<u>8,222</u>
Total governmental activities	<u>\$ 32,866,233</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 8 - LEASE-PURCHASE OBLIGATIONS

During fiscal year 2013, the District entered into lease-purchase agreements with Huntington Public Capital Corporation to finance the acquisition of computers. Lease payments made under the lease-purchase agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the lease-purchase is \$725,000. As of June 30, 2013, The District had \$265,609 held by an escrow agent related to the lease-purchase. The lease-purchase agreement bears an interest rate of 1.20%.

During fiscal year 2011, the District entered into lease-purchase agreements with Key Government Finance, Inc. to finance the acquisition of computers. Lease payments made under the lease-purchase agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The lease-purchase agreement bears an interest rate of 4.47%.

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

Capital assets consisting of computers have been capitalized in the amount of \$881,209. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal and interest payments in fiscal year 2013 of \$308,871 and \$8,105, respectively, were paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreements based upon total allowable borrowings and the present value of the future minimum lease payments as of June 30, 2013 based upon amounts actually drawn:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 298,981
2015	<u>245,296</u>
Total minimum lease payments	544,277
Less amount representing interest	<u>(8,722)</u>
Total obligation at June 30, 2013	<u>\$ 535,555</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 770,821	\$ -	\$ -	\$ 770,821
Construction in progress	<u>18,357,047</u>	<u>13,680,701</u>	<u>(6,709,930)</u>	<u>25,327,818</u>
Total capital assets, not being depreciated	<u>19,127,868</u>	<u>13,680,701</u>	<u>(6,709,930)</u>	<u>26,098,639</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,356,883	442,026	-	2,798,909
Building/improvements	47,947,410	6,368,336	-	54,315,746
Furniture/equipment	5,631,001	1,378,553	(1,593)	7,007,961
Vehicles	<u>1,688,467</u>	<u>-</u>	<u>(38,018)</u>	<u>1,650,449</u>
Total capital assets, being depreciated	<u>57,623,761</u>	<u>8,188,915</u>	<u>(39,611)</u>	<u>65,773,065</u>
<i>Accumulated depreciation:</i>				
Land improvements	(1,193,076)	(69,571)	-	(1,262,647)
Building/improvements	(27,803,638)	(1,461,086)	-	(29,264,724)
Furniture/equipment	(3,995,042)	(537,995)	1,593	(4,531,444)
Vehicles	<u>(1,126,009)</u>	<u>(80,788)</u>	<u>34,216</u>	<u>(1,172,581)</u>
Total accumulated depreciation	<u>(34,117,765)</u>	<u>(2,149,440)</u>	<u>35,809</u>	<u>(36,231,396)</u>
Governmental activities capital assets, net	<u>\$ 42,633,864</u>	<u>\$ 19,720,176</u>	<u>\$(6,713,732)</u>	<u>\$ 55,640,308</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction:		
Regular	\$	995,778
Special		142,488
Vocational		15,599
Other		1,139
Support Services:		
Pupil		67,185
Instructional staff		41,487
Board of education		1,522
Administration		59,634
Fiscal		30,091
Business		19,556
Operations and maintenance		137,862
Pupil transportation		137,401
Central		283,342
Operation of non-instructional:		
Food service operations		25,259
Other non-instructional services		86,615
Extracurricular activities		104,482
Total depreciation expense	\$	<u>2,149,440</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 10 - CONTRACTUAL COMMITMENTS

As of June 30, 2013, the District had the following contractual purchase commitments outstanding relating to the District's construction projects:

<u>Contractor</u>	<u>Amount</u>
AAA American Abatement	\$ 16,586
Apple, Inc.	46,364
Bailey Communications, Inc.	21,305
Boak & Sons, Inc.	25,714
Building Technicians	314,370
Stantec	145,576
Castle Heating & Air, Inc.	959,069
Digital Security Systems, Inc	99,682
Electro-Analytical	18,769
Fire Protection, Inc.	122,336
Harner Plumbing, Inc.	190,410
Lake Erie Electric, Inc.	576,859
Martin Public Seating, Inc.	151,487
MFC LLC PTR	14,000
Mid-West Telephone	200,092
Mosser Construction, Inc.	2,505,408
Ohio Paving & Construction, Inc.	777,036
P K Mechanical, Inc.	111,174
Precision Environmental	56,968
Project And Construction Services	375,331
Soil And Materials	22,615
Sound Com Corp.	81,874
South Shore Electric, Inc.	25,404
The Miller Plumbing & Heating Co.	<u>17,870</u>
Total	<u>\$ 6,876,299</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 11 - LONG-TERM OBLIGATIONS

A. The following is a schedule of the changes in long-term obligations during fiscal year 2013:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds:					
Series 2010 school improvement:					
Current interest bonds	\$ 42,475,000	\$ -	\$ (5,000)	\$ 42,470,000	\$ 5,000
Capital appreciation bonds	420,000	-	-	420,000	-
Accretion on capital appreciation bonds	46,086	29,851	-	75,937	-
Series 1998 school improvement:					
Current interest bonds	<u>9,925,000</u>	<u>-</u>	<u>(1,445,000)</u>	<u>8,480,000</u>	<u>1,525,000</u>
Total general obligation bonds	<u>52,866,086</u>	<u>29,851</u>	<u>(1,450,000)</u>	<u>51,445,937</u>	<u>1,530,000</u>
Lease-purchase obligations	119,426	725,000	(308,871)	535,555	292,450
Compensated absences	<u>4,834,268</u>	<u>881,912</u>	<u>(1,032,205)</u>	<u>4,683,975</u>	<u>1,014,930</u>
Total governmental activities long-term liabilities	57,819,780	<u>\$ 1,636,763</u>	<u>\$ (2,791,076)</u>	56,665,467	<u>\$ 2,837,380</u>
Add: Unamortized premiums on bonds	<u>420,727</u>			<u>407,743</u>	
Total on statement of net position	<u>\$ 58,240,507</u>			<u>\$ 57,073,210</u>	

School Improvement Bonds - Series 2010

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

The capital appreciation bonds mature on December 1, 2027 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The effective interest rate on the capital appreciation bonds is 6.305%. The accreted value at maturity for the capital appreciation bond is \$1,220,000. Total accreted interest of \$75,937 has been included in the statement of net position at June 30, 2013.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

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

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

School Improvement Bonds - Series 1998

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

Compensated Absences

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

Lease-Purchase Obligations

The lease-purchase obligations will be repaid from the general fund and the permanent improvement fund (a nonmajor governmental fund). See Note 8 for further detail on the District's lease-purchase obligations.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. The following is a summary of the future debt service requirements, including mandatory sinking fund requirements, to retire bonded debt:

Fiscal Year Ending	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 1,530,000	\$ 2,830,308	\$ 4,360,308	\$ -	\$ -	\$ -
2015	1,610,000	2,746,114	4,356,114	-	-	-
2016	2,715,000	2,642,149	5,357,149	-	-	-
2017	2,840,000	2,512,318	5,352,318	-	-	-
2018	2,990,000	2,380,455	5,370,455	-	-	-
2019 - 2023	5,950,000	11,588,145	17,538,145	-	-	-
2024 - 2028	4,815,000	10,732,159	15,547,159	420,000	800,000	1,220,000
2029 - 2033	6,545,000	7,837,891	14,382,891	-	-	-
2034 - 2038	7,895,000	5,711,695	13,606,695	-	-	-
2039 - 2043	9,630,000	2,976,039	12,606,039	-	-	-
2044 - 2045	4,430,000	283,358	4,713,358	-	-	-
Total	<u>\$ 50,950,000</u>	<u>\$ 52,240,631</u>	<u>\$ 103,190,631</u>	<u>\$ 420,000</u>	<u>\$ 800,000</u>	<u>\$ 1,220,000</u>

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The Code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2013, are a voted debt margin of \$14,674,021 (including available funds of \$2,587,712) and an unvoted debt margin of \$665,070.

NOTE 12 - COMPENSATED ABSENCES

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 12 - COMPENSATED ABSENCES - (Continued)

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 13 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2013, the District contracted with various insurance companies through the Ohio Schools Council insurance program. Netherlands Insurance provides property, inland marine and crime insurance coverage. There is a \$5,000 deductible on building and contents, along with a \$500 deductible for crime insurance. The boiler and machinery coverage is provided by Travelers Insurance Company. The coverage provides a \$50,000,000 limit and a \$1,000 deductible.

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

Building and Contents- replacement cost	\$ 112,790,000
Boiler and Machinery	50,000,000
Automobile Liability	1,000,000
General Liability	
Per occurrence	1,000,000
General Aggregate	2,000,000
Umbrella	10,000,000

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

B. Group Health, Dental, Life and Vision Insurance

For fiscal year 2013, the District provided employee major medical, hospitalization and preventative care and prescription benefits through a self- insured program through the Suburban Health Consortium and administered by Medical Mutual of Ohio and Express Scripts, Inc. The Suburban Health Consortium (the "Consortium") is a legally separate entity organized under Ohio Revised Code Section 9.833 as a joint self-insurance pool (see Note 2.A). The Consortium was established on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and/or reducing costs of group health, life, dental and/or other insurance coverage for their employees and the eligible dependents and designated beneficiaries of such employees. This plan is provided through a PPO (preferred provider organization) with a co-insurance level of 90% subject to annual maximum out-of-pocket limits if they choose an in-network provider for services. The plan allows for an employee to choose a provider outside of the network subject to an annual deductible of \$200 for a single plan and \$400 for a family plan along with a co-insurance level of 70% subject to annual maximum out-of-pocket limits. The District was responsible for 89% of the funding rate (11% is employee portion of the funding rate contribution) of \$1,177.16 as of October 1, 2012, for family coverage and \$582.35 for single coverage per month for all full-time equivalent (FTE) staff. Any employee who is scheduled to work at a FTE below 1.0 but greater than 0.5 is eligible for this coverage, but they are required to pay the difference in premium based on the difference between 1.0 and their scheduled FTE on top of the aforementioned 11% employee premium contribution. The funding rate is generally paid by the fund that pays the salary for the employee.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 13 - RISK MANAGEMENT - (Continued)

The District also provides employee dental benefits through a fully insured insurance program administered by United Health Care that offers different levels of coverage through two plan structures. One plan is based on UCR (usual, customary and reasonable) that offers a higher level of coverage than the other plan, which is a fee schedule plan that pays a predetermined amount for various covered procedures. These plans provide dental benefits with a \$50 family and \$25 single deductible per year. As of October 1, 2012, premium rates were \$123.45 for a family plan and \$37.08 for a single plan per employee per month for the UCR (“Buy-Up”) plan for all certificated, classified and administrative staff. The District is responsible for 60% of these premiums for all employees who choose this option with exception of administrators for whom the District pays 100% of these premiums. The employee is responsible for the other 40%. As of October 1, 2012, premium rates were \$84.47 for a family plan and \$25.37 for a single plan per employee per month for the fee schedule (“Core”) plan for all certificated and classified staff who choose this option. The District is responsible for 80% of these premiums and the employee is responsible for the other 20% for all employees who choose this option. Any employee who is scheduled to work at a FTE below 1.0 but greater than 0.5 is eligible for this coverage, but they are required to pay the difference in premium based on the difference between 1.0 and their scheduled FTE on top of the 40% UCR plan/20% fee schedule plan employee premium contribution. The premium is generally paid by the fund that pays the salary for the employee.

A group life with accidental death and dismemberment insurance plan through Guardian Life is maintained for all employees who are scheduled to work at least a 0.5 FTE basis. The dollar amount of coverage ranges from \$30,000 - \$50,000 and is based on an employee’s position within the District. The entire premium cost of \$0.105 per \$1,000 of coverage per month is paid by the District. The Superintendent and Treasurer are covered for higher limits at comparable rates.

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

C. Workers’ Compensation Program

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 14 - PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2013, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$580,007, \$577,781 and \$542,013, respectively; 74.25 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

B. State Teachers Retirement System of Ohio

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 14 - PENSION PLANS - (Continued)

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

Funding Policy - For fiscal year 2013, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012 and 2011 were \$2,041,123, \$2,005,911 and \$1,990,622, respectively; 83.55 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. Contributions to the DC and Combined Plans for fiscal year 2013 were \$73,683 made by the District and \$52,631 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2013, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

NOTE 15 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income and the SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, 0.16 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the actuarially determined amount was \$20,525.

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

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2013, 2012 and 2011 were \$89,165, \$89,525 and \$131,627, respectively; 74.25 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$34,252, \$34,121 and \$34,880, respectively; 74.25 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2013, 2012 and 2011 were \$157,009, \$154,301 and \$153,125, respectively; 83.55 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 16 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

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

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 380,894
Net adjustment for revenue accruals	381,314
Net adjustment for expenditure accruals	94,412
Net adjustment for other sources/uses	(106,943)
Funds budgeted elsewhere	3,973
Adjustment for encumbrances	370,258
GAAP basis	<u>\$ 1,123,908</u>

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

NOTE 18 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2012	\$ -
Current year set-aside requirement	438,531
Current year qualifying expenditures	(732,344)
Total	\$ (293,813)
Balance carried forward to fiscal year 2014	\$ -
Set-aside balance June 30, 2013	\$ -

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 19 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 274,022
Building	5,783,992
Other governmental	<u>34,408</u>
Total	<u>\$ 6,092,422</u>

NOTE 20 – SIGNIFICANT SUBSEQUENT EVENTS

On July 15, 2013, the District entered into a lease-purchase agreement for the acquisition of computers and related equipment. The present value of the future minimum lease payments under the lease-purchase obligation is \$99,212.

In August 2013, the District issued bus acquisition notes (manuscript notes) in the amount of \$382,300 for the acquisition of five school buses.

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES
SUPPLEMENTAL INFORMATION

ROCKY RIVER CITY SCHOOL DISTRICT

MAJOR FUNDS

General Fund

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

OTHER MAJOR FUNDS

Bond Retirement Fund

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

Building Fund

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 24,849,600	\$ 26,556,821	\$ 26,859,931	\$ 303,110
Tuition	90,000	90,000	78,902	(11,098)
Transportation	-	-	49,439	49,439
Earnings on investments	70,000	70,000	34,310	(35,690)
Classroom materials and fees	60,985	60,985	25,098	(35,887)
Rentals	80,000	46,533	60,074	13,541
Contributions and donations	-	12,000	12,646	646
Contract services	90,000	104,958	117,488	12,530
Other local revenues	4,013	4,014	12,448	8,434
Intergovernmental - State	4,727,195	4,974,784	4,998,470	23,686
Intergovernmental - federal	1,167,684	1,116,890	1,126,457	9,567
<i>Total revenues.</i>	<u>31,139,477</u>	<u>33,036,985</u>	<u>33,375,263</u>	<u>338,278</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	9,956,809	9,902,293	9,902,293	-
Fringe benefits	3,769,815	3,613,472	3,587,734	25,738
Purchased services	449,014	890,387	890,387	-
Materials and supplies	304,342	398,969	396,863	2,106
Capital outlay	112,659	317,770	288,603	29,167
Other	49,930	33,094	33,094	-
<i>Total instruction-regular.</i>	<u>14,642,569</u>	<u>15,155,985</u>	<u>15,098,974</u>	<u>57,011</u>
Instruction-special:				
Salaries and wages	2,442,519	2,580,001	2,580,001	-
Fringe benefits	840,349	809,970	809,970	-
Purchased services	334,428	389,807	359,807	30,000
Materials and supplies	13,681	7,509	7,509	-
Capital outlay	7,000	2,523	2,523	-
<i>Total instruction-special</i>	<u>3,637,977</u>	<u>3,789,810</u>	<u>3,759,810</u>	<u>30,000</u>
Instruction-vocational:				
Purchased services	515,000	509,236	509,236	-
<i>Total instruction-vocational</i>	<u>515,000</u>	<u>509,236</u>	<u>509,236</u>	<u>-</u>
Instruction-other:				
Salaries and wages	14,857	34,452	34,452	-
Fringe benefits	8,328	5,030	5,030	-
<i>Total instruction-other</i>	<u>23,185</u>	<u>39,482</u>	<u>39,482</u>	<u>-</u>
Support services-pupil:				
Salaries and wages	1,263,908	1,192,825	1,192,825	-
Fringe benefits	369,798	347,063	340,039	7,024
Purchased services	249,340	274,099	274,099	-
Materials and supplies	46,576	21,763	21,763	-
Capital outlay	-	75	75	-
Other	906	746	746	-
<i>Total support services-pupil</i>	<u>1,930,528</u>	<u>1,836,571</u>	<u>1,829,547</u>	<u>7,024</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-instructional staff:				
Salaries and wages	\$ 772,017	\$ 822,332	\$ 822,332	\$ -
Fringe benefits	369,260	391,076	391,086	(10)
Purchased services	56,997	62,309	62,309	-
Materials and supplies.	11,149	16,516	16,516	-
Capital outlay	-	3,999	3,999	-
Other	35	28	28	-
Total support services-instructional staff	1,209,458	1,296,260	1,296,270	(10)
Support services-board of education:				
Salaries and wages	12,500	12,500	12,500	-
Fringe benefits	105	2,570	2,570	-
Purchased services	8,732	4,940	4,940	-
Materials and supplies.	222	207	207	-
Other	11,519	11,403	11,403	-
Total support services-board of education	33,078	31,620	31,620	-
Support services-administration:				
Salaries and wages	1,343,635	1,338,802	1,338,802	-
Fringe benefits	547,012	504,559	495,213	9,346
Purchased services	10,227	14,003	14,003	-
Materials and supplies.	5,906	5,510	5,510	-
Capital outlay	2,058	5,659	5,659	-
Other	4,004	3,327	3,327	-
Total support services-administration.	1,912,842	1,871,860	1,862,514	9,346
Support services-fiscal:				
Salaries and wages	207,683	250,728	250,728	-
Fringe benefits	133,618	101,806	101,806	-
Purchased services	68,716	63,796	63,796	-
Materials and supplies.	1,297	2,442	2,442	-
Capital outlay	1,000	246	246	-
Other	533,832	494,287	483,716	10,571
Total support services-fiscal	946,146	913,305	902,734	10,571
Support services-business:				
Salaries and wages	120,298	136,715	136,715	-
Fringe benefits	36,363	48,959	48,959	-
Purchased services	210,781	233,557	233,557	-
Materials and supplies.	30,383	26,930	26,930	-
Capital outlay	6,178	25,017	25,017	-
Other	30,543	41,660	41,660	-
Total support services-business	434,546	512,838	512,838	-

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-operations and maintenance:				
Salaries and wages	\$ 1,412,597	\$ 1,404,250	\$ 1,404,250	\$ -
Fringe benefits	524,626	549,028	549,028	-
Purchased services	1,244,158	1,430,313	1,430,313	-
Materials and supplies	227,184	245,034	245,034	-
Capital outlay	44,175	131,916	104,741	27,175
Other	3,543	3,341	3,341	-
Total support services-operations and maintenance	<u>3,456,283</u>	<u>3,763,882</u>	<u>3,736,707</u>	<u>27,175</u>
Support services-pupil transportation:				
Salaries and wages	780,609	794,742	794,742	-
Fringe benefits	269,990	298,179	298,179	-
Purchased services	465,224	450,613	408,540	42,073
Materials and supplies	230,484	209,752	200,938	8,814
Capital outlay	8,400	6,591	6,591	-
Other	225	120	120	-
Total support services-pupil transportation	<u>1,754,932</u>	<u>1,759,997</u>	<u>1,709,110</u>	<u>50,887</u>
Support services-central:				
Salaries and wages	391,105	395,754	395,754	-
Fringe benefits	186,569	153,853	146,477	7,376
Purchased services	152,361	129,294	129,294	-
Materials and supplies	9,892	6,776	6,776	-
Capital outlay	10,000	10,750	10,750	-
Other	1,874	1,816	1,816	-
Total support services-central	<u>751,801</u>	<u>698,243</u>	<u>690,867</u>	<u>7,376</u>
Operation of non-instructional services - other non-instructional services:				
Salaries and wages	31,713	-	-	-
Total operation on non-instructional services - other non-instructional services	<u>31,713</u>	<u>-</u>	<u>-</u>	<u>-</u>
Extracurricular activities:				
Salaries and wages	658,778	701,439	701,439	-
Fringe benefits	124,894	158,575	158,575	-
Purchased services	32,265	29,693	29,693	-
Materials and supplies	2,799	2,129	2,129	-
Capital outlay	-	129,553	129,553	-
Total extracurricular activities	<u>818,736</u>	<u>1,021,389</u>	<u>1,021,389</u>	<u>-</u>
Facilities acquisition and construction				
Capital outlay	-	2,034	2,034	-
Total facilities acquisition and construction	<u>-</u>	<u>2,034</u>	<u>2,034</u>	<u>-</u>
Debt service:				
Principal retirement	40,000	40,000	40,000	-
Total debt service	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<i>Total expenditures</i>	<u>32,138,794</u>	<u>33,242,512</u>	<u>33,043,132</u>	<u>199,380</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of revenues over (under) expenditures . . .</i>	\$ (999,317)	\$ (205,527)	\$ 332,131	\$ 537,658
Other financing sources (uses):				
Refund of prior year's expenditures	-	18,008	95,017	77,009
Sale of assets	5,000	2,440	13,746	11,306
Transfers out.	(30,000)	(60,000)	(60,000)	-
<i>Total other financing sources (uses)</i>	(25,000)	(39,552)	48,763	88,315
<i>Net change in fund balance</i>	(1,024,317)	(245,079)	380,894	625,973
<i>Fund balance at beginning of year</i>	2,414,783	2,414,783	2,414,783	-
<i>Prior year encumbrances appropriated.</i>	329,920	329,920	329,920	-
<i>Fund balance at end of year</i>	<u>\$ 1,720,386</u>	<u>\$ 2,499,624</u>	<u>\$ 3,125,597</u>	<u>\$ 625,973</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 3,780,111	\$ 3,734,528	\$ 3,845,885	\$ 111,357
Intergovernmental - State	495,157	495,157	547,662	52,505
<i>Total revenues.</i>	<u>4,275,268</u>	<u>4,229,685</u>	<u>4,393,547</u>	<u>163,862</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	70,200	70,200	60,445	9,755
Total support services-fiscal	<u>70,200</u>	<u>70,200</u>	<u>60,445</u>	<u>9,755</u>
Debt service:				
Principal retirement	1,450,000	1,450,000	1,450,000	-
Interest and fiscal charges	2,910,189	2,910,189	2,910,189	-
Total debt service	<u>4,360,189</u>	<u>4,360,189</u>	<u>4,360,189</u>	<u>-</u>
<i>Total expenditures</i>	<u>4,430,389</u>	<u>4,430,389</u>	<u>4,420,634</u>	<u>9,755</u>
<i>Net change in fund balance</i>	(155,121)	(200,704)	(27,087)	173,617
<i>Fund balance at beginning of year</i>	2,091,232	2,091,232	2,091,232	-
<i>Fund balance at end of year.</i>	<u>\$ 1,936,111</u>	<u>\$ 1,890,528</u>	<u>\$ 2,064,145</u>	<u>\$ 173,617</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Interest	\$ 42,000	\$ 42,000	\$ 49,086	\$ 7,086
<i>Total revenues.</i>	<u>42,000</u>	<u>42,000</u>	<u>49,086</u>	<u>7,086</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	-	9	-	9
Capital outlay	-	725,001	725,000	1
<i>Total instruction-regular.</i>	<u>-</u>	<u>725,010</u>	<u>725,000</u>	<u>10</u>
Support services-fiscal				
Purchased services	18,400	18,509	18,509	-
<i>Total support services-fiscal</i>	<u>18,400</u>	<u>18,509</u>	<u>18,509</u>	<u>-</u>
Support services-business				
Salaries and wages	-	81,214	81,214	-
Fringe benefits	288	20,628	20,628	-
<i>Total support services-business</i>	<u>288</u>	<u>101,842</u>	<u>101,842</u>	<u>-</u>
Facilities acquisition and construction:				
Purchased services	678,295	1,466,842	1,441,757	25,085
Capital outlay	20,662,452	20,829,277	20,824,629	4,648
Other	3,157	3,157	4,411	(1,254)
<i>Total facilities acquisition and construction.</i>	<u>21,343,904</u>	<u>22,299,276</u>	<u>22,270,797</u>	<u>28,479</u>
<i>Total expenditures</i>	<u>21,362,592</u>	<u>23,144,637</u>	<u>23,116,148</u>	<u>28,489</u>
<i>Excess of revenues (under) expenditures</i>	<u>(21,320,592)</u>	<u>(23,102,637)</u>	<u>(23,067,062)</u>	<u>35,575</u>
Other financing sources:				
Proceeds from lease-purchase transaction	-	725,000	725,000	-
<i>Total other financing sources</i>	<u>-</u>	<u>725,000</u>	<u>725,000</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(21,320,592)</u>	<u>(22,377,637)</u>	<u>(22,342,062)</u>	<u>35,575</u>
<i>Fund balance at beginning of year</i>	2,799,466	2,799,466	2,799,466	-
<i>Prior year encumbrances appropriated.</i>	20,612,304	20,612,304	20,612,304	-
<i>Fund balance at end of year.</i>	<u>\$ 2,091,178</u>	<u>\$ 1,034,133</u>	<u>\$ 1,069,708</u>	<u>\$ 35,575</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 178,129	\$ 610,682	\$ 788,811
Receivables:			
Accrued interest	7	57	64
Intergovernmental	43,189	-	43,189
Materials and supplies inventory	873	-	873
Inventory held for resale	5,029	-	5,029
 Total assets	 \$ 227,227	 \$ 610,739	 \$ 837,966
Liabilities:			
Accounts payable	\$ 59,138	\$ 8,652	\$ 67,790
Accrued wages and benefits	29,582	-	29,582
Interfund loan payable	12,180	-	12,180
Intergovernmental payable	5,962	-	5,962
Pension obligation payable	14,674	-	14,674
 Total liabilities	 121,536	 8,652	 130,188
Deferred inflows of resources:			
Accrued interest not available	7	57	64
Intergovernmental revenue not available	2,064	-	2,064
 Total deferred inflows of resources	 2,071	 57	 2,128
Fund Balances:			
Nonspendable:			
Materials and supplies inventory	873	-	873
Restricted:			
Food service operations	37,066	-	37,066
Non-public schools	828	-	828
Targeted academic assistance	5,947	-	5,947
Other purposes	20,420	-	20,420
Extracurricular	44,377	-	44,377
Committed			
Capital improvements	-	602,030	602,030
Other purposes	215	-	215
Unassigned (deficit)	(6,106)	-	(6,106)
 Total fund balances	 103,620	 602,030	 705,650
 Total liabilities, deferred inflows and fund balances	 \$ 227,227	 \$ 610,739	 \$ 837,966

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Earnings on investments	\$ 862	\$ 599	\$ 1,461
Charges for services	303,142	-	303,142
Extracurricular activities	273,606	-	273,606
Rentals	-	84,782	84,782
Contributions and donations	103,739	1,875	105,614
Other local revenues	78,212	525,579	603,791
Intergovernmental - State	1,345,311	-	1,345,311
Intergovernmental - Federal	1,075,421	-	1,075,421
	<hr/>	<hr/>	<hr/>
Total revenue	3,180,293	612,835	3,793,128
Expenditures:			
Current:			
Instruction:			
Regular	69,683	18,344	88,027
Special	566,426	-	566,426
Support services:			
Pupil	190,735	21,186	211,921
Instructional staff	121,262	-	121,262
Business	1,712	-	1,712
Operations and maintenance of plant	6,849	-	6,849
Pupil transportation	-	2,783	2,783
Central	-	2,566	2,566
Operation of non-instructional services:			
Food service operations	419,234	-	419,234
Other non-instructional services	1,585,716	-	1,585,716
Extracurricular activities	466,876	-	466,876
Facilities acquisition and construction	3,418	14,530	17,948
	<hr/>	<hr/>	<hr/>
Total expenditures	3,431,911	59,409	3,491,320
Excess of revenues over expenditures	(251,618)	553,426	301,808
Other financing sources:			
Transfers in	60,000	-	60,000
	<hr/>	<hr/>	<hr/>
Total other financing sources	60,000	-	60,000
Net change in fund balances	(191,618)	553,426	361,808
Fund balances			
at beginning of year	295,238	48,604	343,842
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 103,620	\$ 602,030	\$ 705,650

ROCKY RIVER CITY SCHOOL DISTRICT

FUND DESCRIPTIONS - NONMAJOR SPECIAL REVENUE FUNDS

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

Food Service Fund

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

Special Trust Fund

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

Other Grants Fund

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

District Managed Activity Fund

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

Auxiliary Services Fund

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

Data Communications Fund

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

Education Jobs Fund

This fund accounts for federal monies whose purpose is to create education jobs for the 2010-2011 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. This fund did not have any budgetary activity during fiscal year 2013. Therefore, a budgetary schedule has not been presented.

Race to the Top

To account for federal funds received from the Race to the Top grant

Title VI-B Fund

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

Title III Fund

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

Title I Fund

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

Preschool Disability Fund

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

Title II-A Fund

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

FUND DESCRIPTIONS - NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

Miscellaneous Federal Grants Fund

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

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

Unclaimed Monies Fund

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

Uniform School Supplies Fund

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

Beach Building Fund

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

Building Rotary Fund

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

Public School Support Fund

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

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2013

	Food Service	Special Trust	Other Grants	District Managed Activity
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 46,721	\$ 215	\$ 20,420	\$ 60,732
Receivables:				
Accrued interest	4	-	-	-
Intergovernmental	519	-	-	-
Materials and supplies inventory	873	-	-	-
Inventory held for resale.	5,029	-	-	-
Total assets.	<u>\$ 53,146</u>	<u>\$ 215</u>	<u>\$ 20,420</u>	<u>\$ 60,732</u>
Liabilities:				
Accounts payable.	\$ 24	\$ -	\$ -	\$ 16,315
Accrued wages and benefits	4,150	-	-	-
Interfund loan payable	-	-	-	-
Intergovernmental payable	617	-	-	40
Pension obligation payable.	10,412	-	-	-
Total liabilities.	<u>15,203</u>	<u>-</u>	<u>-</u>	<u>16,355</u>
Deferred inflows of resources:				
Accrued interest not available.	4	-	-	-
Intergovernmental revenue not available.	-	-	-	-
Total deferred inflows of resources	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Materials and supplies inventory.	873	-	-	-
Restricted:				
Food service operations	37,066	-	-	-
Non-public schools	-	-	-	-
Targeted academic assistance	-	-	-	-
Other purposes.	-	-	20,420	-
Extracurricular	-	-	-	44,377
Committed				
Other purposes.	-	215	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances	<u>37,939</u>	<u>215</u>	<u>20,420</u>	<u>44,377</u>
Total liabilities and fund balances	<u>\$ 53,146</u>	<u>\$ 215</u>	<u>\$ 20,420</u>	<u>\$ 60,732</u>

Auxiliary Services	Race to the Top	Title VI-B	Title I	Title II-A	Miscellaneous Federal Grants
\$ 31,470	\$ -	\$ -	\$ 5,706	\$ 786	\$ 12,079
3	-	-	-	-	-
89	-	42,261	274	46	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 31,562</u>	<u>\$ -</u>	<u>\$ 42,261</u>	<u>\$ 5,980</u>	<u>\$ 832</u>	<u>\$ 12,079</u>
\$ 30,645	\$ -	\$ 75	\$ -	\$ -	\$ 12,079
-	-	25,262	170	-	-
-	-	12,180	-	-	-
86	13	4,569	635	2	-
-	-	4,204	58	-	-
<u>30,731</u>	<u>13</u>	<u>46,290</u>	<u>863</u>	<u>2</u>	<u>12,079</u>
3	-	-	-	-	-
-	-	2,064	-	-	-
<u>3</u>	<u>-</u>	<u>2,064</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
828	-	-	-	-	-
-	-	-	5,117	830	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(13)	(6,093)	-	-	-
<u>828</u>	<u>(13)</u>	<u>(6,093)</u>	<u>5,117</u>	<u>830</u>	<u>-</u>
<u>\$ 31,562</u>	<u>\$ -</u>	<u>\$ 42,261</u>	<u>\$ 5,980</u>	<u>\$ 832</u>	<u>\$ 12,079</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2013

	Total Nonmajor Special Revenue Funds
Assets:	
Equity in pooled cash and cash equivalents . . .	\$ 178,129
Receivables:	
Accrued interest	7
Intergovernmental	43,189
Materials and supplies inventory	873
Inventory held for resale.	5,029
 Total assets.	 \$ 227,227
Liabilities:	
Accounts payable.	\$ 59,138
Accrued wages and benefits	29,582
Interfund loan payable	12,180
Intergovernmental payable	5,962
Pension obligation payable.	14,674
 Total liabilities.	 121,536
Liabilities:	
Accrued interest not available.	7
Intergovernmental revenue not available.	2,064
 Total deferred inflows of resources	 2,071
Fund Balances:	
Nonspendable:	
Materials and supplies inventory.	873
Restricted:	
Food service operations	37,066
Non-public schools	828
Targeted academic assistance	5,947
Other purposes.	20,420
Extracurricular	44,377
Committed	
Other purposes.	215
Unassigned (deficit)	(6,106)
 Total fund balances	 103,620
 Total liabilities and fund balances	 \$ 227,227

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Food Service	Special Trust	Other Grants	District Managed Activity
Revenues:				
From local sources:				
Earnings on investments	\$ 121	\$ -	\$ -	\$ -
Charges for services	303,142	-	-	-
Extracurricular activities	-	-	-	273,606
Contributions and donations	-	3,000	63,056	37,683
Other local revenues	130	-	-	77,816
Intergovernmental - State	1,652	-	-	-
Intergovernmental - Federal	88,890	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	393,935	3,000	63,056	389,105
Expenditures:				
Current:				
Instruction:				
Regular	-	-	38,859	-
Special	-	-	11,530	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	1,393	-
Business	-	-	-	-
Operations and maintenance of plant	-	-	-	-
Operation of non-instructional services:				
Food service operations	419,234	-	-	-
Other non-instructional services	-	-	-	-
Extracurricular activities	-	22,700	2,125	442,051
Facilities acquisition and construction	-	-	200	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	419,234	22,700	54,107	442,051
Excess of revenues over (under) expenditures	(25,299)	(19,700)	8,949	(52,946)
Other financing sources:				
Transfers in	-	-	-	60,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources	-	-	-	60,000
Net change in fund balances	(25,299)	(19,700)	8,949	7,054
Fund balances (deficit)				
at beginning of year	63,238	19,915	11,471	37,323
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances (deficit) at end of year	\$ 37,939	\$ 215	\$ 20,420	\$ 44,377

Auxiliary Services	Data Communications	Education Jobs	Race to the Top	Title VI-B	Title III
\$ 741	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	266	-	-	-
1,336,459	7,200	-	-	-	-
-	-	-	2,100	658,790	15,153
<u>1,337,200</u>	<u>7,200</u>	<u>266</u>	<u>2,100</u>	<u>658,790</u>	<u>15,153</u>
-	7,200	-	-	-	-
-	-	-	-	307,763	14,653
-	-	-	-	190,735	-
-	-	-	2,093	88,576	502
-	-	-	-	-	-
-	-	-	-	-	-
1,502,692	-	-	-	74,563	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,502,692</u>	<u>7,200</u>	<u>-</u>	<u>2,093</u>	<u>661,637</u>	<u>15,155</u>
<u>(165,492)</u>	<u>-</u>	<u>266</u>	<u>7</u>	<u>(2,847)</u>	<u>(2)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>(165,492)</u>	<u>-</u>	<u>266</u>	<u>7</u>	<u>(2,847)</u>	<u>(2)</u>
166,320	-	(266)	(20)	(3,246)	2
<u>\$ 828</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13)</u>	<u>\$ (6,093)</u>	<u>\$ -</u>

-- Continued

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Title I	Preschool Disability	Title II-A	Miscellaneous Federal Grants
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Extracurricular activities	-	-	-	-
Contributions and donations	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	231,537	10,657	56,215	12,079
Total revenue	231,537	10,657	56,215	12,079
Expenditures:				
Current:				
Instruction:				
Regular	-	-	23,324	300
Special	221,831	10,649	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	28,698	-
Business	-	-	-	1,712
Operations and maintenance of plant	-	-	-	6,849
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	5,099	-	3,362	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	3,218
Total expenditures	226,930	10,649	55,384	12,079
Excess of revenues over (under) expenditures	4,607	8	831	-
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	4,607	8	831	-
Fund balances (deficit) at beginning of year	510	(8)	(1)	-
Fund balances (deficit) at end of year	\$ 5,117	\$ -	\$ 830	\$ -

Total
Nonmajor
Special Revenue
Funds

\$ 862
303,142
273,606
103,739
78,212
1,345,311
1,075,421

3,180,293

69,683
566,426

190,735
121,262
1,712
6,849

419,234
1,585,716
466,876
3,418

3,431,911

(251,618)

60,000

60,000

(191,618)

295,238

\$ 103,620

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 500	\$ 500	\$ 121	\$ (379)
Charges for services	348,200	313,200	303,577	(9,623)
Other local revenue	-	-	30	30
Intergovernmental - State	3,600	3,600	1,652	(1,948)
Intergovernmental - Federal	82,000	82,000	69,915	(12,085)
<i>Total revenues.</i>	<u>434,300</u>	<u>399,300</u>	<u>375,295</u>	<u>(24,005)</u>
Expenditures:				
Current:				
Operation of non-instructional services - food service operations:				
Salaries and wages	153,859	162,579	162,579	-
Fringe benefits	50,245	49,860	49,164	696
Purchased services	20,750	13,750	8,208	5,542
Materials and supplies	223,887	168,767	164,762	4,005
Capital outlay	11,754	12,454	7,250	5,204
Other	-	700	695	5
Total operation of non-instructional services - food service operations	<u>460,495</u>	<u>408,110</u>	<u>392,658</u>	<u>15,452</u>
<i>Total expenditures</i>	<u>460,495</u>	<u>408,110</u>	<u>392,658</u>	<u>15,452</u>
<i>Excess of revenues (under) expenditures</i>	<u>(26,195)</u>	<u>(8,810)</u>	<u>(17,363)</u>	<u>(8,553)</u>
Other financing sources:				
Sale of assets	-	100	100	-
<i>Total other financing sources</i>	<u>-</u>	<u>100</u>	<u>100</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(26,195)</u>	<u>(8,710)</u>	<u>(17,263)</u>	<u>(8,553)</u>
<i>Fund balance at beginning of year</i>	59,959	59,959	59,959	-
<i>Prior year encumbrances appropriated.</i>	3,225	3,225	3,225	-
<i>Fund balance at end of year.</i>	<u>\$ 36,989</u>	<u>\$ 54,474</u>	<u>\$ 45,921</u>	<u>\$ (8,553)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions and donations	\$ -	\$ 3,000	\$ 3,000	\$ -
<i>Total revenues</i>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Expenditures:				
Extracurricular activities:				
Materials and supplies	19,700	22,700	22,700	-
<i>Total extracurricular activities</i>	<u>19,700</u>	<u>22,700</u>	<u>22,700</u>	<u>-</u>
<i>Total expenditures</i>	<u>19,700</u>	<u>22,700</u>	<u>22,700</u>	<u>-</u>
<i>Net change in fund balance</i>	(19,700)	(19,700)	(19,700)	-
<i>Fund balance at beginning of year</i>	216	216	216	-
<i>Prior year encumbrances appropriated</i>	<u>19,699</u>	<u>19,699</u>	<u>19,699</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 215</u>	<u>\$ 215</u>	<u>\$ 215</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Contributions and donations	\$ -	\$ 60,006	\$ 63,056	\$ 3,050
<i>Total revenues.</i>	<u>-</u>	<u>60,006</u>	<u>63,056</u>	<u>3,050</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	-	9,690	6,590	3,100
Materials and supplies.	300	5,434	4,176	1,258
Capital outlay	-	33,751	30,193	3,558
<i>Total instruction-regular.</i>	<u>300</u>	<u>48,875</u>	<u>40,959</u>	<u>7,916</u>
Instruction-special:				
Materials and supplies.	-	1,850	1,848	2
Capital outlay	-	9,681	9,681	-
<i>Total instruction-special</i>	<u>-</u>	<u>11,531</u>	<u>11,529</u>	<u>2</u>
Support services-pupil:				
Capital outlay	-	250	250	-
Other	-	1,145	1,143	2
<i>Total support services-pupil.</i>	<u>-</u>	<u>1,395</u>	<u>1,393</u>	<u>2</u>
Extracurricular activities:				
Purchased services	-	300	300	-
Materials and supplies.	-	1,150	900	250
Capital outlay	-	250	250	-
Other	-	925	675	250
<i>Total operation of non-instructional</i>				
<i>Total extracurricular activities.</i>	<u>-</u>	<u>2,625</u>	<u>2,125</u>	<u>500</u>
Facilities acquisition and construction				
Capital outlay	-	311	201	110
<i>Total facilities acquisition and</i>				
<i>construction.</i>	<u>-</u>	<u>311</u>	<u>201</u>	<u>110</u>
<i>Total expenditures</i>	<u>300</u>	<u>64,737</u>	<u>56,207</u>	<u>8,530</u>
<i>Net change in fund balance</i>	(300)	(4,731)	6,849	11,580
<i>Fund balance at beginning of year</i>	11,171	11,171	11,171	-
<i>Prior year encumbrances appropriated.</i>	300	300	300	-
<i>Fund balance at end of year.</i>	<u>\$ 11,171</u>	<u>\$ 6,740</u>	<u>\$ 18,320</u>	<u>\$ 11,580</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Extracurricular activities	\$ 181,850	\$ 269,469	\$ 273,554	\$ 4,085
Contributions and donations	4,100	33,376	37,683	4,307
Other local revenue	60,275	67,525	82,482	14,957
<i>Total revenues.</i>	<u>246,225</u>	<u>370,370</u>	<u>393,719</u>	<u>23,349</u>
Expenditures:				
Current:				
Extracurricular activities:				
Salaries and wages	13,825	12,470	10,698	1,772
Fringe benefits	1,945	1,945	1,524	421
Purchased services	98,897	179,502	179,298	204
Materials and supplies	96,519	153,658	151,647	2,011
Capital outlay	42,525	70,486	64,448	6,038
Other	40,830	50,665	47,457	3,208
<i>Total extracurricular activities.</i>	<u>294,541</u>	<u>468,726</u>	<u>455,072</u>	<u>13,654</u>
<i>Total expenditures</i>	<u>294,541</u>	<u>468,726</u>	<u>455,072</u>	<u>13,654</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(48,316)</u>	<u>(98,356)</u>	<u>(61,353)</u>	<u>37,003</u>
Other financing sources:				
Transfers in	30,000	64,700	60,000	(4,700)
Refund of prior year expenditure	-	1,944	2,770	826
<i>Total other financing sources</i>	<u>30,000</u>	<u>66,644</u>	<u>62,770</u>	<u>(3,874)</u>
<i>Net change in fund balance</i>	(18,316)	(31,712)	1,417	33,129
<i>Fund balance at beginning of year</i>	15,721	15,721	15,721	-
<i>Prior year encumbrances appropriated.</i>	26,487	26,487	26,487	-
<i>Fund balance at end of year.</i>	<u>\$ 23,892</u>	<u>\$ 10,496</u>	<u>\$ 43,625</u>	<u>\$ 33,129</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 415	\$ 650	\$ 741	\$ 91
Intergovernmental - State	<u>666,414</u>	<u>1,336,459</u>	<u>1,336,459</u>	<u>-</u>
<i>Total revenues.</i>	<u>666,829</u>	<u>1,337,109</u>	<u>1,337,200</u>	<u>91</u>
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Salaries and wages	30,808	27,416	27,414	2
Fringe benefits	9,017	8,949	8,945	4
Purchased services	427,225	806,325	812,017	(5,692)
Materials and supplies	170,912	325,517	319,738	5,779
Capital outlay	<u>214,668</u>	<u>362,136</u>	<u>362,059</u>	<u>77</u>
Total operation on non-instructional services - other non-instructional services	<u>852,630</u>	<u>1,530,343</u>	<u>1,530,173</u>	<u>170</u>
<i>Total expenditures</i>	<u>852,630</u>	<u>1,530,343</u>	<u>1,530,173</u>	<u>170</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(185,801)</u>	<u>(193,234)</u>	<u>(192,973)</u>	<u>261</u>
Other financing sources:				
Refund of prior year expenditure	-	7,458	7,459	1
<i>Total other financing sources.</i>	<u>-</u>	<u>7,458</u>	<u>7,459</u>	<u>1</u>
<i>Net change in fund balance</i>	(185,801)	(185,776)	(185,514)	262
<i>Fund balance at beginning of year</i>	137,879	137,879	137,879	-
<i>Prior year encumbrances appropriated.</i>	<u>47,922</u>	<u>47,922</u>	<u>47,922</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ 287</u>	<u>\$ 262</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ -	\$ 7,200	\$ 7,200	\$ -
Total revenues	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	-	7,200	7,200	-
Total instruction-regular	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
RACE TO THE TOP FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental-federal	\$ -	\$ 2,100	\$ 2,100	\$ -
<i>Total revenues.</i>	<u>-</u>	<u>2,100</u>	<u>2,100</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff				
Salaries and wages	-	2,100	2,100	-
Total support services-instructional staff	<u>-</u>	<u>2,100</u>	<u>2,100</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>2,100</u>	<u>2,100</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 742,401	\$ 725,338	\$ 669,187	\$ (56,151)
<i>Total revenues.</i>	<u>742,401</u>	<u>725,338</u>	<u>669,187</u>	<u>(56,151)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	54,737	32,792	32,792	-
Fringe benefits	11,638	6,395	5,355	1,040
Purchased services	508,816	268,550	268,447	103
<i>Total instruction-special.</i>	<u>575,191</u>	<u>307,737</u>	<u>306,594</u>	<u>1,143</u>
Support services-pupil:				
Salaries and wages	-	123,296	121,943	1,353
Fringe benefits	-	40,161	36,207	3,954
Purchased services	1,844	43,039	41,586	1,453
Capital outlay	-	-	-	-
<i>Total support services-pupil.</i>	<u>1,844</u>	<u>206,496</u>	<u>199,736</u>	<u>6,760</u>
Support services-instructional staff:				
Salaries and wages	58,220	58,220	59,150	(930)
Fringe benefits	33,508	51,129	29,720	21,409
<i>Total support services-instructional staff.</i>	<u>91,728</u>	<u>109,349</u>	<u>88,870</u>	<u>20,479</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	-	76,840	74,563	2,277
<i>Total operation of non-instructional services - other non-instructional services.</i>	<u>-</u>	<u>76,840</u>	<u>74,563</u>	<u>2,277</u>
<i>Total expenditures.</i>	<u>668,763</u>	<u>700,422</u>	<u>669,763</u>	<u>30,659</u>
<i>Net change in fund balance.</i>	73,638	24,916	(576)	(25,492)
<i>Fund (deficit) at beginning of year.</i>	(32,775)	(32,775)	(32,775)	-
<i>Prior year encumbrances appropriated.</i>	7,859	7,859	7,859	-
<i>Fund (deficit) at end of year.</i>	<u>\$ 48,722</u>	<u>\$ -</u>	<u>\$ (25,492)</u>	<u>\$ (25,492)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ -	\$ 15,464	\$ 15,153	\$ (311)
<i>Total revenues</i>	<u>-</u>	<u>15,464</u>	<u>15,153</u>	<u>(311)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	-	-	-	-
Purchased services	-	13,225	13,225	-
Materials and supplies	-	1,429	1,428	1
<i>Total instruction-special</i>	<u>-</u>	<u>14,654</u>	<u>14,653</u>	<u>1</u>
Support services-instructional staff:				
Purchased services	-	810	502	308
<i>Total support services-instructional</i> <i>staff</i>	<u>-</u>	<u>810</u>	<u>502</u>	<u>308</u>
<i>Total expenditures</i>	<u>-</u>	<u>15,464</u>	<u>15,155</u>	<u>309</u>
<i>Net change in fund balance</i>	-	-	(2)	(2)
<i>Fund balance at beginning of year</i>	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ (2)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE I FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 240,299	\$ 237,175	\$ 231,537	\$ (5,638)
<i>Total revenues.</i>	<u>240,299</u>	<u>237,175</u>	<u>231,537</u>	<u>(5,638)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	183,803	179,294	181,006	(1,712)
Fringe benefits	47,985	47,985	36,103	11,882
Materials and supplies	3,267	4,634	4,634	-
<i>Total instruction-special</i>	<u>235,055</u>	<u>231,913</u>	<u>221,743</u>	<u>10,170</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	5,243	6,273	5,099	1,174
<i>Total operation of non-instructional services - other non-instructional services</i>	<u>5,243</u>	<u>6,273</u>	<u>5,099</u>	<u>1,174</u>
<i>Total expenditures</i>	<u>240,298</u>	<u>238,186</u>	<u>226,842</u>	<u>11,344</u>
<i>Net change in fund balance</i>	1	(1,011)	4,695	5,706
<i>Fund balance at beginning of year</i>	1,011	1,011	1,011	-
<i>Fund balance at end of year</i>	<u>\$ 1,012</u>	<u>\$ -</u>	<u>\$ 5,706</u>	<u>\$ 5,706</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRESCHOOL DISABILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 10,657	\$ 10,657	\$ 10,657	\$ -
<i>Total revenues.</i>	<u>10,657</u>	<u>10,657</u>	<u>10,657</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	9,152	8,710	8,710	-
Fringe benefits	<u>1,505</u>	<u>1,947</u>	<u>1,947</u>	<u>-</u>
<i>Total instruction-special.</i>	<u>10,657</u>	<u>10,657</u>	<u>10,657</u>	<u>-</u>
<i>Total expenditures.</i>	<u>10,657</u>	<u>10,657</u>	<u>10,657</u>	<u>-</u>
<i>Net change in fund balance.</i>	-	-	-	-
<i>Fund balance at beginning of year.</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE II-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ 54,908	\$ 56,215	\$ 56,215	\$ -
<i>Total revenues.</i>	<u>54,908</u>	<u>56,215</u>	<u>56,215</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	20,110	20,110	20,110	-
Fringe benefits	3,290	3,290	3,260	30
<i>Total instruction-regular.</i>	<u>23,400</u>	<u>23,400</u>	<u>23,370</u>	<u>30</u>
Support services-instructional staff:				
Purchased services	27,390	28,697	28,697	-
<i>Total support services-instructional staff.</i>	<u>27,390</u>	<u>28,697</u>	<u>28,697</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	4,118	3,536	2,780	756
Materials and supplies	-	582	582	-
<i>Total operation of non-instructional services - other non-instructional services.</i>	<u>4,118</u>	<u>4,118</u>	<u>3,362</u>	<u>756</u>
<i>Total expenditures.</i>	<u>54,908</u>	<u>56,215</u>	<u>55,429</u>	<u>786</u>
<i>Net change in fund balance.</i>	-	-	786	786
<i>Fund balance at beginning of year.</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 786</u>	<u>\$ 786</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - Federal	\$ -	\$ 12,079	\$ 12,079	\$ -
<i>Total revenues.</i>	-	12,079	12,079	-
 <i>Net change in fund balance.</i>	-	12,079	12,079	-
 <i>Fund balance at beginning of year.</i>	-	-	-	-
<i>Fund balance at end of year.</i>	\$ -	\$ 12,079	\$ 12,079	\$ -

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNCLAIMED MONIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing uses:				
Refund of prior year's (receipts)	\$ (500)	\$ (500)	\$ -	\$ 500
<i>Total other financing uses</i>	<u>(500)</u>	<u>(500)</u>	<u>-</u>	<u>500</u>
<i>Net change in fund balance</i>	(500)	(500)	-	500
<i>Fund balance at beginning of year.</i>	\$ <u>12,327</u>	\$ <u>12,327</u>	\$ <u>12,327</u>	\$ <u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 11,827</u>	<u>\$ 11,827</u>	<u>\$ 12,327</u>	<u>\$ 500</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Classroom materials and fees	\$ 24,000	\$ 24,000	\$ 27,531	\$ 3,531
<i>Total revenues.</i>	<u>24,000</u>	<u>24,000</u>	<u>27,531</u>	<u>3,531</u>
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Materials and supplies.	27,350	27,350	26,718	632
Total operation of non-instructional services - other non-instructional services	<u>27,350</u>	<u>27,350</u>	<u>26,718</u>	<u>632</u>
<i>Total expenditures</i>	<u>27,350</u>	<u>27,350</u>	<u>26,718</u>	<u>632</u>
<i>Net change in fund balance</i>	(3,350)	(3,350)	813	4,163
<i>Fund balance at beginning of year</i>	23,077	23,077	23,077	-
<i>Fund balance at end of year.</i>	<u>\$ 19,727</u>	<u>\$ 19,727</u>	<u>\$ 23,890</u>	<u>\$ 4,163</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BEACH BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Fund balance at beginning of year</i>	\$ 379	\$ 379	\$ 379	-
<i>Fund balance at end of year.</i>	<u>\$ 379</u>	<u>\$ 379</u>	<u>\$ 379</u>	<u>-</u>

ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING ROTARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Transportation	\$ 7,000	\$ 7,000	\$ 28,632	\$ 21,632
Extracurricular activities	5,000	13,900	16,675	2,775
Classroom materials and fees	169,472	170,273	147,851	(22,422)
Contributions and donations.	-	5,000	5,099	99
Other local revenues.	35,200	35,350	40,102	4,752
<i>Total revenues.</i>	<u>216,672</u>	<u>231,523</u>	<u>238,359</u>	<u>6,836</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	-	1,400	1,399	1
Fringe benefits	-	222	220	2
Purchased services	689	189	-	189
Materials and supplies.	104,498	122,062	110,514	11,548
Capital outlay	7,000	3,319	3,132	187
Other	2,148	2,618	2,614	4
<i>Total instruction-regular.</i>	<u>114,335</u>	<u>129,810</u>	<u>117,879</u>	<u>11,931</u>
Instruction-special:				
Purchased services	239	39	-	39
Materials and supplies.	69	469	-	469
<i>Total instruction-special.</i>	<u>308</u>	<u>508</u>	<u>-</u>	<u>508</u>
Support services-pupil:				
Purchased services	47,478	75,389	72,058	3,331
Materials and supplies.	7,446	5,406	5,401	5
Capital outlay	-	3,009	2,942	67
Other	37,957	52,241	49,885	2,356
<i>Total support services-pupil.</i>	<u>92,881</u>	<u>136,045</u>	<u>130,286</u>	<u>5,759</u>
Support services-central:				
Other	5,077	9,997	8,167	1,830
<i>Total support services-central.</i>	<u>5,077</u>	<u>9,997</u>	<u>8,167</u>	<u>1,830</u>
Extracurricular activities:				
Purchased services	-	-	-	-
Capital outlay	-	2,800	2,506	294
<i>Total extracurricular activities.</i>	<u>-</u>	<u>2,800</u>	<u>2,506</u>	<u>294</u>
<i>Total expenditures</i>	<u>212,601</u>	<u>279,160</u>	<u>258,838</u>	<u>20,322</u>
<i>Excess of revenues over (under) expenditures .</i>	<u>4,071</u>	<u>(47,637)</u>	<u>(20,479)</u>	<u>27,158</u>
Other financing sources:				
Sale of capital assets	100	100	528	428
<i>Total other financing sources (uses)</i>	<u>100</u>	<u>100</u>	<u>528</u>	<u>428</u>
<i>Net change in fund balance</i>	4,171	(47,537)	(19,951)	27,586
<i>Fund balance at beginning of year</i>	144,505	144,505	144,505	-
<i>Prior year encumbrances appropriated.</i>	8,415	8,415	8,415	-
<i>Fund balance at end of year</i>	<u>\$ 157,091</u>	<u>\$ 105,383</u>	<u>\$ 132,969</u>	<u>\$ 27,586</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Tuition	\$ 9,000	\$ 9,000	\$ 9,000	\$ -
Contributions and donations	37,000	40,670	45,310	4,640
Other local revenues	28,000	28,000	22,450	(5,550)
<i>Total revenues.</i>	<u>74,000</u>	<u>77,670</u>	<u>76,760</u>	<u>(910)</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	-	900	592	308
Materials and supplies	173	1,163	1,155	8
Capital outlay	2,313	1,849	490	1,359
<i>Total instruction-regular.</i>	<u>2,486</u>	<u>3,912</u>	<u>2,237</u>	<u>1,675</u>
Instruction-special:				
Materials and supplies	594	1,964	1,732	232
Capital outlay	77	2,392	2,244	148
<i>Total instruction-special</i>	<u>671</u>	<u>4,356</u>	<u>3,976</u>	<u>380</u>
Support services-pupil:				
Purchased services	17,788	18,918	16,581	2,337
Materials and supplies	30,273	25,091	22,151	2,940
Capital outlay	1,478	2,022	949	1,073
Other	9,925	20,165	18,962	1,203
<i>Total support services-pupil.</i>	<u>59,464</u>	<u>66,196</u>	<u>58,643</u>	<u>7,553</u>
Support services-instructional staff:				
Purchased services	302	2,077	1,578	499
<i>Total support services-instructional staff</i>	<u>302</u>	<u>2,077</u>	<u>1,578</u>	<u>499</u>
<i>Total expenditures</i>	<u>62,923</u>	<u>76,541</u>	<u>66,434</u>	<u>10,107</u>
<i>Net change in fund balance</i>	11,077	1,129	10,326	9,197
<i>Fund balance at beginning of year</i>	93,237	93,237	93,237	-
<i>Prior year encumbrances appropriated.</i>	4,012	4,012	4,012	-
<i>Fund balance at end of year</i>	<u>\$ 108,326</u>	<u>\$ 98,378</u>	<u>\$ 107,575</u>	<u>\$ 9,197</u>

ROCKY RIVER CITY SCHOOL DISTRICT

FUND DESCRIPTION - NONMAJOR CAPITAL PROJECTS FUND

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

Permanent Improvement Fund

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 10	\$ 510	\$ 599	\$ 89
Rentals	163,234	171,396	185,679	14,283
Contributions and donations	-	3,750	1,875	(1,875)
<i>Total revenues.</i>	<u>163,244</u>	<u>175,656</u>	<u>188,153</u>	<u>12,497</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	9,000	9,000	9,000	-
Capital outlay	40,000	13,352	9,343	4,009
<i>Total instruction-regular.</i>	<u>49,000</u>	<u>22,352</u>	<u>18,343</u>	<u>4,009</u>
Support services-pupil				
Capital outlay	-	18,365	18,365	-
<i>Total support services-pupil.</i>	<u>-</u>	<u>18,365</u>	<u>18,365</u>	<u>-</u>
Support services-instructional staff				
Capital outlay	-	482	482	-
<i>Total support services-instructional staff.</i>	<u>-</u>	<u>482</u>	<u>482</u>	<u>-</u>
Support services-administration				
Capital outlay	-	1,452	1,452	-
<i>Total support services-administration.</i>	<u>-</u>	<u>1,452</u>	<u>1,452</u>	<u>-</u>
Support services-operations and maintenance:				
Capital outlay	10,000	-	-	-
<i>Total support services-operations and maintenance.</i>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services-pupil transportation:				
Capital outlay	5,000	10,000	8,783	1,217
<i>Total support services-pupil transportation.</i>	<u>5,000</u>	<u>10,000</u>	<u>8,783</u>	<u>1,217</u>
Support services-central:				
Capital outlay	-	1,750	1,718	32
<i>Total support services-central.</i>	<u>-</u>	<u>1,750</u>	<u>1,718</u>	<u>32</u>

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENTS FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Facilities acquisition and construction:				
Capital outlay	-	542,454	14,530	527,924
Total facilities acquisition and construction.	-	542,454	14,530	527,924
Debt service:				
Principal retirement.	97,269	97,269	97,269	-
Interest and fiscal charges	3,628	3,628	3,628	-
Total debt service	100,897	100,897	100,897	-
<i>Total expenditures</i>	<u>164,897</u>	<u>697,752</u>	<u>164,570</u>	<u>533,182</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,653)</u>	<u>(522,096)</u>	<u>23,583</u>	<u>545,679</u>
Other financing sources:				
Sale of assets	-	525,579	525,579	-
<i>Total other financing sources</i>	-	<u>525,579</u>	<u>525,579</u>	-
<i>Net change in fund balance</i>	(1,653)	3,483	549,162	545,679
<i>Fund balance at beginning of year</i>	48,604	48,604	48,604	-
<i>Fund balance at end of year</i>	<u>\$ 46,951</u>	<u>\$ 52,087</u>	<u>\$ 597,766</u>	<u>\$ 545,679</u>

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

Fiduciary Funds

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

Private-Purpose Trust Fund

Special Trust Fund

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

Agency Fund

Student Managed Activities Fund

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ 5	\$ 5
Contributions and donations	<u>20,000</u>	<u>23,600</u>	<u>17,885</u>	<u>(5,715)</u>
<i>Total revenues</i>	<u>20,000</u>	<u>23,600</u>	<u>17,890</u>	<u>(5,710)</u>
Expenses:				
Other	<u>20,000</u>	<u>22,500</u>	<u>22,452</u>	<u>48</u>
<i>Total expenses</i>	<u>20,000</u>	<u>22,500</u>	<u>22,452</u>	<u>48</u>
<i>Net change in fund equity</i>	-	1,100	(4,562)	(5,662)
<i>Fund equity at beginning of year</i>	<u>15,089</u>	<u>15,089</u>	<u>15,089</u>	<u>-</u>
<i>Fund equity at end of year</i>	<u>\$ 15,089</u>	<u>\$ 16,189</u>	<u>\$ 10,527</u>	<u>\$ (5,662)</u>

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Beginning Balance July 1, 2012	Additions	Deletions	Ending Balance June 30, 2013
District Agency				
Assets:				
Equity in pooled cash and cash equivalents.	\$ -	\$ 134,223	\$ 121,946	\$ 12,277
Total assets	<u>\$ -</u>	<u>\$ 134,223</u>	<u>\$ 121,946</u>	<u>\$ 12,277</u>
Liabilities:				
Due to other governments	\$ -	\$ 134,223	\$ 121,946	\$ 12,277
Total liabilities.	<u>\$ -</u>	<u>\$ 134,223</u>	<u>\$ 121,946</u>	<u>\$ 12,277</u>
Student Managed Activities				
Assets:				
Equity in pooled cash and investments	\$ 110,821	\$ 107,564	\$ 101,006	\$ 117,379
Receivables				
Accounts	-	3,840	-	3,840
Accrued interest	<u>181</u>	<u>11</u>	<u>181</u>	<u>11</u>
Total assets	<u>\$ 111,002</u>	<u>\$ 111,415</u>	<u>\$ 101,187</u>	<u>\$ 121,230</u>
Liabilities:				
Accounts payable.	\$ 2,118	\$ 1,048	\$ 2,118	\$ 1,048
Due to students.	<u>108,884</u>	<u>110,367</u>	<u>99,069</u>	<u>120,182</u>
Total liabilities	<u>\$ 111,002</u>	<u>\$ 111,415</u>	<u>\$ 101,187</u>	<u>\$ 121,230</u>
Total - All Agency Funds				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 110,821	\$ 241,787	\$ 222,952	\$ 129,656
Receivables				
Accounts	-	3,840	-	3,840
Accrued interest	<u>181</u>	<u>11</u>	<u>181</u>	<u>11</u>
Total assets	<u>\$ 111,002</u>	<u>\$ 245,638</u>	<u>\$ 223,133</u>	<u>\$ 133,507</u>
Liabilities:				
Accounts payable.	\$ 2,118	\$ 1,048	\$ 2,118	\$ 1,048
Due to other governments	-	134,223	121,946	12,277
Due to students	<u>108,884</u>	<u>110,367</u>	<u>99,069</u>	<u>120,182</u>
Total liabilities.	<u>\$ 111,002</u>	<u>\$ 245,638</u>	<u>\$ 223,133</u>	<u>\$ 133,507</u>

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Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2013

Statistical Section



ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	146-157
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	158-165
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	166-169
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	170-171
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	172-183

Sources: Sources are noted on the individual schedules.

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

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

	<u>2013 (2)</u>	<u>2012 (2)</u>	<u>2011 (2)</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 9,527,711	\$ 9,666,718	\$ 9,282,817	\$ -
Invested in capital assets, net of related debt			-	10,925,096
Restricted	2,786,843	2,925,573	4,054,466	5,547,810
Unrestricted	658,256	(628,426)	(2,556,104)	(4,666,245)
Total governmental activities net position	<u>\$ 12,972,810</u>	<u>\$ 11,963,865</u>	<u>\$ 10,781,179</u>	<u>\$ 11,806,661</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary government				
Net investment in capital assets	\$ 9,527,711	\$ 9,666,718	\$ 9,282,817	\$ -
Invested in capital assets, net of related debt			-	10,925,096
Restricted	2,786,843	2,925,573	4,054,466	5,547,810
Unrestricted	658,256	(628,426)	(2,556,104)	(4,666,245)
Total primary government net position	<u>\$ 12,972,810</u>	<u>\$ 11,963,865</u>	<u>\$ 10,781,179</u>	<u>\$ 11,806,661</u>

Source: School District financial records.

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

Note (2) New terminology in accordance with GASB Statement No. 63 which was implemented in 2013.

Amounts for 2012 and 2011 have been restated to reflect the implementation of GASB Statement No. 65.

<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,230,730	8,737,992	8,356,023	7,597,331	7,268,356	6,142,045
4,906,042	4,928,512	4,196,704	3,466,093	3,278,482	3,608,820
(5,525,069)	(6,173,832)	(4,774,288)	(4,648,254)	(4,997,534)	(240,144)
<u>\$ 9,611,703</u>	<u>\$ 7,492,672</u>	<u>\$ 7,778,439</u>	<u>\$ 6,415,170</u>	<u>\$ 5,549,304</u>	<u>\$ 9,510,721</u>
\$ -	\$ 341,648	\$ 295,026	\$ 303,835	\$ 305,639	\$ 321,849
-	34,200	39,385	56,717	52,327	64,756
<u>\$ -</u>	<u>\$ 375,848</u>	<u>\$ 334,411</u>	<u>\$ 360,552</u>	<u>\$ 357,966</u>	<u>\$ 386,605</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10,230,730	9,079,640	8,651,049	7,901,166	7,573,995	6,463,894
4,906,042	4,928,512	4,196,704	3,466,093	3,278,482	3,608,820
(5,525,069)	(6,139,632)	(4,734,903)	(4,591,537)	(4,945,207)	(175,388)
<u>\$ 9,611,703</u>	<u>\$ 7,868,520</u>	<u>\$ 8,112,850</u>	<u>\$ 6,775,722</u>	<u>\$ 5,907,270</u>	<u>\$ 9,897,326</u>

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

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

Expenses	<u>2013</u>	<u>2012 (2)</u>	<u>2011 (2)</u>	<u>2010</u>
Governmental activities:				
Instruction:				
Regular	\$ 15,417,387	\$ 14,736,546	\$ 16,667,445	\$ 15,090,090
Special	4,540,779	4,255,107	4,360,242	4,802,387
Vocational	524,835	559,365	423,993	462,821
Other	40,578	38,196	30,088	53,441
Support services:				
Pupil	2,161,345	2,160,361	2,639,569	1,985,548
Instructional staff	1,472,831	1,470,997	677,425	1,101,615
Board of education	33,534	37,005	36,911	34,022
Administration	1,995,774	1,841,920	2,104,742	1,889,108
Fiscal	1,011,056	1,056,593	814,365	864,956
Business	602,245	533,510	548,013	462,926
Operations and maintenance	3,923,545	3,565,530	4,085,468	3,732,605
Pupil transportation	1,791,764	1,804,987	1,803,409	1,505,943
Central	1,104,954	870,089	678,328	801,557
Operation of non-instructional services:				
Food service operations	449,119	433,770	459,911	459,772
Other non-instructional services	1,583,653	1,439,606	1,731,691	1,346,330
Extracurricular activities	1,480,834	1,291,766	1,394,445	1,108,610
Interest and fiscal charges	2,932,133	3,085,191	2,738,383	1,089,502
Total governmental activities expenses	<u>41,066,366</u>	<u>39,180,539</u>	<u>41,194,428</u>	<u>36,791,233</u>
Business-type activities:				
Food service	-	-	-	-
Uniform school supplies	-	-	-	-
Community programs	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 41,066,366</u>	<u>\$ 39,180,539</u>	<u>\$ 41,194,428</u>	<u>\$ 36,791,233</u>

	<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	14,733,245	\$ 14,272,906	\$ 13,861,514	\$ 13,050,129	\$ 13,350,039	\$ 12,507,709
	4,068,587	3,884,987	3,717,779	3,496,076	3,117,764	3,189,411
	397,153	443,201	409,280	356,268	507,790	223,699
	29,452	28,836	28,320	25,934	30,999	-
	1,861,316	2,001,434	1,752,641	1,698,202	1,741,857	1,638,968
	874,144	803,996	811,663	674,629	1,231,668	906,393
	41,586	36,505	33,198	23,938	231,170	22,850
	2,150,914	2,230,446	1,743,637	1,451,888	1,626,494	1,518,691
	757,846	765,655	489,910	821,449	836,877	664,869
	466,440	472,923	383,535	392,739	387,559	478,341
	4,030,992	3,515,979	3,235,860	3,366,885	3,369,609	3,344,093
	1,608,530	1,579,159	1,458,464	1,277,514	1,248,582	1,410,415
	757,888	710,439	876,022	697,162	936,664	594,391
	446,698	-	-	-	-	-
	1,705,982	1,589,312	1,561,863	1,291,828	1,487,234	1,301,536
	1,206,220	1,160,128	1,163,814	951,808	743,811	1,253,542
	1,195,718	1,229,402	1,276,812	1,325,848	1,474,379	1,411,684
	<u>36,332,711</u>	<u>34,725,308</u>	<u>32,804,312</u>	<u>30,902,297</u>	<u>32,322,496</u>	<u>30,466,592</u>
	-	520,334	504,529	454,896	468,612	459,559
	-	26,144	27,002	22,860	32,643	21,370
	-	344,804	347,036	334,881	334,067	303,886
	-	891,282	878,567	812,637	835,322	784,815
	<u>36,332,711</u>	<u>35,616,590</u>	<u>33,682,879</u>	<u>31,714,934</u>	<u>33,157,818</u>	<u>31,251,407</u>

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

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

Program Revenues	<u>2013</u>	<u>2012 (2)</u>	<u>2011 (2)</u>	<u>2010</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 421,296	\$ 367,012	\$ 404,870	\$ 470,407
Special	6,176	30,042	-	698
Support services:				
Pupil	141,136	74,489	74,474	142,131
Instructional staff	-	-	-	47,800
Board of education	-	-	-	555
Administration	-	-	43,429	-
Fiscal	3,198	12,151	9,619	-
Business	17,456	67,312	61,696	1,043
Operations and maintenance	-	16,646	53,775	133,966
Pupil transportation	54,696	53,567	6,947	2,710
Central	11,999	-	-	12,018
Operation of non-instructional services:				
Food service operations	303,142	300,500	317,847	327,170
Other non-instructional services	27,531	26,738	29,156	11,248
Extracurricular activities	275,558	209,067	372,949	193,277
Operating grants and contributions:				
Instruction:				
Regular	89,649	48,282	228,097	170,212
Special	572,528	510,184	825,341	1,151,662
Vocational	-	-	-	-
Support services:				
Pupil	240,918	217,192	330,673	49,130
Instructional staff	121,831	115,283	86,519	60,014
Administration	-	-	4,138	1,088
Business	2,334	-	-	-
Operations and maintenance	9,336	-	-	-
Pupil transportation	119,369	110,365	95,618	107,742
Central	-	-	6,145	5,000
Operation of non-instructional services:				
Food service operations	90,694	116,327	112,829	110,176
Other non-instructional services	1,422,990	1,431,212	1,397,654	1,485,982
Extracurricular activities	117,985	87,435	18,441	66,989
Capital grants and contributions:				
Instruction:				
Regular	40,274	-	-	-
Support services:				
Operations and maintenance	-	-	-	-
Pupil transportation	-	-	-	-
Operation of non-instructional services	-	-	-	-
Total governmental program revenues	<u>4,090,096</u>	<u>3,793,804</u>	<u>4,480,217</u>	<u>4,551,018</u>
Business-type activities:				
Charges for services:				
Food service	-	-	-	-
Uniform school supplies	-	-	-	-
Community programs	-	-	-	-
Operating grants and contributions:				
Food service	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenue	<u>\$ 4,090,096</u>	<u>\$ 3,793,804</u>	<u>\$ 4,480,217</u>	<u>\$ 4,551,018</u>
Net (Expense)/Revenue				
Governmental activities	(36,976,270)	(35,386,735)	(36,714,211)	(32,240,215)
Business-type activities	-	-	-	-
Total primary government net expense	<u>\$ (36,976,270)</u>	<u>\$ (35,386,735)</u>	<u>\$ (36,714,211)</u>	<u>\$ (32,240,215)</u>

<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 304,643	\$ 201,032	\$ 194,811	\$ 222,426	\$ 245,703	\$ 152,570
-	-	-	-	-	-
62,949	37,392	54,668	-	-	39,731
-	-	-	-	-	119,609
-	3,683	-	-	-	-
2,272	2,103	-	-	-	-
3,186	911	-	-	-	-
-	5,468	-	-	-	-
191,234	120,793	183,697	220,420	435,848	146,517
83,687	95,793	-	-	-	-
12,235	1,006	-	-	-	-
351,342	-	-	-	-	-
31,665	-	-	-	-	-
327,396	312,012	333,815	161,421	200,644	230,704
108,650	121,565	81,500	116,214	128,139	118,397
751,431	581,242	579,995	565,052	504,261	341,721
-	-	-	595	-	-
73,944	123,347	106,874	125,889	86,261	35,173
68,877	52,438	29,379	49,684	75,560	28,369
-	-	250	521	-	-
-	-	-	-	-	-
-	-	-	-	-	-
99,680	617	69,392	1,278	-	-
7,937	9,410	9,125	8,907	8,302	9,493
111,136	-	-	-	-	-
1,491,222	1,583,365	1,498,419	1,485,947	1,414,531	1,319,171
10,794	7,457	5,038	5,212	4,119	58,087
-	19,188	-	-	22,575	12,000
-	-	3,869	-	-	-
22,028	87,131	19,245	-	-	-
-	-	-	-	-	-
<u>4,116,308</u>	<u>3,365,953</u>	<u>3,170,077</u>	<u>2,963,566</u>	<u>3,125,943</u>	<u>2,611,542</u>
-	364,937	378,379	388,335	375,545	353,749
-	24,096	24,950	27,041	27,622	25,147
-	240,631	243,447	298,381	301,436	272,209
-	112,969	101,179	89,299	96,418	78,887
-	<u>742,633</u>	<u>747,955</u>	<u>803,056</u>	<u>801,021</u>	<u>729,992</u>
<u>\$ 4,116,308</u>	<u>\$ 4,108,586</u>	<u>\$ 3,918,032</u>	<u>\$ 3,766,622</u>	<u>\$ 3,926,964</u>	<u>\$ 3,341,534</u>
(32,216,403)	(31,359,355)	(29,634,235)	(27,938,731)	(29,196,553)	(27,855,050)
-	(148,649)	(130,612)	(9,581)	(34,301)	(54,823)
<u>\$ (32,216,403)</u>	<u>\$ (31,508,004)</u>	<u>\$ (29,764,847)</u>	<u>\$ (27,948,312)</u>	<u>\$ (29,230,854)</u>	<u>\$ (27,909,873)</u>

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

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

	<u>2013</u>	<u>2012 (2)</u>	<u>2011 (2)</u>	<u>2010</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 26,812,721	\$ 25,455,709	\$ 25,017,106	\$ 25,250,490
Debt service	3,757,568	3,876,812	3,494,806	2,817,174
Grants and entitlements not restricted				
to specific programs	6,615,122	6,828,628	7,196,864	6,227,352
Investment earnings	64,417	158,482	166,881	81,327
Gain on sale of lease revenue	495,579	-	-	-
Gain on sale of capital assets	-	-	-	-
Miscellaneous	239,808	249,790	203,200	58,830
Transfers	-	-	-	-
Total governmental activities	<u>37,985,215</u>	<u>36,569,421</u>	<u>36,078,857</u>	<u>34,435,173</u>
Business-type activities:				
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 37,985,215</u>	<u>\$ 36,569,421</u>	<u>\$ 36,078,857</u>	<u>\$ 34,435,173</u>
Change in Net Position				
Governmental activities	1,008,945	1,182,686	(635,354)	2,194,958
Business-type activities	-	-	-	-
Total primary government	<u>\$ 1,008,945</u>	<u>\$ 1,182,686</u>	<u>\$ (635,354)</u>	<u>\$ 2,194,958</u>

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

Note (2): Interest and fiscal charge expenditure restated to reflect the implementation of GASB Statement No. 65.

Source: School District financial records.

<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 24,814,979	\$ 22,319,494	\$ 22,597,480	\$ 21,672,596	\$ 17,833,031	\$ 20,408,336
3,016,324	3,305,489	3,151,471	2,724,776	2,622,588	2,909,441
5,891,502	5,102,939	4,622,584	4,439,789	4,443,667	4,432,768
142,032	289,371	406,434	253,614	174,957	94,157
-	-	-	-	-	-
-	-	-	-	5,942	-
94,749	56,295	259,535	185,323	154,951	5,801
-	-	(40,000)	-	-	-
<u>33,959,586</u>	<u>31,073,588</u>	<u>30,997,504</u>	<u>29,276,098</u>	<u>25,235,136</u>	<u>27,850,503</u>
-	4,663	5,273	3,197	-	898
-	185,423	59,198	8,970	5,662	3,878
-	-	40,000	-	-	-
<u>-</u>	<u>190,086</u>	<u>104,471</u>	<u>12,167</u>	<u>5,662</u>	<u>4,776</u>
<u>\$ 33,959,586</u>	<u>\$ 31,263,674</u>	<u>\$ 31,101,975</u>	<u>\$ 29,288,265</u>	<u>\$ 25,240,798</u>	<u>\$ 27,855,279</u>
1,743,183	(285,767)	1,363,269	1,337,367	(3,961,417)	(4,547)
-	41,437	(26,141)	2,586	(28,639)	(50,047)
<u>\$ 1,743,183</u>	<u>\$ (244,330)</u>	<u>\$ 1,337,128</u>	<u>\$ 1,339,953</u>	<u>\$ (3,990,056)</u>	<u>\$ (54,594)</u>

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

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

	<u>2013</u>	<u>2012</u>	<u>2011 (2)</u>	<u>2010</u>
General Fund:				
Nonspendable	\$ 44,111	\$ 56,091	\$ 65,417	\$ -
Assigned	541,757	1,219,015	1,220,021	-
Unassigned	2,546,542	733,396	359,644	-
Reserved	-	-	-	3,787,100
Unreserved (deficit)	-	-	-	(3,416,462)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total general fund	<u>\$ 3,132,410</u>	<u>\$ 2,008,502</u>	<u>\$ 1,645,082</u>	<u>\$ 370,638</u>
All Other Governmental Funds:				
Nonspendable	\$ 873	\$ 9,808	\$ 14,767	\$ -
Restricted	8,582,860	22,932,638	41,177,372	-
Committed	602,245	68,519	56,079	-
Unassigned (deficit)	(6,106)	(3,541)	(2,264)	-
Reserved	-	-	-	4,729,827
Unreserved, reported in:				
Special revenue funds	-	-	-	595,369
Capital projects funds	-	-	-	(846,687)
Debt service funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total all other governmental funds	<u>\$ 9,179,872</u>	<u>\$ 23,007,424</u>	<u>\$ 41,245,954</u>	<u>\$ 4,478,509</u>
Total governmental funds	<u>\$ 12,312,282</u>	<u>\$ 25,015,926</u>	<u>\$ 42,891,036</u>	<u>\$ 4,849,147</u>

Source: School District financial records.

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

Note (2): In fiscal year 2011, the District has implemented GASB 54, which reclassified fund balances and some fund types to the general fund.

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

<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
4,097,095	3,377,689	2,878,496	2,509,215	2,959,435	3,916,515
(4,378,385)	(5,048,840)	(3,497,628)	(3,247,658)	(3,714,265)	3,235
<u>\$ (281,290)</u>	<u>\$ (1,671,151)</u>	<u>\$ (619,132)</u>	<u>\$ (738,443)</u>	<u>\$ (754,830)</u>	<u>\$ 3,919,750</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,637,940	4,189,258	3,701,362	3,223,074	3,142,625	1,271,044
157,608	245,941	172,108	288,723	101,848	190,557
(559,461)	(426,111)	(62,930)	(336,449)	(419,205)	(787,440)
-	-	-	-	-	2,595,902
<u>\$ 4,236,087</u>	<u>\$ 4,009,088</u>	<u>\$ 3,810,540</u>	<u>\$ 3,175,348</u>	<u>\$ 2,825,268</u>	<u>\$ 3,270,063</u>
<u>\$ 3,954,797</u>	<u>\$ 2,337,937</u>	<u>\$ 3,191,408</u>	<u>\$ 2,436,905</u>	<u>\$ 2,070,438</u>	<u>\$ 7,189,813</u>

ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues				
From local sources:				
Taxes	\$ 30,960,931	\$ 28,831,318	\$ 28,521,440	\$ 27,857,601
Tuition	84,547	88,948	69,593	62,507
Transportation	78,071	9,088	7,004	7,308
Earnings on investments	85,906	159,598	150,324	83,742
Charges for services	303,142	300,500	317,847	327,170
Extracurricular	290,281	199,979	281,985	193,618
Classroom materials and fees	200,480	247,676	257,072	213,890
Contributions and donations	168,669	70,922	269,203	136,144
Rentals	245,982	239,878	98,075	338,166
Contract services	116,085	105,055	103,098	161,023
Other local revenues	785,111	312,798	287,160	158,195
Intergovernmental - Intermediate	-	38,866	-	-
Intergovernmental - State	6,952,881	7,071,095	7,711,068	7,630,815
Intergovernmental - Federal	2,202,342	2,404,810	2,418,011	1,596,002
Total revenues	<u>42,474,428</u>	<u>40,080,531</u>	<u>40,491,880</u>	<u>38,766,181</u>
Expenditures				
Current:				
Instruction:				
Regular	15,372,846	14,512,892	15,293,849	14,410,989
Special	4,334,903	4,068,858	4,228,153	4,586,956
Vocational	509,236	537,264	407,817	445,609
Other	39,439	40,233	28,808	51,038
Current:				
Pupil	2,194,626	2,212,290	2,367,578	1,951,138
Instructional staff	1,419,784	1,417,043	712,031	1,009,683
Board of education	32,012	35,785	35,503	32,757
Administration	1,880,084	1,818,026	2,059,252	1,932,072
Fiscal	974,167	1,012,905	781,896	824,275
Business	597,525	520,189	492,901	447,419
Operations and maintenance	3,649,831	3,406,352	3,617,987	3,643,025
Pupil transportation	1,635,614	1,733,713	1,635,298	1,441,001
Central	766,496	743,407	689,364	740,188
Operation of non-instructional services				
Food service operations	419,234	433,324	442,084	442,056
Other non-instructional services	1,627,731	1,358,160	1,665,163	1,320,582
Extracurricular activities	1,496,981	1,191,961	1,343,061	1,097,727
Facilities acquisitions and construction	14,273,590	17,339,334	4,885,284	331,290
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,758,871	2,583,193	2,526,880	2,442,268
Interest and fiscal charges	2,921,922	3,001,103	2,290,403	721,758
Bond issuance costs	-	-	435,150	-
Total expenditures	<u>55,904,892</u>	<u>57,966,032</u>	<u>45,938,462</u>	<u>37,871,831</u>
Excess of revenues over (under) expenditures	(13,430,464)	(17,885,501)	(5,446,582)	894,350
Other Financing Sources (Uses)				
Transfers in	60,000	50,000	30,378	210,926
Transfers (out)	(60,000)	(50,000)	(30,378)	(210,926)
Lease-purchase transactions	725,000	-	100,000	-
Sale of assets	1,820	10,391	-	-
Premium on bonds sold	-	-	443,449	-
Sale of bonds	-	-	42,900,000	-
Total other financing sources (uses)	<u>726,820</u>	<u>10,391</u>	<u>43,443,449</u>	<u>-</u>
Net change in fund balances	<u>\$ (12,703,644)</u>	<u>\$ (17,875,110)</u>	<u>\$ 37,996,867</u>	<u>\$ 894,350</u>
Capital expenditures (included in expenditures above)	15,119,412	17,631,972	4,885,284	597,337
Debt service as a % of noncapital expenditures	11.48%	13.85%	11.73%	8.49%

Source: School District financial records.

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

	<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$	28,099,864	\$ 25,419,002	\$ 25,666,088	\$ 24,240,672	\$ 20,851,323	\$ 23,364,027
	75,650	89,613	87,308	117,209	132,903	257,255
	13,819	2,340	-	-	-	119,609
	144,994	291,928	405,647	257,199	171,372	94,157
	351,342	-	-	-	-	-
	261,450	209,092	232,094	161,421	200,644	165,750
	217,594	23,026	16,277	18,354	13,595	-
	122,470	95,691	65,102	82,263	39,420	92,997
	295,270	273,984	201,196	165,420	165,848	146,517
	-	-	-	-	-	-
	310,233	279,509	508,575	272,186	254,156	5,801
	-	-	-	-	-	-
	7,402,508	6,659,186	6,089,404	5,818,963	5,828,143	6,310,864
	1,063,772	918,098	870,993	897,862	820,849	-
	<u>38,358,966</u>	<u>34,261,469</u>	<u>34,142,684</u>	<u>32,031,549</u>	<u>28,478,253</u>	<u>30,556,977</u>
	14,417,955	13,326,223	13,218,752	12,449,859	12,993,678	11,947,488
	3,923,212	3,715,276	3,548,628	3,427,201	3,203,256	2,802,837
	378,009	413,149	404,383	351,372	481,957	223,699
	28,300	26,948	26,574	24,803	26,928	-
	1,819,965	1,873,323	1,732,285	1,671,187	1,656,203	1,431,489
	815,644	861,608	798,914	723,752	1,096,046	849,848
	40,458	38,499	31,896	22,987	229,603	23,573
	1,924,195	2,053,567	1,721,160	1,371,377	1,473,548	1,393,006
	726,228	714,321	468,239	793,486	792,747	674,754
	445,663	450,682	362,302	370,679	381,943	435,357
	3,812,350	3,329,102	3,120,493	3,220,950	3,083,886	3,030,354
	1,631,701	1,845,272	1,277,071	1,138,481	1,153,653	1,071,030
	712,942	664,206	896,374	638,532	873,912	631,871
	470,604	-	-	-	-	-
	1,644,408	1,576,174	1,561,811	1,296,794	1,506,059	1,316,648
	1,202,554	1,110,154	1,100,494	928,085	1,057,464	953,534
	75,280	34,638	2,425	9,683	510,675	-
	-	-	-	-	229,845	1,882,525
	2,324,123	2,192,469	2,085,918	1,999,419	1,902,967	1,780,000
	797,726	889,329	990,462	1,084,854	1,179,045	1,254,589
	-	-	-	-	-	-
	<u>37,191,317</u>	<u>35,114,940</u>	<u>33,348,181</u>	<u>31,523,501</u>	<u>33,833,415</u>	<u>31,702,602</u>
	1,167,649	(853,471)	794,503	508,048	(5,355,162)	(1,145,625)
	31,000	-	231,148	-	1,324	33,668
	(31,000)	-	(271,148)	-	(1,324)	(33,668)
	321,818	-	-	-	-	-
	-	-	-	-	5,942	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>321,818</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>5,942</u>	<u>-</u>
\$	<u>1,489,467</u>	<u>\$ (853,471)</u>	<u>\$ 754,503</u>	<u>\$ 508,048</u>	<u>\$ (5,349,220)</u>	<u>\$ (1,145,625)</u>
	768,906	656,267	458,047	92,209	1,235,538	1,178,435
	8.57%	8.94%	9.35%	9.81%	9.45%	9.94%

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

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

Collection Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2013	\$ 697,315,460	\$ 1,992,329,886	\$ -	\$ -	\$ 7,754,640	\$ 8,812,091
2012	699,829,940	1,999,514,114	-	-	7,105,100	8,073,977
2011	703,240,090	2,009,257,400	-	-	6,831,460	7,763,023
2010 (3)	708,948,780	2,025,567,943	-	-	6,680,600	7,591,591
2009	735,800,820	2,102,288,057	4,651,620	74,425,920	6,322,670	7,184,852
2008	728,712,840	2,082,036,686	8,975,082	143,601,312	6,044,760	6,869,045
2007 (2)	722,592,150	2,064,549,000	12,471,366	99,770,928	8,839,250	10,044,602
2006	655,102,590	1,871,721,686	13,668,520	72,898,773	9,304,440	10,573,227
2005	666,296,240	1,903,703,543	15,226,500	66,202,174	10,341,880	11,752,136
2004 (3)	663,153,590	1,894,724,543	18,767,823	78,199,263	10,150,730	11,534,920

Source: Cuyahoga County Fiscal Officer's Office

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35% of actual value.
 Public utility personal is assessed at 88% of actual value.
 For collection year 2010, capital assets and inventory for tangible personal property is phased-out.
 For collection years 2008 and 2009, capital assets and inventory for tangible personal property is assessed at 6.25% of actual value.
 For collection year 2007, capital assets and inventory for tangible personal property is assessed at 12.5% of actual value.
 For collection year 2006, capital assets and inventory for tangible personal property was assessed at 18.75% of actual value.
 For collection years 1998-2005, capital assets for tangible personal property was assessed at 25% of actual value.
 For collection years 1998-2005, inventory for tangible personal property was assessed at 23% actual value.

(2) Reappraisal of property values.

(3) Triennial update of property values.

Total			
Assessed Value	Estimated Actual Value	%	Direct Tax Rates
\$ 705,070,100	\$ 2,001,141,977	35.23%	89.45
706,935,040	2,007,588,092	35.21%	84.35
710,071,550	2,017,020,423	35.20%	84.30
715,629,380	2,033,159,534	35.20%	82.70
746,775,110	2,183,898,829	34.19%	82.70
743,732,682	2,232,507,043	33.31%	77.10
743,902,766	2,174,364,530	34.21%	77.20
678,075,550	1,955,193,686	34.68%	77.00
691,864,620	1,981,657,853	34.91%	72.00
692,072,143	1,984,458,726	34.87%	72.00

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

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

Tax Year/ Collection Year	Overlapping Rates			Direct Rates			
	County (1)	Library	City	Voted		Unvoted	Total
				General	Bond		
2012/2013	18.50	6.10	10.90	78.50	6.38	4.57	89.45
2011/2012	18.30	6.10	10.90	73.60	6.18	4.57	84.35
2010/2011	18.40	6.10	10.90	73.60	6.13	4.57	84.30
2009/2010	18.10	6.10	10.90	73.60	4.53	4.57	82.70
2008/2009	18.10	6.10	10.90	73.55	4.58	4.57	82.70
2007/2008	18.20	6.10	10.90	67.70	4.83	4.57	77.10
2006/2007	18.20	6.10	10.90	67.70	4.93	4.57	77.20
2005/2006	18.30	6.10	10.90	67.70	4.73	4.57	77.00
2004/2005	18.30	6.10	10.90	62.80	4.63	4.57	72.00
2003/2004	18.00	4.70	9.90	62.80	4.63	4.57	72.00

Source: Cuyahoga County Fiscal Officer's Office

(1) Includes the Cleveland Metropolitan Park District, Cuyahoga County College District and Cleveland-Cuyahoga County Port Authority

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

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2012 AND DECEMBER 31, 2003

December 31, 2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Inland Westgate, LLC	\$ 14,769,770	1	2.12%
Westwood Town Center	7,007,250	2	1.00%
Cleveland Electric Illuminating Co.	6,493,180	3	0.93%
Beachcliff Properties	3,702,830	4	0.53%
SRK Perrysburg Association, LLC	3,277,890	5	0.47%
Westwood Country Club	3,221,050	6	0.46%
Normandy Association Ltd.	3,043,190	7	0.44%
Presidential Apartments Ltd.	2,773,120	8	0.40%
W&F Plaza Investments	2,684,610	9	0.38%
Normandy II Ltd.	2,637,290	10	0.38%
Total	<u>\$ 49,610,180</u>		<u>7.11%</u>
Total Real Estate Valuation	<u>\$ 697,315,460</u>		

December 31, 2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Westgate Joint Venture	\$ 14,770,810	1	2.23%
Westwood Town Center	5,447,130	2	0.82%
Normandy Associates, Ltd.	5,103,390	3	0.77%
Rockport Assoc. Co. Ltd.	4,731,610	4	0.71%
Presidential Apartments Ltd.	4,057,450	5	0.61%
Spielberger, John D.	3,258,680	6	0.49%
Linden Apartments Co.	2,835,040	7	0.43%
Higbee Company	2,508,070	8	0.38%
Gross Management, Inc.	2,240,010	9	0.34%
W&F Plaza Investments	2,184,570	10	0.33%
Total	<u>\$ 47,136,760</u>		<u>7.11%</u>
Total Real Estate Valuation	<u>\$ 663,153,590</u>		

Source: Cuyahoga County Fiscal Officer's Office

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

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY AND PUBLIC UTILITY PROPERTY TAX
DECEMBER 31, 2012 AND DECEMBER 31, 2003

December 31, 2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Personal Property and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 6,493,180	1	83.73%
East Ohio Gas	806,780	2	10.40%
American Transmission Systems Corp.	454,680	3	5.86%
Norfolk Southern	30,550	4	0.39%
Total	\$ 7,785,190		100.38%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 7,754,640		

* The reason the total reflected here is less than the sum of the top four taxpayers shown here is due to the fact that this total is the one certified by the State Dept. of Taxation for the tax year starting 1/1/2012 (collection year starting 1/1/2013), while the totals reflected for the individual taxpayers shown above are the updated totals as of 11/22/2013.

December 31, 2003			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Personal Property and Public Utility Assessed Value
Cleveland Electric Illuminating Co.	\$ 4,336,960	1	15.00%
Ohio Bell Telephone Company	3,172,510	2	10.97%
Home Depot	1,047,390	3	3.62%
Cox Cable of Cleveland	787,430	4	2.72%
Riser Food Company	738,660	5	2.55%
Target Corporation	667,310	6	2.31%
East Ohio Gas	660,520	7	2.28%
Kohl's Department Store	615,670	8	2.13%
Sygenta Crop Protection, Inc.	572,040	9	1.98%
American Transmission Systems Company	527,630	10	1.82%
Total	\$ 13,126,120		45.38%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 28,918,553		

Source: Cuyahoga County Fiscal Officer's Office

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2012/2013	\$ 36,930,318	\$ 1,242,340	\$ 38,172,658	\$ 35,697,430	96.66%
2011/2012	33,231,431	1,665,608	34,897,039	31,958,000	96.17%
2010/2011	33,146,482	1,269,304	34,415,786	31,676,029	95.56%
2009/2010	32,124,787	1,318,363	33,443,150	30,939,802	96.31%
2008/2009	32,504,011	1,191,057	33,695,068	31,583,352	97.17%
2007/2008	28,241,365	1,137,993	29,379,358	27,363,631	96.89%
2006/2007	27,707,351	1,081,982	28,789,333	25,588,848	92.35%
2005/2006	25,290,081	926,743	26,216,824	24,113,013	95.35%
2004/2005	25,109,123	1,070,529	26,179,652	23,985,396	95.52%
2003/2004	24,772,327	1,521,061	26,293,388	24,182,240	97.62%

Source: Cuyahoga County Fiscal Officer's Office

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 831,332	\$ 36,528,761	95.69%
1,321,291	33,278,691	95.36%
682,872	32,358,901	94.02%
682,471	31,622,273	94.56%
754,216	32,337,568	95.97%
885,454	28,249,085	96.15%
596,088	26,184,936	90.95%
493,234	24,606,247	93.86%
593,588	24,578,984	93.89%
698,404	24,880,644	94.63%

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

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				(a) Total Primary Government	(b) Per Capita	(b) Per ADM	(c) Percentage of Personal Income
	General Obligation Bonds	Bond Anticipation Notes	Lease Purchase Obligations	Capital Leases				
2013	\$ 51,853,680	\$ -	\$ 535,555	\$ -	\$ 52,389,235	\$ 2,592	\$ 19,882	6.29%
2012	52,866,086	-	119,426	-	52,985,512	2,621	20,101	6.36%
2011	55,237,640	-	212,619	-	55,450,259	2,743	21,229	6.66%
2010	14,494,842	-	214,499	-	14,709,341	722	5,563	2.08%
2009	16,470,932	-	296,767	-	16,767,699	823	6,254	2.37%
2008	18,314,079	78,800	-	49,072	18,441,951	905	6,866	2.61%
2007	20,115,503	-	-	96,541	20,212,044	992	7,497	2.86%
2006	21,865,363	-	-	142,459	22,007,822	1,080	8,336	3.12%
2005	23,575,348	-	-	186,878	23,762,226	1,146	9,059	N/A
2004	25,148,563	-	-	-	25,148,563	1,213	9,680	N/A

Sources:

- (a) See notes to the financial statements regarding the District's outstanding debt information. Bonded debt includes accreted interest on capital appreciation bonds and unamortized premiums.
- (b) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, population and enrollment information.
- (c) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, and population. Personal income equals per capita personal income times population.

N/A - Data Not Accessible

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

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds (1)	Resources Available to Pay Principal (2)	Net General Bonded Debt		
2013	\$ 51,853,680	\$ 2,587,712	\$ 49,265,968	2.46%	\$ 2,437
2012	52,866,086	2,624,034	50,242,052	2.50%	2,486
2011	55,237,640	3,825,673	51,411,967	2.55%	2,544
2010	14,494,842	4,644,106	9,850,736	0.48%	483
2009	16,470,932	4,509,591	11,961,341	0.55%	587
2008	18,314,079	4,070,534	14,243,545	0.64%	699
2007	20,115,503	3,471,661	16,643,842	0.77%	817
2006	21,865,363	3,054,434	18,810,929	0.96%	923
2005	23,575,348	3,062,031	20,513,317	1.04%	989
2004	25,148,563	3,064,003	22,084,560	1.11%	1,065

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

- (1) Includes unamortized premiums and accreted interest on capital appreciation bonds.
- (2) Represents the fund balance of the bond retirement fund. Portion specific to principal and interest cannot be determined. Entire balance may be applied to principal.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt:			
Rocky River City School District	\$ 52,389,235	100.00%	\$ 52,389,235
Total direct debt	<u>52,389,235</u>		<u>52,389,235</u>
Overlapping debt:			
City of Rocky River	14,180,000	100.00%	14,180,000
Cuyahoga County	341,075,645	2.55%	8,696,406
Regional Transit Authority	129,495,000	2.55%	3,301,475
City of Fairview Park	22,065,000	6.08%	1,341,773
Total overlapping debt	<u>506,815,645</u>		<u>27,519,653</u>
Total direct and overlapping debt	<u>\$ 559,204,880</u>		<u>\$ 79,908,888</u>

Source: Ohio Municipal Advisory Council

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2013 collection year.

(2) See notes to the financial statements regarding the District's outstanding debt including lease purchase obligations.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year (1)	Voted Debt Limit	Total Debt Applicable to Limit (2)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2013	\$ 63,456,309	\$ 51,370,000	\$ 2,587,712	\$ 48,782,288	\$ 14,674,021	76.88%
2012	63,624,154	52,820,000	2,624,034	50,195,966	13,428,188	78.89%
2011	63,906,440	54,279,896	3,825,673	50,454,223	13,452,217	78.95%
2010	64,406,644	9,850,736	4,644,106	5,206,630	59,200,014	8.08%
2009	66,791,114	11,961,341	4,509,591	7,451,750	59,339,364	11.16%
2008	66,128,184	14,243,545	4,070,534	10,173,011	55,955,173	15.38%
2007	65,555,924	16,643,842	3,471,661	13,172,181	52,383,743	20.09%
2006	61,026,800	18,810,929	3,054,434	15,756,495	45,270,305	25.82%
2005	62,267,816	20,513,317	3,062,031	17,451,286	44,816,530	28.03%
2004	62,286,493	22,084,560	3,064,003	19,020,557	43,265,936	30.54%

Voted Debt Limit Calculation for Fiscal Year 2013

Assessed Value	\$ 705,070,100
Debt Limit (9% of assessed value)	X 9%
Voted Debt Limit	<u>\$ 63,456,309</u>

Source: Cuyahoga County Fiscal Officer and District financial records

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

- (1) In accordance with House Bill No. 66, the assessed valuation of tangible personal property is excluded the total assessed valuation used to calculate the voted debt limit for years 2007-2011.
- (2) Total debt excludes accreted interest on capital appreciation bonds.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Total Personal Income (4)</u>	<u>Median Age(1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rates (3)</u>		
						<u>Cuyahoga County</u>	<u>Ohio</u>	<u>United States</u>
2013	20,213	\$ 41,207	\$ 832,917,091	46	2,635	7.3%	7.2%	7.6%
2012	20,213	41,207	832,917,091	46	2,636	6.9%	7.0%	7.8%
2011	20,213	41,207	832,917,091	46	2,612	8.9%	8.8%	9.2%
2010	20,375	34,663	706,258,625	44	2,644	9.7%	10.0%	9.6%
2009	20,375	34,663	706,258,625	44	2,681	10.2%	11.2%	10.2%
2008	20,375	34,663	706,258,625	44	2,686	8.1%	6.6%	5.5%
2007	20,375	34,663	706,258,625	44	2,696	6.5%	6.1%	4.5%
2006	20,375	34,663	706,258,625	44	2,640	4.8%	5.1%	4.4%
2005	20,735	N/A	N/A	N/A	2,623	6.1%	5.9%	5.0%
2004	20,735	N/A	N/A	N/A	2,598	6.2%	5.7%	5.1%

(1) U. S. Census Bureau - 2000 and 2010 Census

(2) District records

(3) www.economagic.com

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

N/A - Data Not Accessible

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO

Employer	December 31, 2012	
	Employees	Percentage of Total City Employment per Number of Employees
City of Rocky River	667	5.10%
Rocky River City School District	613	4.68%
Riser Foods Co.	265	2.03%
Westwood Country Club Co.	256	1.96%
CRS Marketing Services Inc.	236	1.80%
Heinen's	236	1.80%
Cleveland Yacht Club	225	* 1.72%
Marc Glassman Inc.	213	1.63%
Magnificat High School	197	1.51%
Group Management Services	155	1.18%
Total	3,063	23.41%
Total Number of Employees (1), (2)	13,085	

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

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

* Estimated number of employees based on previous filings with CCA

(1) Only includes employee count located within the City of Rocky River. Employment numbers for the portion of the Rocky River City School District located in the City of Fairview Park was not available.

(2) Total City employment based upon an estimate from the central collection agency on number of W-2's filed. Amount equals total at December 31, 2012.

Note: Information for years earlier than 2005 is not available.

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

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

<u>Type</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Professional Staff:										
Teaching Staff:										
Elementary	25.48	25.58	26.00	26.60	27.50	26.25	28.00	27.75	28.10	28.10
Intermediate	32.25	33.24	33.67	33.27	33.27	31.52	31.27	32.76	34.57	34.82
Middle	37.75	36.12	36.12	37.67	37.82	38.20	37.40	37.16	37.53	38.35
High	55.09	54.15	51.78	52.43	52.28	52.73	51.13	50.93	50.78	49.93
Tutors	21.59	21.77	22.21	22.67	18.72	17.12	16.20	17.94	15.89	13.66
Others	3.50	3.50	2.50	1.50	0.00	0.00	2.00	2.00	2.00	2.00
Administration	18.45	18.45	18.00	17.00	16.00	16.00	16.00	16.00	16.00	16.00
Auxiliary Positions:										
Counselors	6.00	6.00	6.75	5.75	6.75	7.00	7.00	7.00	7.00	7.00
Speech	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
Mental Health Specialists	2.00	2.00	2.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00 *	1.00
Occupational/PT	0.86	0.81	0.81 *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A *	N/A
Support Staff:										
Secretarial	28.55	29.78	30.62	30.62	30.04	30.70	30.40	30.20	29.20	30.20
Aides	20.12	18.37	18.76	19.10	19.57	20.47	21.80	20.12	19.40	18.80 *
Learning Assistants	1.94	1.94	1.94	1.94	1.94	3.89	4.96	6.86	6.73	7.68
Lunch and Hall Monitors/Security	6.78	6.75	6.20	6.00	6.19	6.19	7.11	5.31	5.20	4.90
Cooks/Food Service	4.52	4.52	4.52	4.74	4.52	5.35	5.91	5.88	4.60	5.10
Custodial	20.48	21.29	21.23	21.23	20.74	17.10	19.16	21.46	21.86	19.85
Maintenance	6.00	7.00	7.00	7.00	7.00	8.00	6.00	7.00	7.00	8.00
Bus Driver	11.38	11.10	11.97	12.07	14.07	12.20	11.67	12.58	10.77	11.83
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Athletic Trainer	*	*	*	*	*	*	*	*	0.70	0.70
Other Central Support	0.80	0.80	1.00	0.50	1.50	1.17	1.17	1.17	1.17	1.17
Total	308.34	307.97	307.88	305.89	303.71	299.69	302.98	307.92	304.30	303.89
Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Instruction:										
Regular	137.06	137.71	136.23	136.23	139.00	137.60	137.10	137.70	140.28	141.25
Special	54.45	50.53	50.72	50.10	49.35	50.31	49.39	48.18	47.83	48.28
Vocational	**	**	**	**	**	**	**	**	**	**
Other	17.51	17.51	16.87	15.06	13.35	14.90	17.08	18.05	14.89	12.51
Support Services:										
Pupil	6.75	6.75	7.75	7.75	7.75	8.00	8.00	8.00	8.00	8.00
Instructional staff	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Administration	19.25	19.25	18.80	18.80	17.80	17.80	17.80	18.00	18.00	18.00
Fiscal	4.00	4.00	4.28	4.40	4.00	4.00	4.00	4.20	4.20	4.20
Business	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Operations and maintenance	27.48	30.29	30.23	30.23	28.74	25.10	27.16	30.46	30.86	29.85
Pupil transportation	17.82	17.41	18.28	18.38	18.38	16.76	15.67	16.58	14.77	15.83
Central	3.07	3.07	3.27	3.27	3.67	4.17	4.17	4.17	4.17	4.17
Food Service Operations	5.25	5.75	5.75	5.97	5.97	5.35	6.91	6.88	5.60	6.10
Extracurricular activities	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Total	308.34	307.97	307.88	305.89	303.71	299.69	302.98	307.92	304.30	303.89

Source: School District records.

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

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

N/A - Information Not Accessible.

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

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2013	2012	2011	2010	2009	2008
Instruction:						
Regular, Special and Vocational						
Enrollment (students)	2,635	2,636	2,612	2,644	2,681	2,686
Graduation Count	202	229	229	210	244	211
Graduation Rate	98.06%	99.13%	96.20%	98.60%	99.20%	99.10%
Student attendance rate	96.30%	96.50%	96.40%	96.30%	96.60%	96.50%
Support services:						
Board of education						
Regular meetings per year (based on calendar year)	22	22	22	22	22	21
Special meetings per year (based on calendar year)	12	10	11	13	10	14
Administration						
Teacher attendance rate	95.90%	96.50%	95.70%	95.30%	95.30%	95.50%
Fiscal						
Nonpayroll checks issued	3,990	4,131	4,239	4,152	4,363	4,157
Payroll checks/direct deposits issued	10,868	10,941	10,958	10,079	10,926	10,836
Operations and maintenance						
Work orders completed	* 1,200	1,200	1,000	950	1,200	1,220
Square footage maintained	537,975	535,015	504,168	504,168	504,168	504,168
Pupil transportation						
Avg. students transported daily	1,202	1,116	1,110	1,116	1,179	1,230
Food service operations						
Meals served to students	** 60,711	77,879	82,408	90,338	104,621	104,800
Milk served to students	** 42,000	54,393	38,498	52,399	56,687	64,926
Percentage of students receiving free/reduced cost meals	29.54%	12.78%	11.03%	11.53%	9.66%	7.55%

Source: School District records and Ohio Department of Education

Note: Square footage maintained for prior years has been restated for prior years based on updated square footage estimates from recent construction surveys.

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

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

2007	2006	2005	2004
2,696	2,640	2,623	2,598
229	186	199	202
96.90%	98.00%	98.00%	95.30%
96.40%	96.60%	96.30%	96.50%
22	22	22	22
18	6	4	7
94.90%	95.40%	95.70%	95.90%
4,374	4,533	5,369	5,279
10,771	10,891	11,305	11,013
900	1,100	1,100	1,100
504,168	504,168	504,168	504,168
1,455	1,366	1,497	1,549
110,719	112,953	109,467	106,170
61,564	60,888	60,797	59,270
7.12%	12.45%	10.02%	8.95%

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

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Land	\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821
Construction in progress	25,327,818	18,357,047	4,572,353	292,550
Land improvements	1,536,262	1,163,807	1,192,029	1,240,900
Building/improvements	25,051,022	20,143,772	18,722,146	19,916,232
Furniture/equipment	2,476,517	1,635,959	1,076,685	1,042,833
Vehicles	<u>477,868</u>	<u>562,458</u>	<u>568,269</u>	<u>666,739</u>
 Total Governmental Activities Capital Assets, net	 <u>\$ 55,640,308</u>	 <u>\$ 42,633,864</u>	 <u>\$ 26,902,303</u>	 <u>\$ 23,930,075</u>

Source: School District financial records.

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

Note: Amounts above are presented net of accumulated depreciation.

<u>2009 (1)</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 770,821	\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230
-	-	-	-	-	108,213
1,275,515	1,297,873	1,588,029	1,698,598	1,711,678	920,719
20,882,476	21,870,716	23,561,292	24,879,954	30,093,136	31,415,477
1,077,834	785,235	839,466	653,439	1,044,361	883,709
679,979	598,938	295,675	379,697	531,159	599,027
<u>\$ 24,686,625</u>	<u>\$ 25,274,992</u>	<u>\$ 27,006,692</u>	<u>\$ 28,333,918</u>	<u>\$ 34,102,564</u>	<u>\$ 34,649,375</u>

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

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Goldwood Elementary (1927)					
Square feet	57,150	55,070	55,070	55,070	55,070
Capacity (students)	588	588	588	588	588
Enrollment	565	579	546	561	563
Kensington Intermediate (1926)					
Square feet	68,980	68,100	68,100	68,100	68,100
Capacity (students)	610	610	596	596	596
Enrollment	592	582	556	575	584
Rocky River Middle School (2000)					
Square feet***	107,000	107,000	110,000	110,000	110,000
Capacity (students)	659	659	659	659	659
Enrollment	625	610	632	615	606
Rocky River High School (1950)					
Square feet	247,893	247,893	214,046	214,046	214,046
Capacity (students)	1,100	1,100	936	936	936
Enrollment	853	865	878	893	928
Beach Education Center (1930)					
Square feet	37,780	37,780	37,780	37,780	37,780
Capacity (students)	-	150	404	404	404
Enrollment	N/A	N/A	*	*	*
Wooster Road Elementary (1955)					
Square feet	19,172	19,172	19,172	19,172	19,172
Capacity (students)	0	0	205	205	205
Enrollment	**	**	**	**	**
Total Square Feet	537,975	535,015	504,168	504,168	504,168
Total Capacity	2,957	3,107	3,388	3,388	3,388
Total Enrollment	2,635	2,636	2,612	2,644	2,681

Source: School District records.

Note: Year of original construction is in parentheses. Any increases in square footage and capacity are the result of new construction, renovations and additions. Prior years for Kensington Intermediate and Rocky River High School have been restated per updated square footage estimates based on recent construction surveys.

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

* Only a small portion of this building was being utilized for pre-kindergarten special education students through the 2004-2005 school year. This program was moved to Goldwood Primary School of the 2005-2006 school year. A portion of this building was leased out to a private pre-school through the 2011-2012 school year, but that lease has terminated as of 6/30/12. As of July 2011, the majority of this building is being utilized as the District's Board of Education/Administrative Offices in place of the previous location which was demolished as part of the District's construction and renovation project that commenced in 2010.

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

N/A - Data Not Available or Not Applicable

2008	2007	2006	2005	2004
55,070	55,070	55,070	55,070	55,070
588	588	588	588	588
558	568	559	519	514
68,100	68,100	68,100	68,100	68,100
596	596	596	596	596
588	577	566	591	603
110,000	110,000	110,000	110,000	110,000
659	659	659	659	659
631	643	626	640	623
214,046	214,046	214,046	214,046	214,046
936	936	936	936	936
909	908	889	844	827
37,780	37,780	37,780	37,780	37,780
404	404	404	404	404
*	*	*	29	31
19,172	19,172	19,172	19,172	19,172
205	205	205	205	205
**	**	**	**	**
504,168	504,168	504,168	504,168	504,168
3,388	3,388	3,388	3,388	3,388
2,686	2,696	2,640	2,623	2,598

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2013	\$ 51,224,099	\$ 19,440	\$ 38,134,233	\$ 14,472	2,635	-0.04%
2012	52,381,736	19,872	36,095,348	13,693	2,636	0.92%
2011	40,686,029	15,577	38,456,045	14,723	2,612	-1.21%
2010	34,707,805	13,127	35,701,731	13,503	2,644	-1.38%
2009	34,069,468	12,708	35,136,993	13,106	2,681	-0.19%
2008	32,033,142	11,926	33,495,906	12,471	2,686	-0.37%
2007	30,271,801	11,228	31,527,500	11,694	2,696	2.12%
2006	28,434,728	10,771	29,571,949	11,201	2,640	0.65%
2005	30,751,403	11,724	30,848,117	11,761	2,623	0.96%
2004	28,210,549	10,859	29,054,984	11,184	2,598	0.89%

Source: District records

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

(1) Debt Service totals have been excluded.

Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
170	15.50	96.30%
170	15.51	96.50%
166	15.73	96.40%
166	15.93	96.30%
166	16.15	96.60%
162	16.58	96.50%
163	16.54	96.40%
165	16.00	96.60%
169	15.52	96.30%
162	16.04	96.50%

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

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

	<u>2013</u>		<u>2012</u>		<u>2011</u>		<u>2010</u>	
Education								
<i>College Degree Attained (Number of Staff/% of Total)</i>								
Bachelor's Degree	10	5.88%	9	5.29%	4	2.41%	6	3.61%
Bachelor's Degree + 9 hours	4	2.35%	6	3.53%	9	5.42%	9	5.42%
Bachelor's Degree + 18 hours	19	11.18%	16	9.41%	18	10.84%	21	12.65%
Master's Degree	55	32.35%	60	35.29%	55	33.13%	48	28.92%
Master's Degree + 9 hours	28	16.47%	25	14.71%	23	13.86%	27	16.27%
Master's Degree + 18 hours	21	12.35%	22	12.94%	21	12.65%	18	10.84%
Master's Degree + 27 hours	9	5.29%	10	5.88%	13	7.83%	14	8.43%
Master's Degree + 36 hours	24	14.12%	22	12.94%	23	13.86%	23	13.86%
Total	170	100.00%	170	100.00%	166	100.00%	166	100.00%
Experience								
<i>Range of Years' Experience (Number of Staff/% of Total)</i>								
0 - 5	26	15.29%	29	17.06%	17	10.24%	33	19.88%
6 - 10	37	21.76%	37	21.76%	34	20.48%	21	12.65%
11 and over	107	62.94%	104	61.18%	115	69.28%	112	67.47%
Total	170	100.00%	170	100.00%	166	100.00%	166	100.00%
Average Teacher Salary	\$72,456		\$72,800		\$73,950		\$70,850	

Source: School District Records and Ohio Department of Education.

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

2009		2008		2007		2006		2005		2004	
9	5.42%	7	4.32%	8	4.91%	8	4.85%	11	6.51%	10	6.17%
10	6.02%	9	5.56%	13	7.98%	11	6.67%	10	5.92%	9	5.56%
18	10.84%	24	14.81%	16	9.82%	17	10.30%	18	10.65%	19	11.73%
49	29.52%	41	25.32%	47	28.82%	47	28.48%	52	30.77%	50	30.86%
28	16.87%	27	16.67%	26	15.95%	29	17.58%	24	14.20%	23	14.20%
16	9.64%	17	10.49%	16	9.82%	18	10.91%	18	10.65%	15	9.26%
14	8.43%	13	8.02%	13	7.98%	14	8.48%	15	8.88%	14	8.64%
22	13.25%	24	14.81%	24	14.72%	21	12.73%	21	12.43%	22	13.58%
166	100.00%	162	100.00%	163	100.00%	165	100.00%	169	100.00%	162	100.00%
26	15.66%	20	12.35%	20	12.27%	19	11.52%	26	15.38%	33	20.37%
29	17.47%	31	19.14%	33	20.25%	47	28.48%	46	27.22%	54	33.33%
111	66.87%	111	68.51%	110	67.48%	99	60.00%	97	57.40%	75	46.30%
166	100.00%	162	100.00%	163	100.00%	165	100.00%	169	100.00%	162	100.00%
\$67,535		\$65,596		\$64,697		\$63,161		\$59,376		\$57,168	

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Michelle Auvil
Grade 6

ROCKY RIVER CITY SCHOOL DISTRICT
Cuyahoga County, Ohio

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County, Ohio



Mary Tjotjos
Grade 11