

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2003



**Auditor of State
Betty Montgomery**

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**Schedule of Federal Awards Receipts and Expenditures
for the year ended June 30, 2003**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U. S. Department of Agriculture						
<i>Passed Through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
Food Distribution	NA	10.550	\$0	\$23,296	\$0	\$24,859
National School Lunch Program	044701 LL-P1/P4-2003	10.555	26,473	0	26,473	0
	044701 LL-P1/P4-2002		9,131	0	9,131	0
Special Milk Program for Children	044701 02-PU-2003	10.556	5,616	0	5,616	0
	044701 02-PU-2002		2,345	0	2,345	0
Total U. S. Department of Agriculture - Child Nutrition Cluster			43,565	23,296	43,565	24,859
U. S. Department of Education						
<i>Passed Through the Ohio Department of Education</i>						
Special Education Cluster:						
Special Education Grants to States	044701 6B-SF-2003	84.027	309,129	0	307,820	0
	044701-6B-SF-2002		1,440	0	25,272	0
Special Education - Pre-School	044701 PG-S1-2003	84.173	10,943	0	10,752	0
	044701 PG-S1-2002		0	0	6,955	0
Total Special Education Cluster			321,512	0	350,799	0
Grants to Local Educational Agencies (ESEA Title I)	044701 C1-S1-2003	84.010	109,497	0	109,413	0
Subtotal	044701 C1-S1-2002		2,503	0	14,911	0
			112,000	0	124,324	0
Innovative Education Program Strategies	044701 C2-S1-2003	84.298	25,184	0	25,245	0
	044701 C2-S1-2002		391	0	986	0
Subtotal	044701 C2-S1-2001		0	0	15	0
			25,575	0	26,246	0
Eisenhower Professional Development	044701 MS-S1-2002	84.281	0	0	348	0
Subtotal			0	0	348	0
Safe and Drug Free Schools and Communities	044701 DR-S1-2003	84.186	15,115	0	14,507	0
Subtotal			15,115	0	14,507	0
Title VI-R - Class Size Reduction	044701 CR-S1-2002	84.340	0	0	2,382	0
Subtotal			0	0	2,382	0
Education Technology	044701-TJS1-2003	84.318	3,241	0	3,241	0
Subtotal			3,241	0	3,241	0
Title III - English Language Acquisition	044701-T3S1-2003	84.365	4,002	0	2,847	0
Subtotal			4,002	0	2,847	0
Improving Teacher Quality	044701-TRS1-2003	84.367	62,213	0	62,343	0
Subtotal			62,213	0	62,343	0
Assistive Technology	044701-ATS2-2003	84.352	2,126	0	2,126	0
	044701-ATS4-2003		10,663	0	0	0
Subtotal			12,789	0	2,126	0
Advanced Placement	044701-AVS1-2003	84.330	400	0	400	0
Subtotal			400	0	400	0
Total U. S. Department of Education			556,847	0	589,563	0
Total Federal Assistance			\$600,412	\$23,296	\$633,128	\$24,859

Notes to the Schedule of Federal Awards Expenditures are an integral part of this statement.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

JUNE 30, 2003

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (Schedule) summarizes the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2003, the District had no significant food commodities in inventory.

NOTE C - NATIONAL SCHOOL LUNCH PROGRAM AND SPECIAL MILK PROGRAM FOR CHILDREN

Federal monies received by the District for this program are commingled with State grants and local revenues. It is assumed that federal monies are expended first.

N/A - Not applicable.

CFDA - Catalog of Federal Domestic Assistance.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

We have audited the basic financial statements of the Rocky River City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated December 3, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 3, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2003-002.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 3, 2003.

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



Betty Montgomery
Auditor of State

December 3, 2003



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Rocky River City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 3, 2003.

Schedule of Federal Awards Receipts and Expenditures

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated December 3, 2003. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 3, 2003

ROCKY RIVER CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY
 JUNE 30, 2003

SCHEDULE OF FINDINGS
 OMB CIRCULAR A-133 Section .505

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under Sec. .510?	No
(d)(1)(vii)	Major Programs (list)	Special Education Cluster: Special Education Grants to States and Special Education – Preschool Grants CFDA #84.027, 84.173
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
JUNE 30, 2003**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 Section .505
(Continued)**

2. FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER	2003-001
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Ohio Revised Code 5705.39 prohibits a political subdivision from making a fund appropriation in excess of estimated resources available for expenditure from the fund. In addition, Ohio Rev. Code 5705.40 requires that any appropriation measure may be amended or supplemented as long as the entity complies with the same provisions of the law as are used in making the original appropriation. The following funds had appropriations which were in excess of estimated resources as reported on the Official Certificate of Estimated Resources.

December 31, 2002

Fund	Estimated Resources	Appropriations	Variance
401	\$171,160	\$1,333,207	\$1,162,047
459	2,967	15,000	12,033
590	24,526	64,725	40,199

We recommend that the District review appropriations and estimated resources, on a monthly basis, and make the necessary revisions to the budget and the County Auditor in order to comply with legal budgetary requirements.

FINDING NUMBER	2003-002
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School Board Policy No. 8310, Operations – School Board Records, states that no records pertaining to the Board of Education and its work will be destroyed, removed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules and regulations adopted by the State Records Commission.

Further, it is important that District personnel retain adequate records of the procedures performed and the methods used as an adequate means of defending departmental accounting transactions. Ultimately, documentation can be the clearest form of evidence that is widely used and readily available to an auditor, at a relatively low cost.

The District's Adult Basic Education division failed to maintain specific and necessary documentation to support the completeness and accuracy of its accounting transactions for fiscal year 2003.

We recommend that the District re-evaluate whether there is a District-wide deficiency, in public record retention awareness, or whether this was just an isolated incident. Regardless, District Policy and State Law mandate that public records are maintained for a prescribed period of time.

3. FINDING FOR FEDERAL AWARDS

None.

**ROCKY RIVER CITY SCHOOL DISTRICT
 CUYAHOGA COUNTY
 JUNE 30, 2003**

**SCHEDULE OF PRIOR AUDIT FINDINGS
 OMB CIRCULAR A -133 § .315 (b)**

FINDING NUMBER	FINDING SUMMARY	FULLY CORRECTED ?	NOT CORRECTED, PARTIALLY CORRECTED; SIGNIFICANTLY DIFFERENT CORRECTIVE ACTION TAKEN; OR FINDING NO LONGER VALID; EXPLAIN:
2002-10818-001	Expenditures plus encumbrances exceeded appropriations at the legal level of control	Yes	

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ROCKY RIVER CITY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Rocky River City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003
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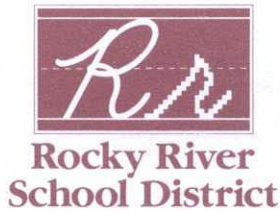
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December 3, 2003

Board of Education
Rocky River City School District
21600 Center Ridge Road
Rocky River, Ohio 44116

Dear Board Members:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Rocky River City School District (School District) for the fiscal year ended June 30, 2003. 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 School 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 School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

The report provides the taxpayers of the Rocky River City School District, bond rating agencies and other interested parties with comprehensive financial information, enabling them to gain a clear understanding of the School 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 Rocky River City School District.

This report is divided into the following sections:

1. The Introductory Section, which includes this transmittal letter, a list of principal officials, the School District's organizational chart and the GFOA Certificate of Achievement.
2. The Financial Section, which includes the independent accountants' report, management's discussion and analysis, the basic financial statements and notes, the combining statements for nonmajor funds and schedules that provide detailed information relative to the basic financial statements, as well as the Independent Accountants' Report on the financial statements.
3. The Statistical Section, which includes related financial and demographic information, generally presented on a multi-year basis.

The School District

The Rocky River City School 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 School 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.

Educational Services Center
21600 Center Ridge Road
Rocky River, Ohio 44116•3980
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Dennis L. Allen, Ed.D.
Superintendent of Schools

Cathy E. Dietlin, Ph.D.
Assistant Superintendent

Ted Blank
Executive Director
Human Resources & Support Services

William Bornhauser
Treasurer

Board of Education

Andrew D. Bemer, Jr.
Fred M. DeGrandis
Kathleen Goepfert
Jean A. Rounds
James D. Schieda

The School District is located in an affluent 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 School District serves 2,575 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 School 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". In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the School District (the primary government) and its potential component units.

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

Economic Condition and Outlook

The 2000 U. S. Census data reports a population of 20,735 in the City of Rocky River with 10,166 dwelling units and over 1,250 businesses. The median household income is \$45,418 and the average home price is \$180,000. The occupational makeup of the City is 42 percent professional/managerial, 38 percent technical/sales/clerical, 8 percent service, 7 percent crafts and 5 percent operator/laborers. Businesses are predominantly retail and service oriented.

The Rocky River City School District receives 73 percent of its governmental fund revenues from local property tax collections. Therefore, the long-term financial health of the School District is very dependent on its tax base. The total assessed valuation of the School District's tax duplicate rose by nearly 45 percent in the last ten years. The increased value in the duplicate is due in most part to revisions in property values made by the County Auditor every three years as well as some new construction.

The City of Rocky River is nearly completely developed, so future assessed valuation increases will come primarily from property value changes. There are no major manufacturing plants located within the School District's boundaries. The largest real property taxpayer owns 5.06 percent of the total real property in the School District.

Major Initiatives - Fiscal Year 2003

Each year, the School District identifies a series of School District Development Priorities that build upon the objectives of the mission statement and strategic goals. These priorities focus the School District's financial and other resources and provide measurable benchmarks upon which to evaluate the effectiveness of our efforts. The following provides a brief overview of the key priorities addressed during the 2002-2003 school year and the School District's progress in achieving each priority.

Financial

- *Communicate the School District's financial planning and use of financial resources*

Voters approved an additional 4.9 mill operating levy in May 2002. Collection of the continuing levy began in January 2003 and will generate an additional \$3.1 million in tax revenue annually. This levy stabilized School District funding for the next three years. During the year, through community meetings, the School District Budget document and the CAFR, the School District has communicated its financial plan for the next three years.

- *Develop methods of protecting the School District property tax base*

Rocky River City Schools are significantly property tax dependent. As a result, the Board and administrators worked with the cities of Rocky River and Fairview Park to assure retail development protects and enhances property values. The city of Rocky River encouraged development of residential property in the limited areas available as well as commercial development.

- *Protect the interests of the School District from legislature funding changes*

The Board of Education has taken a leadership role in the Westshore Boards of Education, a working group of school districts on the west side of Cleveland. This group works with citizens and legislators to protect member districts from adverse legislation and rule making.

- *Financial Reporting*

Initially in 2001 and 2002 the School District prepared its Comprehensive Annual Financial Report (CAFR) in accordance with GASB 34, a new reporting model providing more meaningful financial information. The School District received the Certificate of Achievement for Excellence in Financial reporting from the Government Finances Officers Association and the Certificate of Excellence in financial reporting from the Association of School Business Officials International (ASBO). The School District was one of less than .1 percent of school districts nationwide reporting on this basis and receiving the awards.

Educational

- *Maximize each child's achievement*

The State of Ohio measures School District's achievement through a state "Report Card" measuring student learning at the 4th, 6th, 9th and 12th grade. The state has 22 standards. Rocky River City School District achieved 21 of 22 standards in 2003. Only 63 of the 613 schools in Ohio achieved this level of excellence. School administrators work diligently to prepare students for success in these tests while assuring students experience success in all areas of instruction.

The School District had four National Merit Finalists and eleven National Merit Commended Scholars in 2003.

Goals for 2004

Financial:

- To effectively use School District resources to assure the highest quality educational program while meeting the School District's three year financial plan.
- To receive the GFOA Certificate of Achievement for Excellence in Financial Reporting for this fiscal year 2003 CAFR.
- To continue to enhance the School District's budget and financial planning information for citizens.
- To continue to assure the School District's property tax base remains strong.

Educational:

- To continue to meet the high standards of state of Ohio testing while maintaining a caring environment where learners can excel.
- To increase communication with parents and the community using web pages, e-mail and other electronic communications.
- To continue to prepare for the implementation of the new Ohio graduation test.
- To revise the School District's technology plan to anticipate new state of Ohio requirements for student technology.

Prospects for the Future

The funding structure of public education in Ohio poses a challenge to school districts. There is very little in the funding structure which allows school districts to receive additional revenues relative to inflationary pressures. Boards of education throughout Ohio must put issues on the ballot for voter approval in order to receive significant additional revenues. The School District gained voter approval of a 4.9 mill operating levy in May 2002. Collection of the new levy began January 2003. The additional revenue from this levy, about \$3.1 million annually, will stabilize School District funding for three years. Ohio law requires once a school levy is passed, the levy may not generate additional tax revenue as a result of reappraisal or reassessment. Consequently, tax levies, if approved by voters, provide a fixed source of revenue and provide no inflationary growth.

The most significant uncertainty for the future is State funding. In 1993 the state of Ohio method of funding schools were challenged for constitutional equity and adequacy.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

The School District is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

Financial Information

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function for the general fund and at the fund level for all other funds. All purchase order requests must be approved by the Executive Director of Administrative 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 School 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 and account groups utilized by Rocky River City Schools are fully described in Note 2 of the financial statements. Additional information on the School District's budgetary accounting can also be found in Note 2.

Financial Condition This is the third year the School District has prepared financial statements following GASB 34 "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." GASB 34 creates basic financial statements for reporting on the School 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 School District that are governmental and those that are considered business-type activities.

Fund financial statements These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Proprietary and 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 new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented in the financial section of this report and provides an assessment of the School District finances for fiscal year 2003.

Cash Management

As the custodian of taxpayers' dollars, the School District maintains very conservative investment practices. Only after the highest degree possible of safety of principal and liquidity are achieved does the School District pursue yield on investments.

Cash not needed for immediate use during the year was invested in interest bearing demand deposit accounts, repurchase agreements, Federal Home Loan Bank Bonds and the State Treasurer's Asset Reserve of Ohio (STAROhio) program administered by the Office of the Treasurer of the State of Ohio. STAROhio is an investment pool offered to political subdivisions of the State of Ohio for the investment of funds. STAROhio's investment portfolio consists of investments authorized by the Ohio Revised Code including instruments of the Federal government and its agencies, collateralized certificates of deposit and repurchase agreements. This investment pool offers daily liquidity of all funds, no minimum balance requirements and no service charges. Interest earnings for all funds during the year was \$162,025. Of that total, \$135,309 was credited to the General Fund. The balance was credited to other funds as directed by the Ohio Revised Code and Board of Education policy.

Risk Management

The School District uses the State Workers' Compensation plan and pays a premium based on a rate per \$100 of salaries. The School District is a member of Ohio School Boards Association Workers' Compensation Group Rating Program. The School District contracts for general liability insurance with a \$1,000,000 limit per occurrence and an umbrella policy of \$8,000,000 per year. The School District also carries an automobile liability insurance with a limit of \$2,056,000 and \$250 deductible. The School District provides property, inland marine and crime insurance with a \$1,000 deductible for property and crime insurance and a \$250 deductible for inland marine. Boiler and machinery are covered under a policy with a limit of \$30,000,000 and a \$250 deductible.

Independent Audit

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Betty Montgomery, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2003. 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 School District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

Awards

This is the twelfth Comprehensive Annual Financial Report published by the Rocky River City School District. The report will be submitted to the Government Finance Officers Association of the United States and Canada (GFOA). It is felt this report qualifies to earn GFOA's Certificate of Achievement for Excellence in Financial Reporting. This Certificate is the highest form of recognition available for governmental accounting and financial reporting. GFOA's certificate was awarded for last year's report. Attainment of these Certificates represents a substantial accomplishment of any governmental entity.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, 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 our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA.

Acknowledgments

The publication of this report is a significant step toward the ongoing effort to continually professionalize the School District's financial reporting. As jazz pianist Keith Jarrett has said, "The only standards worth having are the highest". It enhances the School District's accountability to our investors, the residents of the Rocky River City School District, and to our customers, our students.

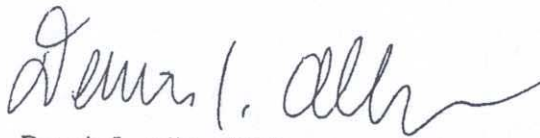
A special thanks must be extended to Greta Coleman and Joyce Younglas of the Treasurer's Office whose assistance and dedication were essential from the beginning, and also to the Local Government Services Division of the Ohio Auditor of State's Office for their assistance.

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

Respectfully Submitted,



William Bornhauser
Treasurer



Dennis L. Allen, Ed.D.
Superintendent

Rocky River City School District

Principal Officials

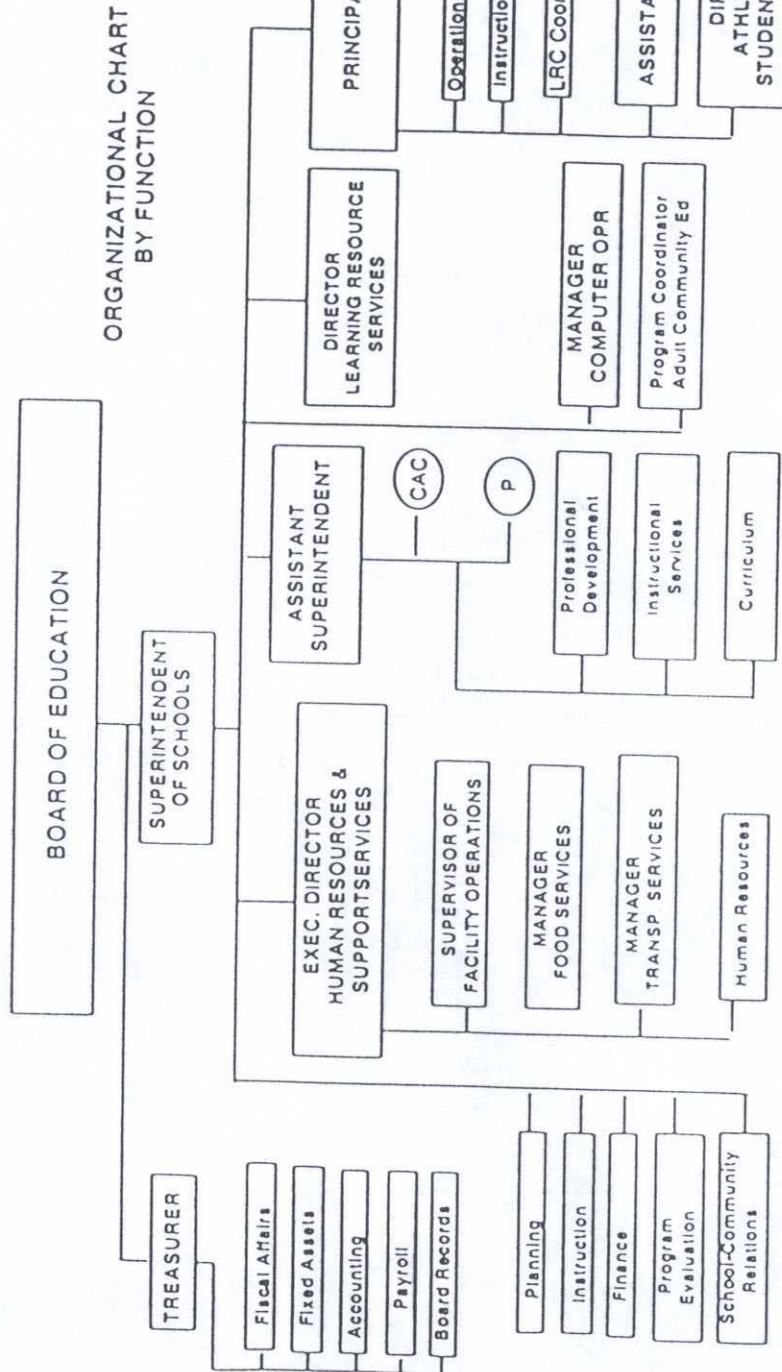
June 30, 2003

Board of Education

Fred M. DeGrandis President
Jean A. Rounds Vice-President
Andrew D. Bemmer Member
Kathleen Goepfert Member
James D. Schieda Member

Administration

Dennis L. Allen, Ed.D Superintendent
Cathy E. Dietlin, Ph.D Assistant Superintendent
Ted Blank Executive Director of Human Resources and Support Services
William Bornhauser Treasurer



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Rocky River City
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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



President

Executive Director

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, business-type 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, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio, as of June 30, 2003, and the respective changes in financial position and the cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

Betty Montgomery
Auditor of State

December 3, 2003

Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The discussion and analysis of Rocky River City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2003 are as follows:

Overall:

Total net assets decreased \$2.5 million; all of this decrease was in Governmental Activities due primarily to a \$.5 million decrease in assets and a \$2 million increase in liabilities.

Total capital assets decreased from \$37.0 million in 2002 to \$35.5 in 2003. This was due to \$1.8 million in depreciation expenses with no significant addition of capital assets.

The School District's outstanding debt decreased to \$26.8 million from \$28.3 in 2002 and the debt margin increased to \$33.8 million, an increase of \$3.3 million since 2001.

Governmental Activities:

Total net assets decreased \$2.5 million.

Revenue decreased \$3.0 million primarily due to a decrease in tax receipts.

Expenses increased \$1.7 million or 6 percent, primarily in instruction and instructional support.

Program revenue, revenue from specific fees and grants, increased to 9.6 percent of all revenue from 7.9 percent in 2002. Approximately ninety percent of revenue comes from general revenue, primarily property taxes.

Business-Type Activities:

Total assets increased by about \$20,000 while total liabilities increased by about \$29,000. As a result total net assets declined by about \$9,000. In 2002, net assets decreased by \$33,000.

Total revenue increased by about \$81,000. However, expenses also increased by about \$57,000.

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 Rocky River City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 School District's most significant funds with all

Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

other nonmajor funds presented in total in one column. In the case of Rocky River City School District, the general fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2003?" The Statements of Net Assets and the Statement of Activities answers this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

Governmental Activities – Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business –Type Activities - These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The School District's adult and community education, food service and uniform supplies programs are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, bond retirement debt service fund and the building capital projects fund.

Governmental Funds Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end, available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general government operations and the 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

Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in statements for the School District as a whole.

The School District as a Whole

Recall the Statement of Net Assets provides the perspective of the School District as a whole. The Statement of Net Assets presents information on Governmental Activities and Business-Type Activities.

Table 1 provides a summary of the School District's Governmental Activities and Business-Type Activities net assets for 2003 compared to the three prior years:

TABLE 1
Net Assets
(In millions)

	Governmental Activities			Business Type Activities			Totals		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
Assets									
Current and Other Assets	\$32.1	\$31.1	\$30.5	\$0.2	\$0.2	\$0.2	\$32.3	\$31.3	\$30.7
Capital Assets, Net	35.2	36.7	38.4	0.3	0.3	0.3	35.5	37.0	38.7
<i>Total Assets</i>	<u>67.3</u>	<u>67.8</u>	<u>68.9</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>67.8</u>	<u>68.3</u>	<u>69.4</u>
Liabilities									
Long-Term Liabilities	(31.0)	(32.5)	(34.5)	0.0	0.0	0.0	(31.0)	(32.5)	(34.5)
Other Liabilities	(22.7)	(19.2)	(20.2)	(0.1)	(0.1)	(0.1)	(22.8)	(19.3)	(20.3)
<i>Total Liabilities</i>	<u>(53.7)</u>	<u>(51.7)</u>	<u>(54.7)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(53.8)</u>	<u>(51.8)</u>	<u>(54.8)</u>
Net Assets									
Invested in Capital Assets									
Net of Related Debt	8.4	8.4	8.5	0.3	0.3	0.3	8.7	8.7	8.8
Restricted	4.7	5.7	5.5	0.0	0.0	0.0	4.7	5.7	5.5
Unrestricted	0.5	2.0	0.2	0.1	0.1	0.1	0.6	2.1	0.3
<i>Total Net Assets</i>	<u>\$13.6</u>	<u>\$16.1</u>	<u>\$14.2</u>	<u>\$0.4</u>	<u>\$0.4</u>	<u>\$0.4</u>	<u>\$14.0</u>	<u>\$16.5</u>	<u>\$14.6</u>

Total Assets decreased by \$.5 million or .7 percent. While current assets increased \$1.0 million, capital assets decreased by \$1.5 million primarily due to depreciation expenses offset by minimal capital additions.

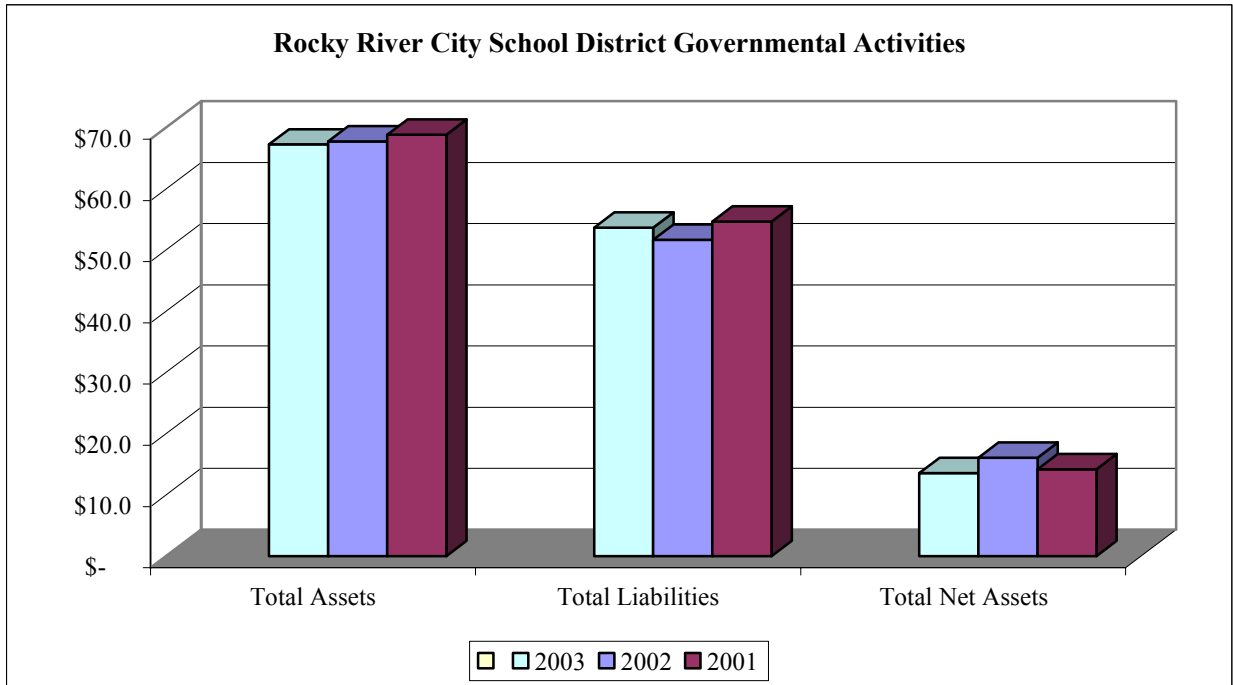
Total Liabilities increased by \$2.0 million. Long-term liabilities decreased \$1.5 million, other liabilities increased by \$3.5 million, primarily due to deferred revenue.

As a result total net assets decreased by \$2.5 million. The unrestricted portion of net assets was \$.6 million, a decrease of \$1.5 million. This decrease was almost entirely in Governmental Activities.

Rocky River City School District
Management's Discussion and Analysis
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Unaudited

Graph 1
 Net Assets Governmental Activities
 (In millions)

	2003	2002	2001
Total Assets	\$67.3	\$67.8	\$68.9
Total Liabilities	53.7	51.7	54.7
Total Net Assets	\$13.6	\$16.1	\$14.2



Rocky River City School District's assets declined minimally and total liabilities increased by \$2.0 million. As a result net assets decreased to \$13.6 million, in line with net assets for 2001.

Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
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Table 2
Changes in Net Assets
(In millions)

	Governmental Activities			Business-Type Activities			Total		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
Revenues									
Program Revenues:									
Charges for Services and Sales	\$0.7	\$0.7	\$0.6	\$0.6	\$0.6	\$0.6	\$1.3	\$1.3	\$1.2
Operating Grants and Contributions	1.8	1.6	1.5	0.1	0.1	0.1	1.9	1.7	1.6
Capital Grants and Contributions	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1
General Revenues:									
Property Taxes	19.0	22.2	20.0	0.0	0.0	0.0	19.0	22.2	20.0
Grants and Entitlements	4.3	4.0	3.8	0.0	0.0	0.0	4.3	4.0	3.8
Other	0.2	0.5	1.1	0.0	0.0	0.0	0.2	0.5	1.1
<i>Total Revenues</i>	<u>26.0</u>	<u>29.0</u>	<u>27.1</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>26.7</u>	<u>29.7</u>	<u>27.8</u>
Program Expenses									
Instruction	15.3	14.4	10.0	0.0	0.0	0.0	15.3	14.4	10.0
Support Services:									
Pupils and Instructional Staff	2.3	2.1	2.8	0.0	0.0	0.0	2.3	2.1	2.8
Board of Education, Administration, Fiscal and Business	2.5	2.6	4.2	0.0	0.0	0.0	2.5	2.6	4.2
Operation and Maintenance of Plant	3.0	2.7	3.0	0.0	0.0	0.0	3.0	2.7	3.0
Pupil Transportation	1.0	0.9	0.9	0.0	0.0	0.0	1.0	0.9	0.9
Central	0.6	0.6	2.3	0.0	0.0	0.0	0.6	0.6	2.3
Extracurricular Activities	0.9	0.8	0.8	0.0	0.0	0.0	0.9	0.8	0.8
Non-Instructional Services	1.4	1.2	1.2	0.0	0.0	0.0	1.4	1.2	1.2
Interest and Fiscal Charges	1.5	1.5	1.6	0.0	0.0	0.0	1.5	1.5	1.6
Food Service	0.0	0.0	0.0	0.4	0.4	0.4	0.4	0.4	0.4
Uniform School Supplies	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Community Programs	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.3	0.3
<i>Total Expenses</i>	<u>28.5</u>	<u>26.8</u>	<u>26.8</u>	<u>0.7</u>	<u>0.7</u>	<u>0.8</u>	<u>29.2</u>	<u>27.5</u>	<u>27.6</u>
<i>Excess (Deficiency) before Transfers</i>	(2.5)	2.2	0.3	0.0	0.0	(0.1)	(2.5)	2.2	0.2
Transfers	0.0	0.0	(0.1)	0.0	0.0	0.1	0.0	0.0	0.0
<i>Increase (Decrease) in Net Assets</i>	(2.5)	2.2	0.2	0.0	0.0	0.0	(2.5)	2.2	0.2
<i>Net Assets July 1</i>	<u>16.1</u>	<u>13.9</u>	<u>13.7</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>16.5</u>	<u>14.3</u>	<u>14.1</u>
<i>Net Assets June 30</i>	<u>\$13.6</u>	<u>\$16.1</u>	<u>\$13.9</u>	<u>\$0.4</u>	<u>\$0.4</u>	<u>\$0.4</u>	<u>\$14.0</u>	<u>\$16.5</u>	<u>\$14.3</u>

Revenue for *governmental activities* decreased \$3 million. This was primarily due to decreased personal property tax collections and the timing of the Cuyahoga County Auditor's property tax billings. Expenses increased \$1.7 million. Instruction expenses increased \$.9 million, consistent with the School District's focus on classroom services.

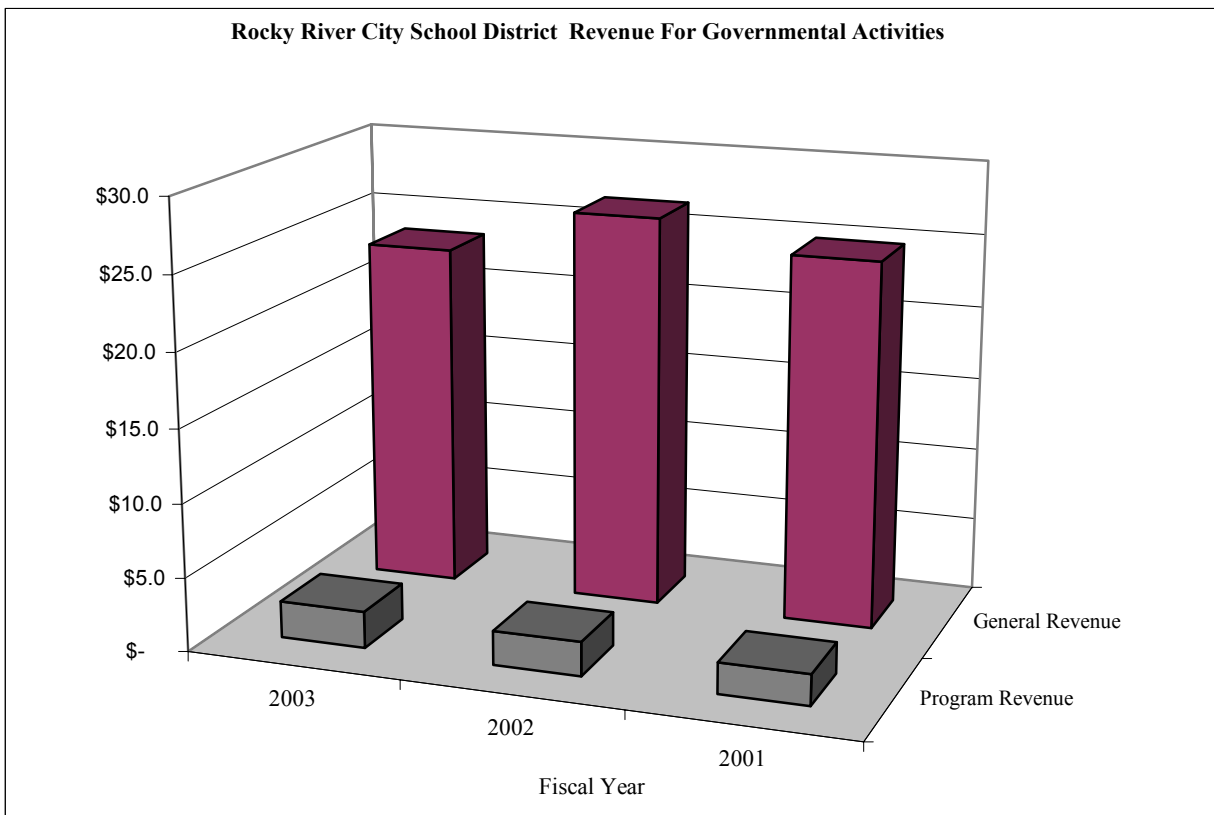
Instructional expenses increased \$.9 million, while instructional staff and pupil support increased \$.2 million. These two areas account for 62 percent of School District expenses for 2003. Other areas of increase include operation and maintenance of plant (\$.3 million), pupil transportation (\$.1 million), extracurricular activities (\$.1 million) and non-instructional services (\$.2 million).

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Unaudited

While program revenue support for governmental activities increased \$.2 million to 9.6 percent of revenue from 7.9 percent in 2002, the vast majority of revenue supporting governmental activities, over 90 percent, continues to be general revenue. Over 81 percent of general revenue, \$19 million for 2003 were property taxes paid by merchants and businesses in the Rocky River City School District.

Graph 2
 Revenues for Governmental Activities

	2003	2002	2001
Program Revenue	\$2.5	\$2.3	\$2.2
General Revenue	23.5	26.7	24.9



While the School District property taxes decreased in 2003, this was due to some increased delinquencies, reduction in personal property taxes and the timing of tax billing by the Cuyahoga County Auditor. 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.

Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 73 percent of revenues for governmental activities for Rocky River City School District in fiscal year 2003.

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

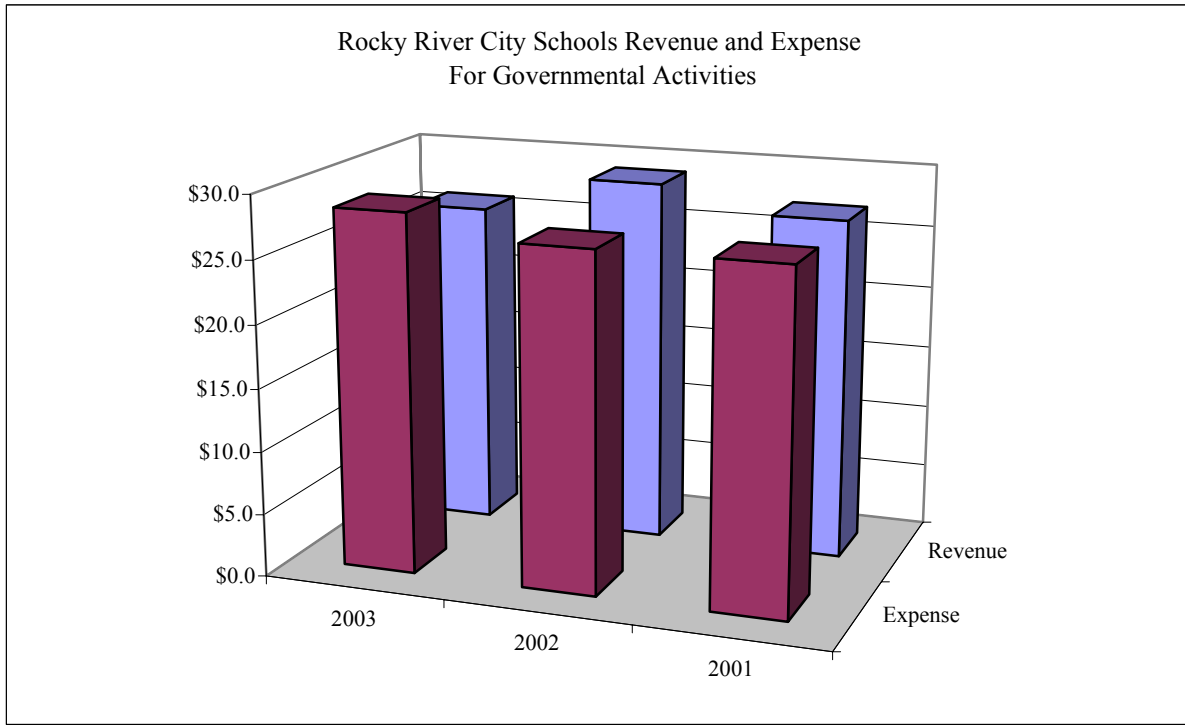
TABLE 3
 Governmental Activities
 (In millions)

	2003		2002		2001	
	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	\$15.3	\$14.6	\$14.4	\$13.7	\$10.0	\$9.4
Support Services:						
Pupils and Instructional Staff	2.3	2.1	2.1	2.0	2.8	2.6
Board of Education, Administration, Fiscal and Business	2.5	2.5	2.6	2.6	4.2	4.2
Operation and Maintenance of Plant	3.0	2.9	2.7	2.7	3.0	2.8
Pupil Transportation	1.0	1.0	0.9	0.8	0.9	0.9
Central	0.6	0.6	0.6	0.6	2.3	2.3
Extracurricular Activities	0.9	0.6	0.8	0.6	0.8	0.7
Non-Instructional Services	1.4	0.2	1.2	0.0	1.2	0.0
Interest and Fiscal Charges	1.5	1.4	1.5	1.5	1.6	1.6
Total	\$28.5	\$25.9	\$26.8	\$24.5	\$26.8	\$24.5

Graph 3
 Revenue and Expenses for Governmental Activities

	2003	2002	2001
Revenue	\$26.0	\$29.0	\$27.1
Expense	28.5	26.8	26.8

Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited



Program revenue for Governmental Activities in 2003 was \$2.5 million or 9.6 percent of all revenue. For 2002 program revenue was \$ 2.3 million, 7.9 percent of all revenue. For 2003, the largest expense area was instruction, comprising \$15.3 million, 53.7 percent of all governmental activity expenses.

Business-Type Activities

Business-type activities include food service, uniform school supplies and community programs.

Total assets for business-type activities increased by about \$20,000. This increase was primarily in cash. Total liabilities also increased by about \$29,000, primarily in accounts payable, a current liability. As a result total net assets declined by about \$9,000.

Most program expenses for business-type activities are supported by program revenue. Of the \$749,229 in revenue for 2003, 99.4 percent was program revenue, primarily charges for services.

On an individual program basis, program revenue were over (under) program expenses as follows:

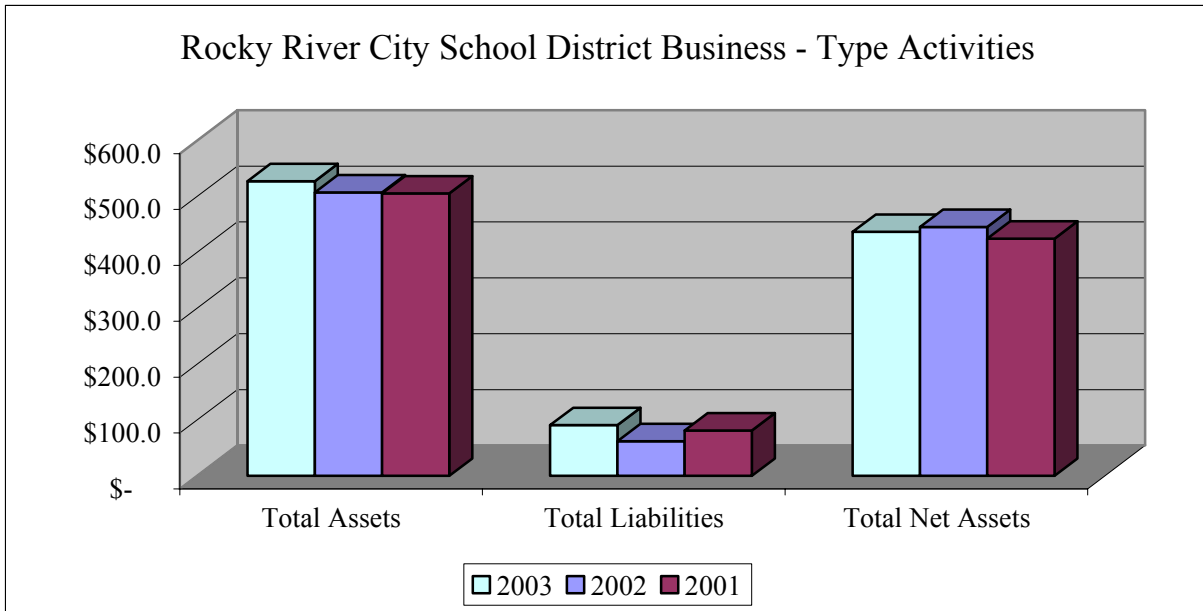
	In Thousands		
	2003	2002	2001
Food Services	(\$3.9)	(\$4.8)	\$12.1
Uniform School Supplies	1.7	1.4	1.3
Community Programs	(10.7)	(37.3)	(141.7)

The excess of revenue over expenses for Community Programs has been reduced significantly since 2001.

Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
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Graph 4
 Net Assets Business-Type Activities
 (In thousands)

	2003	2002	2001
Total Assets	\$527.4	\$507.4	\$505.6
Total Liabilities	90.7	61.9	81.1
Total Net Assets	\$436.7	\$445.5	\$424.5



The School District's Funds

Information about the School District's major governmental funds starts on page 22. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$26 million and expenditures of \$28.7 million. The net change in fund balance for the year was most significant in the General Fund, decreasing by \$1.9 million.

General Fund Budgeting Highlights

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

During the course of fiscal 2003 the School District amended its general fund budget numerous times, none significant. The School 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, budget basis revenue was \$22.6 million, slightly above original budget estimates of \$22.3 million. This difference was primarily due to higher than anticipated intergovernmental revenue.

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Total expenditures on the budget basis (cash outlays plus encumbrances) were \$23.4 million about \$.4 million below the School District's original budget. This was primarily due to lower than anticipated spending on instruction, primarily vocational instruction. On a budget basis expenditures exceeded revenues by \$.8 million.

Capital Assets and Debt Administration

Capital Assets

Table 4
Capital Assets
(In millions)

	Governmental Activities			Business Type Activities			Totals		
	2003	2002	2001	2003	2002	2001	2003	2002	2001
Land	0.7	0.7	0.7	0.1	0.1	0.1	0.8	0.8	0.8
Land Improvements	1.0	1.0	1.1	0.0	0.0	0.0	1.0	1.0	1.1
Buildings and Improvements	32.2	33.5	34.9	0.2	0.2	0.2	32.4	33.7	35.1
Furniture and Equipment	0.9	1.0	1.0	0.0	0.0	0.0	0.9	1.0	1.0
Vehicles	0.4	0.5	0.4	0.0	0.0	0.0	0.4	0.5	0.4
<i>Total</i>	<u>35.2</u>	<u>36.7</u>	<u>38.1</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>35.5</u>	<u>37.0</u>	<u>38.4</u>

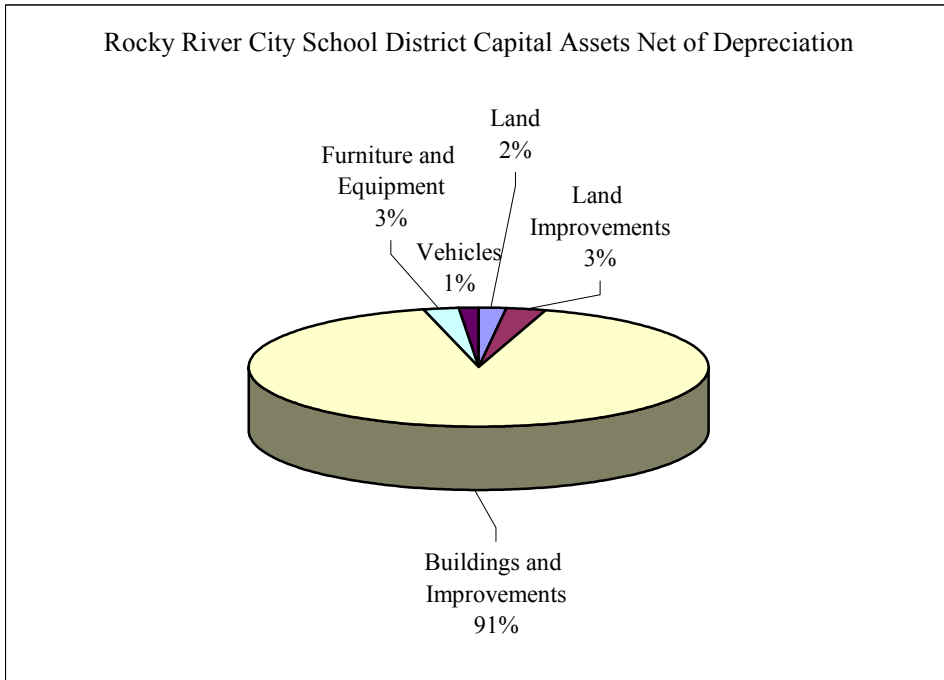
At the end of fiscal 2003 the School District had \$35.5 million in capital assets. This is the value of land, buildings, furniture and equipment and vehicles after depreciation is taken off their value. Of this total, \$35.2 million was in governmental activities. The largest component of these capital assets is buildings and improvements.

Total capital assets decreased from \$37.0 million in 2002 to \$35.5 million in 2003. This decrease was due to \$1.8 million in depreciation expense with minimal increase in capital asset additions. For additional information on capital assets, see Note 9 to the basic financial statements.

Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Graph 5
Total Capital Assets
(In millions)

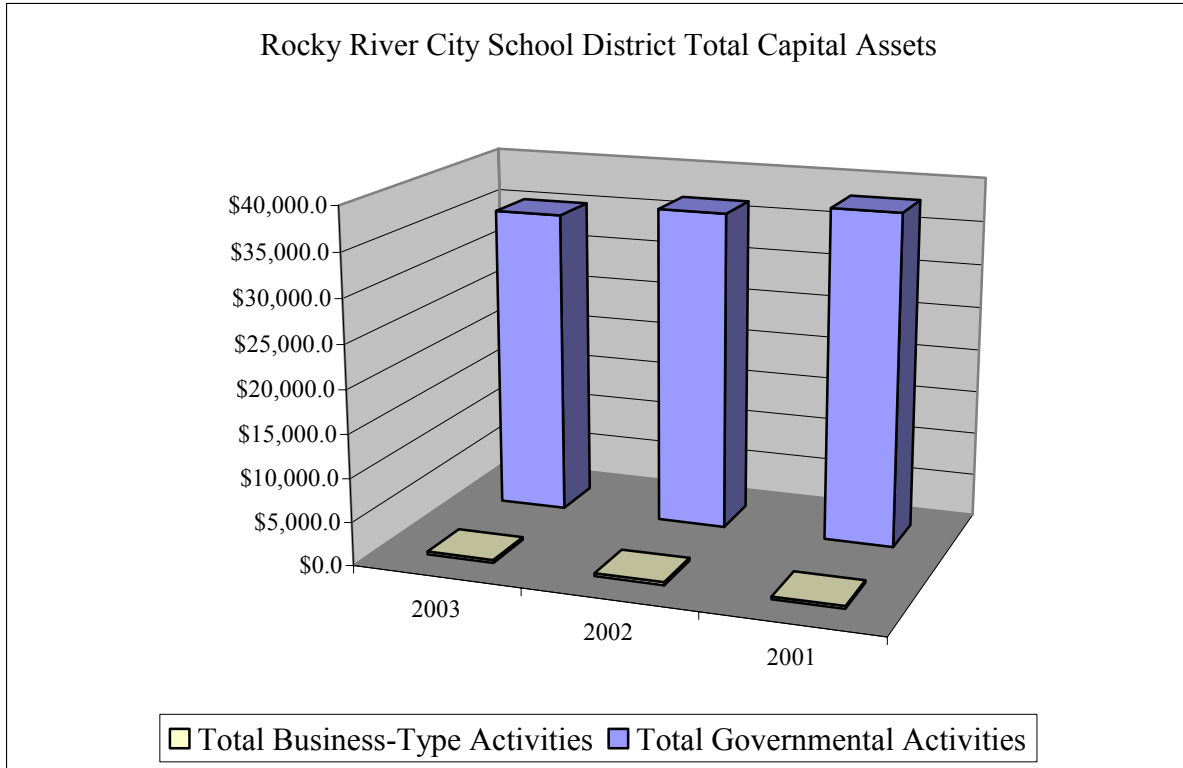
	Total 2003
Land	\$0.8
Land Improvements	1.0
Building and Improvements	32.4
Furniture and Equipment	0.9
Vehicles	0.4
Total	\$35.5



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Graph 6
Capital Assets – Governmental and Business-Type Activities
(In millions)

	2003	2002	2001
Total Governmental Activities	\$35.2	\$36.7	\$38.1
Total Business-Type Activities	0.3	0.3	0.3



Debt

At June 30, 2003 the School District had \$26.8 million in bonds outstanding.

Table 5
Outstanding Debt at Year End
(In millions)

	Governmental Activities		
	2003	2002	2001
School Building General Obligation Bonds	\$20.3	\$21.2	\$22.1
School Building Refunding Bonds	6.5	7.1	7.7
Library General Obligation Bonds	0.0	0.0	0.3
<i>Total</i>	\$26.8	\$28.3	\$30.1

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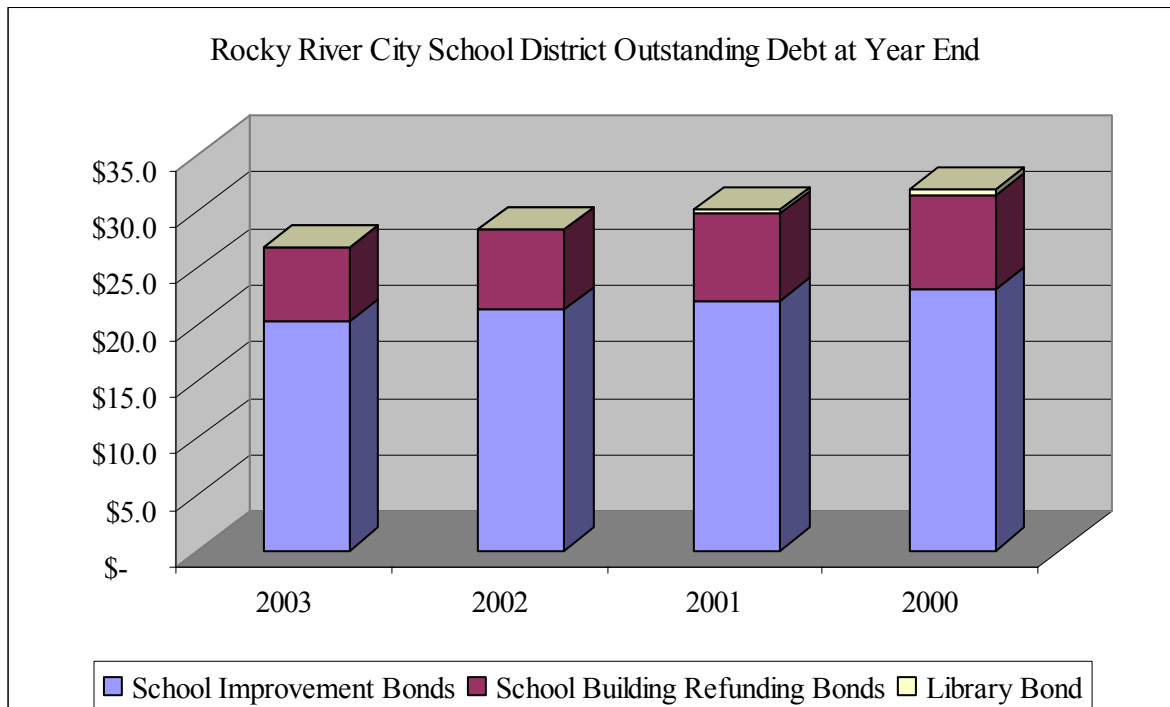
The School Building Improvement Bonds were issued following passage of the bond issue in November 1997. The bonds were issued in February 1998 in the amount of \$24.5 million. The proceeds of the issue funded the construction of the new middle school and renovations of the other facilities in the School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

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

The Library bonds were issued in January 1992 in the amount of \$2.7 million. The issue was retired in December 2001 with the final principal and interest payment.

The School District overall debt margin increased to \$33.8 million. This is the additional amount the School District could issue as debt. The debt margin has increased \$3.3 million, or 10.7 percent, in two years, due to the paying down of current debt and increasing property valuations. For additional information on debt, see Note 14 to the basic financial statements.

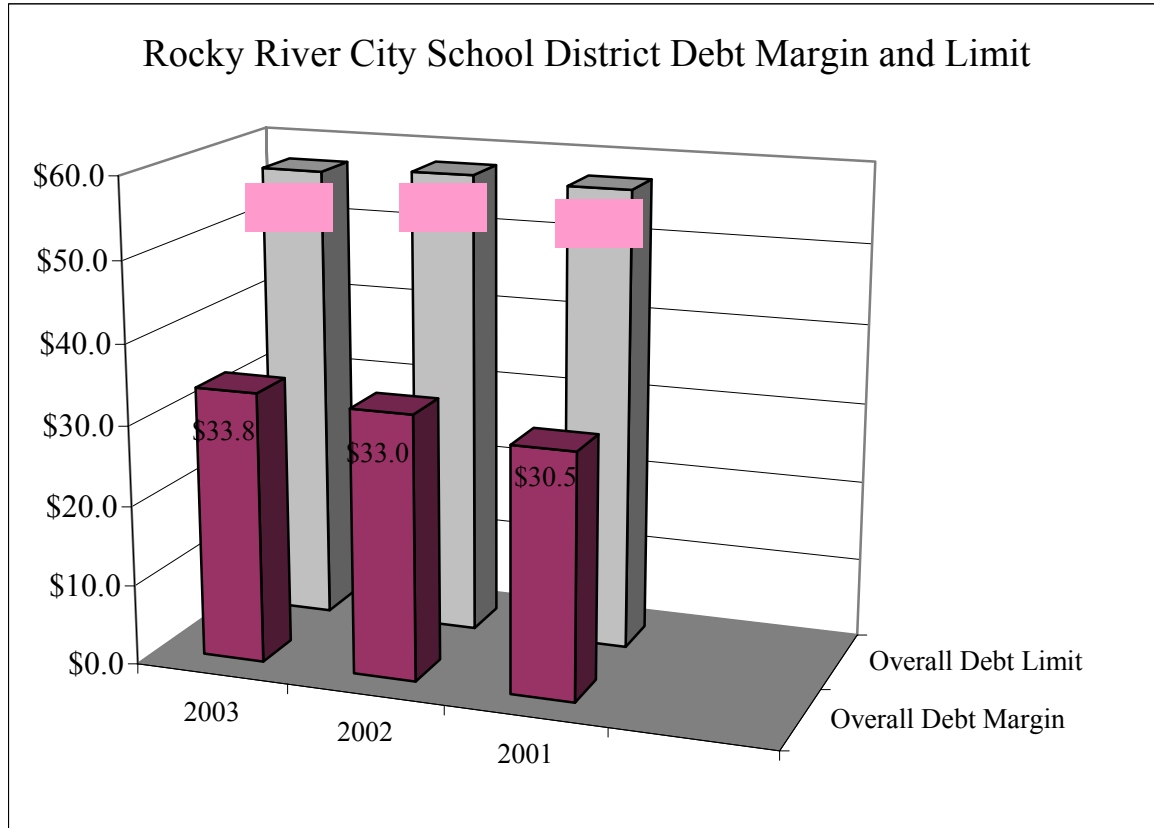
Graph 7
Outstanding Debt at Year End



Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

Graph 8
Debt Limit and Margin

	2003	2002	2001
Overall Debt Limit	57.2	57.9	57.3
Overall Debt Margin	33.8	33	30.5



Current Financial Related Activities

Rocky River City School District is strong financially. As the preceding information shows, the School District heavily depends on its property taxpayers. With the passage of a 4.9 mill operating levy and collection beginning January 2003 the School District will be able to continue its education programs. However, financially the future is not without challenge.

While the School District was successful in increasing its tax revenue base by \$3.1 million annually, this increase is a one-time increase. State law fixes the amount of this increase, forcing it to remain nearly constant. Thus management must diligently plan expenses, staying carefully within the School District's three-year plan.

State funding remains a concern as well. Since 1993 the State system of funding schools has been under court challenge, challenging both the equity and adequacy of Ohio's system of funding public education. In the most recent filings on September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

Rocky River City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
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- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case in December 2003.

Efforts are under way to develop a school-funding plan that will be less property tax dependent. The results of this effort will be presented in the spring of 2004.

In conclusion, Rocky River City School District has committed itself to financial excellence for many years. The School District has received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting since 1991. The School District was one of the first School Districts in the nation to receive the GFOA Certificate of Achievement for its 1999 Comprehensive Annual Financial Report using the new financial reporting model.

In addition, the School District's system of budgeting and internal controls is well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Bill Bornhauser, Treasurer/CFO at Rocky River City School District, 21600 Center Ridge Road, Rocky River, Ohio, 44116-3980 or by e-mail bill_bornhauser@admin.rockyriver.k12.oh.us.

BASIC FINANCIAL STATEMENTS

Rocky River City School District

Statement of Net Assets

June 30, 2003

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$8,384,985	\$165,951	\$8,550,936
Cash and Cash Equivalents With Fiscal Agents	1,831	0	1,831
Accrued Interest Receivable	105	0	105
Accounts Receivable	2,999	9,436	12,435
Intergovernmental Receivable	71,520	6,452	77,972
Inventory Held for Resale	0	10,622	10,622
Materials and Supplies Inventory	19,620	1,723	21,343
Taxes Receivable	23,585,456	0	23,585,456
Nondepreciable Capital Assets	722,230	48,591	770,821
Depreciable Capital Assets	34,490,961	284,614	34,775,575
<i>Total Assets</i>	<u>67,279,707</u>	<u>527,389</u>	<u>67,807,096</u>
Liabilities			
Accounts Payable	282,408	22,235	304,643
Contracts Payable	52,888	0	52,888
Accrued Wages	1,614,298	4,583	1,618,881
Deferred Revenue	19,929,553	0	19,929,553
Intergovernmental Payable	738,919	19,427	758,346
Matured Interest Payable	1,831	0	1,831
Accrued Interest Payable	107,464	0	107,464
Long-Term Liabilities:			
Due Within One Year	2,150,290	5,463	2,155,753
Due in More Than One Year	28,788,586	39,029	28,827,615
<i>Total Liabilities</i>	<u>53,666,237</u>	<u>90,737</u>	<u>53,756,974</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	8,447,423	333,205	8,780,628
Restricted for:			
Capital Projects	1,452,775	0	1,452,775
Debt Service	2,893,805	0	2,893,805
Set Asides	101,708	0	101,708
Other Purposes	221,588	0	221,588
Unrestricted	496,171	103,447	599,618
<i>Total Net Assets</i>	<u>\$13,613,470</u>	<u>\$436,652</u>	<u>\$14,050,122</u>

See accompanying notes to the basic financial statements

Rocky River City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Instruction:				
Regular	\$11,967,804	\$0	\$58,030	\$49,190
Special	3,015,213	157,949	414,167	0
Vocational	272,121	0	0	0
Support Services:				
Pupil	1,455,209	101,077	46,345	0
Instructional Staff	843,360	0	52,201	0
Board of Education	29,123	0	0	0
Administration	1,495,752	0	0	0
Fiscal	630,446	0	0	0
Business	327,517	0	0	0
Operation and Maintenance of Plant	3,010,065	145,753	0	0
Pupil Transportation	1,050,482	0	0	15,611
Central	635,583	0	9,387	0
Operation of Non-Instructional Services	1,352,962	0	1,189,099	0
Extracurricular Activities	926,228	237,144	55,356	0
Interest and Fiscal Charges	1,458,885	0	0	0
<i>Total Governmental Activities</i>	<u>28,470,750</u>	<u>641,923</u>	<u>1,824,585</u>	<u>64,801</u>
Business-Type Activities				
Food Service	442,704	370,478	68,293	0
Uniform School Supplies	25,223	26,951	0	0
Community Programs	290,065	279,325	0	0
<i>Total Business-Type Activities</i>	<u>757,992</u>	<u>676,754</u>	<u>68,293</u>	<u>0</u>
<i>Totals</i>	<u>\$29,228,742</u>	<u>\$1,318,677</u>	<u>\$1,892,878</u>	<u>\$64,801</u>

General Revenues

Property Taxes Levied for:

General Purposes

Debt Service

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net Expense and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$11,860,584)	\$0	(\$11,860,584)
(2,443,097)	0	(2,443,097)
(272,121)	0	(272,121)
(1,307,787)	0	(1,307,787)
(791,159)	0	(791,159)
(29,123)	0	(29,123)
(1,495,752)	0	(1,495,752)
(630,446)	0	(630,446)
(327,517)	0	(327,517)
(2,864,312)	0	(2,864,312)
(1,034,871)	0	(1,034,871)
(626,196)	0	(626,196)
(163,863)	0	(163,863)
(633,728)	0	(633,728)
(1,458,885)	0	(1,458,885)
(25,939,441)	0	(25,939,441)
0	(3,933)	(3,933)
0	1,728	1,728
0	(10,740)	(10,740)
0	(12,945)	(12,945)
(25,939,441)	(12,945)	(25,952,386)
16,560,615	0	16,560,615
2,437,060	0	2,437,060
4,264,539	0	4,264,539
160,029	1,515	161,544
54,874	2,667	57,541
23,477,117	4,182	23,481,299
(2,462,324)	(8,763)	(2,471,087)
16,075,794	445,415	16,521,209
\$13,613,470	\$436,652	\$14,050,122

Rocky River City School District

Balance Sheet

Governmental Funds

June 30, 2003

	<u>General</u>	<u>Bond Retirement Debt Service</u>	<u>Building Capital Projects</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,875,644	\$2,483,767	\$972,309
Cash and Cash Equivalents			
With Fiscal Agents	0	1,831	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	101,708	0	0
Receivables:			
Taxes	20,575,249	3,010,207	0
Accounts	2,999	0	0
Intergovernmental	58,968	0	0
Accrued Interest	105	0	0
Interfund Receivable	131	0	0
Materials and Supplies Inventory	19,620	0	0
<i>Total Assets</i>	<u>\$24,634,424</u>	<u>\$5,495,805</u>	<u>\$972,309</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$126,440	\$0	\$0
Contracts Payable	3,758	0	0
Accrued Wages	1,607,487	0	0
Intergovernmental Payable	452,734	0	0
Deferred Revenue	18,634,610	2,687,740	0
Interfund Payable	0	0	0
Matured Interest Payable	0	1,831	0
<i>Total Liabilities</i>	<u>20,825,029</u>	<u>2,689,571</u>	<u>0</u>
Fund Balances:			
Reserved for Encumbrances	719,179	0	426,809
Reserved for Unclaimed Monies	9,288	0	0
Reserved for Property Taxes	1,928,402	317,844	0
Reserved for Budget Stabilization	101,708	0	0
Unreserved, Undesignated, Reported in:			
General Fund	1,050,818	0	0
Special Revenue Funds	0	0	0
Debt Service Fund	0	2,488,390	0
Capital Projects Funds	0	0	545,500
<i>Total Fund Balances</i>	<u>3,809,395</u>	<u>2,806,234</u>	<u>972,309</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$24,634,424</u>	<u>\$5,495,805</u>	<u>\$972,309</u>

See accompanying notes to the basic financial statements

Rocky River City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2003*

Other Governmental Funds	Total Governmental Funds
\$951,557	\$8,283,277
0	1,831
0	101,708
0	23,585,456
0	2,999
12,552	71,520
0	105
0	131
0	19,620
<u>\$964,109</u>	<u>\$32,066,647</u>
\$155,968	\$282,408
49,130	52,888
6,811	1,614,298
4,569	457,303
0	21,322,350
131	131
0	1,831
<u>216,609</u>	<u>23,731,209</u>
181,615	1,327,603
0	9,288
0	2,246,246
0	101,708
0	1,050,818
164,196	164,196
0	2,488,390
401,689	947,189
<u>747,500</u>	<u>8,335,438</u>
<u>\$964,109</u>	<u>\$32,066,647</u>

Total Governmental Funds Balances	\$8,335,438
<i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	35,213,191
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Delinquent Property Taxes	1,343,118
Grants	<u>49,679</u>
Total	1,392,797
Intergovernmental Payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(281,616)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(107,464)
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	(26,765,768)
Compensated Absences	<u>(4,173,108)</u>
Total	<u>(30,938,876)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$13,613,470</u>

Rocky River City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General	Bond Retirement Debt Service	Building Capital Projects
Revenues			
Taxes	\$16,552,914	\$2,476,593	\$0
Intergovernmental	3,873,294	383,873	0
Interest	135,309	0	10,634
Charges for Services	101,077	0	0
Tuition and Fees	157,949	0	0
Extracurricular Activities	0	0	0
Rentals	59,151	0	0
Contributions and Donations	0	0	0
Miscellaneous	2,077	0	0
<i>Total Revenues</i>	<u>20,881,771</u>	<u>2,860,466</u>	<u>10,634</u>
Expenditures			
Current:			
Instruction:			
Regular	10,450,443	0	0
Special	2,510,330	0	0
Vocational	272,121	0	0
Support Services:			
Pupil	1,285,265	0	0
Instructional Staff	748,057	0	0
Board of Education	28,340	0	0
Administration	1,370,287	0	0
Fiscal	589,125	33,795	0
Business	325,115	0	0
Operation and Maintenance of Plant	2,775,288	0	0
Pupil Transportation	1,046,926	0	0
Central	684,226	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	586,298	0	0
Capital Outlay	0	0	386,704
Debt Service:			
Principal Retirement	29,348	1,700,000	0
Interest and Fiscal Charges	832	1,326,874	0
<i>Total Expenditures</i>	<u>22,702,001</u>	<u>3,060,669</u>	<u>386,704</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,820,230)</u>	<u>(200,203)</u>	<u>(376,070)</u>
Other Financing Sources (Uses)			
Transfers In	0	0	56,061
Transfers Out	(56,061)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(56,061)</u>	<u>0</u>	<u>56,061</u>
<i>Net Change in Fund Balances</i>	(1,876,291)	(200,203)	(320,009)
<i>Fund Balances Beginning of Year - Restated (See Note 3)</i>	<u>5,685,686</u>	<u>3,006,437</u>	<u>1,292,318</u>
<i>Fund Balances End of Year</i>	<u>\$3,809,395</u>	<u>\$2,806,234</u>	<u>\$972,309</u>

See accompanying notes to the basic financial statements

Rocky River City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2003*

Other Governmental Funds	Total Governmental Funds		(\$2,644,610)
		Net Change in Fund Balances -Total Governmental Funds	
		<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
		Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	
\$0	\$19,029,507	Fixed Asset Additions	251,820
1,793,338	6,050,505	Current Year Depreciation	(1,740,693)
14,086	160,029	Total	(1,488,873)
0	101,077		
77,663	235,612		
159,481	159,481		
86,602	145,753		
84,382	84,382		
52,797	54,874		
2,268,349	26,021,220		
		Governmental Funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(510)
		Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
72,137	10,522,580	Delinquent Property Taxes	(31,832)
375,229	2,885,559	Grants	19,038
0	272,121	Total	(12,794)
70,524	1,355,789		
39,655	787,712		
0	28,340		
0	1,370,287	Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets	1,729,348
0	622,920		
0	325,115		
0	2,775,288		
0	1,046,926	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
7,144	691,370	Accrued Interest Payable	6,218
1,352,924	1,352,924	Bond Accretion	(137,397)
327,172	913,470	Total	(131,179)
271,671	658,375		
0	1,729,348		
0	1,327,706		
2,516,456	28,665,830	Some expenses reported in the statement of activities, such as accounts payable, compensated absences and intergovernmental payable, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
(248,107)	(2,644,610)	Compensated Absences	(35,351)
0	56,061	Pension Obligation	121,645
0	(56,061)	Total	86,294
0	0		
(248,107)	(2,644,610)	<i>Change in Net Assets of Governmental Activities</i>	(\$2,462,324)
995,607	10,980,048		
\$747,500	\$8,335,438		

Rocky River City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$18,037,275	\$18,191,508	\$18,191,508	\$0
Intergovernmental	3,661,911	3,864,005	3,864,005	0
Interest	323,310	210,209	210,209	0
Charges For Services	31,338	101,597	101,597	0
Tuition and Fees	215,000	157,544	157,544	0
Rentals	62,000	59,657	59,657	0
Miscellaneous	500	1,324	1,324	0
<i>Total Revenues</i>	22,331,334	22,585,844	22,585,844	0
Expenditures				
Current:				
Instruction:				
Regular	10,541,662	10,445,602	10,445,602	0
Special	2,998,523	2,990,718	2,990,718	0
Vocational	400,000	272,119	272,119	0
Support Services:				
Pupil	1,326,178	1,279,473	1,279,473	0
Instructional Staff	741,939	774,509	774,509	0
Board of Education	34,052	28,383	28,383	0
Administration	1,327,631	1,315,480	1,315,480	0
Fiscal	852,078	646,378	646,378	0
Business	373,322	330,781	330,781	0
Operation and Maintenance of Plant	2,842,978	2,877,603	2,877,603	0
Pupil Transportation	997,398	1,083,738	1,083,738	0
Central	746,566	722,807	722,807	0
Extracurricular Activities	604,643	610,590	610,590	0
Capital Outlay	5,150	0	0	0
<i>Total Expenditures</i>	23,792,120	23,378,181	23,378,181	0
<i>Excess of Revenues Under Expenditures</i>	(1,460,786)	(792,337)	(792,337)	0
Other Financing Uses:				
Advances Out	0	(131)	(131)	0
Transfers Out	(12,500)	(56,061)	(56,061)	0
<i>Total Other Financing Uses</i>	(12,500)	(56,192)	(56,192)	0
<i>Net Change In Fund Balance</i>	(1,473,286)	(848,529)	(848,529)	0
<i>Fund Balance Beginning of Year</i>	3,146,506	3,146,506	3,146,506	0
Prior Year Encumbrances Appropriated	856,566	856,566	856,566	0
<i>Fund Balance End of Year</i>	\$2,529,786	\$3,154,543	\$3,154,543	\$0

Rocky River City School District

Statement of Fund Net Assets

Enterprise Funds

June 30, 2003

	Food Service	Uniform School Supplies	Community Programs	Total
Assets				
<i>Current Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$93,444	\$16,654	\$55,853	\$165,951
Accounts Receivable	376	0	9,060	9,436
Intergovernmental Receivable	6,452	0	0	6,452
Inventory Held for Resale	3,797	6,825	0	10,622
Materials and Supplies Inventory	1,723	0	0	1,723
<i>Total Current Assets</i>	<u>105,792</u>	<u>23,479</u>	<u>64,913</u>	<u>194,184</u>
<i>Noncurrent Assets</i>				
Nondepreciable Capital Assets	0	0	48,591	48,591
Depreciable Capital Assets, Net	22,789	0	261,825	284,614
<i>Total Noncurrent Assets</i>	<u>22,789</u>	<u>0</u>	<u>310,416</u>	<u>333,205</u>
<i>Total Assets</i>	<u>128,581</u>	<u>23,479</u>	<u>375,329</u>	<u>527,389</u>
Liabilities				
<i>Current Liabilities</i>				
Accounts Payable	0	336	21,899	22,235
Accrued Wages	2,798	0	1,785	4,583
Intergovernmental Payable	16,166	0	3,261	19,427
Compensated Absences Payable	5,463	0	0	5,463
<i>Total Current Liabilities</i>	<u>24,427</u>	<u>336</u>	<u>26,945</u>	<u>51,708</u>
<i>Long-Term Liabilities</i>				
Compensated Absences Payable	36,324	0	2,705	39,029
<i>Total Liabilities</i>	<u>60,751</u>	<u>336</u>	<u>29,650</u>	<u>90,737</u>
Net Assets				
Invested in Capital Assets	22,789	0	310,416	333,205
Unrestricted	45,041	23,143	35,263	103,447
<i>Total Net Assets</i>	<u>\$67,830</u>	<u>\$23,143</u>	<u>\$345,679</u>	<u>\$436,652</u>

See accompanying notes to the basic financial statements

Rocky River City School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year Ended June 30, 2003

	Food Service	Uniform School Supplies	Community Programs	Total
Operating Revenues				
Sales	\$370,478	\$26,951	\$0	\$397,429
Tuition and Fees	0	0	279,325	279,325
Miscellaneous	0	0	2,667	2,667
<i>Total Operating Revenues</i>	<u>370,478</u>	<u>26,951</u>	<u>281,992</u>	<u>679,421</u>
Operating Expenses				
Salaries	131,539	0	30,751	162,290
Fringe Benefits	40,350	0	7,680	48,030
Purchased Services	11,776	0	103,305	115,081
Materials and Supplies	60,349	0	123,078	183,427
Cost of Sales	195,497	25,223	0	220,720
Depreciation	3,193	0	14,903	18,096
Other	0	0	10,348	10,348
<i>Total Operating Expenses</i>	<u>442,704</u>	<u>25,223</u>	<u>290,065</u>	<u>757,992</u>
<i>Operating Income (Loss)</i>	<u>(72,226)</u>	<u>1,728</u>	<u>(8,073)</u>	<u>(78,571)</u>
Non-Operating Revenues				
Donated Commodities	23,296	0	0	23,296
Interest	1,515	0	0	1,515
Operating Grants	44,997	0	0	44,997
<i>Total Non-Operating Revenues</i>	<u>69,808</u>	<u>0</u>	<u>0</u>	<u>69,808</u>
<i>Change in Net Assets</i>	(2,418)	1,728	(8,073)	(8,763)
<i>Net Assets Beginning of Year</i>	<u>70,248</u>	<u>21,415</u>	<u>353,752</u>	<u>445,415</u>
<i>Net Assets End of Year</i>	<u><u>\$67,830</u></u>	<u><u>\$23,143</u></u>	<u><u>\$345,679</u></u>	<u><u>\$436,652</u></u>

See accompanying notes to the basic financial statements

Rocky River City School District
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2003

	Food Service	Uniform School Supplies	Community Programs	Totals
<i>Increase (Decrease) in Cash and Cash Equivalents</i>				
Cash Flows from Operating Activities				
Cash Received from Customers	\$372,524	\$27,436	\$257,823	\$657,783
Cash Received from Tuition Payments	0	0	16,932	16,932
Cash Received from Other	0	0	2,664	2,664
Cash Payments to Suppliers for Goods and Services	(242,434)	(24,887)	(208,614)	(475,935)
Cash Payments to Employees for Services	(163,731)	0	(35,900)	(199,631)
Cash Payments for Other	0	0	(10,348)	(10,348)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(33,641)	2,549	22,557	(8,535)
Cash Flows from Noncapital Financing Activities				
Operating Grants Received	44,273	0	0	44,273
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(17,286)	0	(2,293)	(19,579)
Cash Flows from Investing Activities:				
Interest	1,515	0	0	1,515
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(5,139)	2,549	20,264	17,674
<i>Cash and Cash Equivalents Beginning of Year</i>	98,583	14,105	35,589	148,277
<i>Cash and Cash Equivalents End of Year</i>	\$93,444	\$16,654	\$55,853	\$165,951

(continued)

Rocky River City School District
Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2003 (continued)

	Food Service	Uniform School Supplies	Community Programs	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	(\$72,226)	\$1,728	(\$8,073)	(\$78,571)
Adjustments:				
Depreciation	3,193	0	14,903	18,096
Donated Commodities Received During Year	23,296	0	0	23,296
(Increase) Decrease in Assets:				
Accounts Receivable	2,046	485	(4,573)	(2,042)
Inventory Held for Resale	2,250	0	0	2,250
Materials and Supplies Inventory	(358)	0	0	(358)
Increase (Decrease) in Liabilities:				
Accounts Payable	2,798	336	18,638	21,772
Accrued Wages	0	0	1,785	1,785
Compensated Absences Payable	3,594	0	70	3,664
Intergovernmental Payable	1,766	0	(193)	1,573
<i>Total Adjustments</i>	<u>38,585</u>	<u>821</u>	<u>30,630</u>	<u>70,036</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$33,641)</u></u>	<u><u>\$2,549</u></u>	<u><u>\$22,557</u></u>	<u><u>(\$8,535)</u></u>

Non-Cash Non Capital Activity:

Federal donated commodities in the amount of \$23,296 were recorded as revenue when received in the food service fund.

See accompanying notes to the basic financial statements

Rocky River City School District

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2003

	Private Purpose Trust	
	Special Trust	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$40,904	\$83,048
Liabilities		
Accounts Payable	4,350	0
Due to Students	0	83,048
<i>Total Liabilities</i>	4,350	\$83,048
Net Assets		
Held in Trust for Scholarships	36,554	
<i>Total Net Assets</i>	\$36,554	

See accompanying notes to the basic financial statements

Rocky River City School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2003

	<u>Special Trust</u>
Additions	
Interest	\$481
Contributions and Donations	<u>32,750</u>
<i>Total Additions</i>	33,231
Deductions	
Scholarships Awarded	<u>26,300</u>
<i>Change in Net Assets</i>	6,931
<i>Net Assets Beginning of Year</i>	<u>29,623</u>
<i>Net Assets End of Year</i>	<u><u>\$36,554</u></u>

See accompanying notes to the basic financial statements

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 1 - Description of the School District and Reporting Entity

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

The School 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 161 certificated teaching personnel, 130 non-certificated support staff personnel, 13 administrative employees and 4 managers who provide services to 2,575 students and other community members. The School District currently operates a primary school, an intermediate school, a middle school, and a high school.

Reporting Entity

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

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 School District, as directed by the schools. This activity is reflected as a governmental activity for financial reporting purposes.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The Rocky River City School District does not have any component units.

The School District participates in two jointly governed organizations and an insurance purchasing pool and is associated with a related organization. These organizations are the Lakeshore Northeast Ohio Computer Association, the Ohio Schools Council, the Ohio School Boards Association Workers' Compensation Group Rating Program and the Rocky River Public Library. These organizations are discussed in Notes 16, 17, and 18 to the basic financial statements.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Rocky River City School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its Proprietary funds provided they do not conflict with or contradict GASB pronouncements. The School District has elected not to apply FASB pronouncements and interpretations issued after November 30, 1989, to its governmental activities and proprietary funds. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

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

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

B. Fund Accounting

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

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

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

Building Fund The Building fund accounts for bond proceeds and interest revenue to be used for the construction of a middle school.

The other Governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds Proprietary funds focus on the determination of changes in net assets, financial position and cash flows and are classified as enterprise.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's major enterprise funds are:

Food Service Fund This fund accounts for the financial transactions related to the food service operations of the School District.

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

Community Programs Fund This fund accounts for the community education program operations.

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

C. Measurement Focus

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

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

Like the government-wide statements, all the enterprise funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its enterprise activities.

The private purpose trust fund is accounted for using the flow of economic resources measurement focus.

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 7.) Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented as "cash and cash equivalents with fiscal agent" and represents deposits.

During fiscal year 2003, investments were limited to STAROhio, repurchase agreements, Federal National Mortgage Association Notes, Federal Mortgage Association Corporation Notes, Federal Home Loan Bank Bonds and Certificates of Deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio 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 STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during the fiscal year 2003 amounted to \$135,309, which includes \$61,258 assigned from other School District funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time of purchase are presented on the financial statements as cash equivalents.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Inventories consist of donated food, purchased food and school supplies held for resale, and materials and supplies held for consumption.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 20 for additional information regarding set-asides.

H. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	30 years	N/A
Buildings and Improvements	10 - 30 years	30 years
Furniture and Equipment	5 - 10 years	5 - 10 years
Vehicles	10 years	N/A

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and capital leases are recognized as a liability on the governmental fund financial statements when due.

L. Net Assets

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

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

M. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves are established for encumbrances, unclaimed monies, property taxes and budget stabilization.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money set aside to protect against cyclical changes in revenues and expenditures. Under Ohio law, unclaimed monies must be held for five years before it becomes available for appropriation. Money not yet held for the five year period is presented as reserved.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service and uniform school supplies and charges for services for community education programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the funds. All revenues and expenses not meeting this definition are reported as nonoperating.

O. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Estimates

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

Q. 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 object level within each function for the general fund, and the fund level for all other 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 other than the general 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.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

Note 3 – Change in Accounting Principle and Restatement of Fund Balances/Net Assets

For fiscal year 2003, the School District has implemented GASB Statement No. 41, “Budgetary Comparison Schedules - Perspective Differences”.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the School District uses for its legally adopted budget when significant budgetary perspective differences result in the School District not being able to present budgetary comparisons for the general and each major special revenue fund. This Statement was not applicable to the School District for fiscal year 2003.

At June 30, 2002, the building major capital projects fund was restated by \$29,723, from \$1,322,041 to \$1,292,318, due to an overstatement of cash. The teacher development nonmajor special revenue fund was restated by \$67 due to an overstatement of intergovernmental payable, which increased the fund balance of other governmental funds from \$995,540 to \$995,607. These restatements decreased the net change in fund balance at June 30, 2002 by \$29,656 from \$1,450,681 to \$1,421,025.

The restatements to cash and intergovernmental payable decreased net assets for governmental activities by \$29,612 from \$16,105,406 to \$16,075,794, and increased the change in net assets by \$29,612 from \$2,187,206 to \$2,157,594.

Note 4 – Accountability and Legal Compliance

A. Fund Deficits

The following funds had deficit fund balances at June 30, 2003.

Special Revenue Funds	
Ohio Reads Grant	\$94
Title VI-R	1,310

The deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, rather than when accruals occur.

B. Legal Compliance

Contrary to Ohio Revised Code Section 5705.39, the School District had appropriations in excess of certified estimated resources during the fiscal year. These violations were corrected by fiscal year end.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Unrecorded cash, which consists of unrecorded interest, is not reported by the School District on the operating statement (budget), but is reported on the GAAP basis operating statement.

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

Net Change in Fund Balance	
GAAP Basis	(\$1,838,452)
Revenue Accruals	1,704,073
Expenditure Accruals	108,790
Advances Out	(131)
Encumbrances	<u>(822,809)</u>
Budget Basis	<u><u>(\$848,529)</u></u>

Note 6 - Deposits and Investments

State statutes classify monies held by the School 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 School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board 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.

Rocky River City School District
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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.

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

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

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

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

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Cash on Hand At year end, the School District had \$200 in unreported cash which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

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

Deposits At fiscal year end, the carrying amount of the School District's deposits was (\$44,004) and the bank balance was \$399,161. \$199,161 of the bank balance was covered by federal depository insurance. \$200,000 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

Investments The School District's investments are required to be categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investments in an investment pool operated by the Ohio State Treasurer are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Amount	Fair Value
Repurchase Agreements	\$5,682,917	\$5,682,917	\$5,682,917
StarOhio		3,037,606	3,037,606
Totals	\$5,682,917	\$8,720,523	\$8,720,523

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the fund financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$8,676,719	\$0
Cash on Hand	(200)	0
Investments of the Cash Management Pool:		
Repurchase Agreements	(5,682,917)	5,682,917
StarOhio	(3,037,606)	3,037,606
GASB Statement 3	(\$44,004)	\$8,720,523

Note 7 - Property Taxes

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

Rocky River City School District
Notes to the Basic Financial Statements
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Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30. This year, the June 2004 tangible personal property tax settlement was not received until July 2003.

The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 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 revenue.

The amount available as an advance at June 30, 2003 was \$1,928,402 in the general fund and \$317,844 in the bond retirement debt service fund. The amount available as an advance at June 30, 2002, was \$3,505,057 in the general fund and \$688,632 in the bond retirement debt service fund. The difference was in the timing and collection by the County Auditor.

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

Rocky River City School District
Notes to the Basic Financial Statements
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The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$610,185,370	94.87 %	\$604,957,220	95.19 %
Public Utility Personal	10,476,890	1.63	10,146,330	1.60
Tangible Personal Property	22,528,229	3.50	20,434,063	3.21
Total	<u><u>\$643,190,489</u></u>	<u><u>100.00 %</u></u>	<u><u>\$635,537,613</u></u>	<u><u>100.00 %</u></u>
 Tax rate per \$1,000 of assessed valuation	 \$67.50		 \$72.40	

Note 8 – Receivables

Receivables at June 30, 2003, consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General Fund - Excess Cost	<u>\$58,968</u>
Special Revenue Funds	
Title I	12,281
Title V	140
Title VI-R	<u>131</u>
Total Special Revenue	<u>12,552</u>
Enterprise Fund	
Food Service	<u>6,452</u>
Grand Total	<u><u>\$77,972</u></u>

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance 6/30/2002	Additions	Deductions	Balance 6/30/2003
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$722,230	\$0	\$0	\$722,230
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,349,792	0	0	1,349,792
Buildings and Improvements	46,641,464	22,449	0	46,663,913
Furniture and Equipment	2,705,476	155,508	(29,226)	2,831,758
Vehicles	1,096,487	73,863	0	1,170,350
<i>Total Capital Assets, being depreciated</i>	<u>51,793,219</u>	<u>251,820</u>	<u>(29,226)</u>	<u>52,015,813</u>
Less Accumulated Depreciation:				
Land Improvements	(335,338)	(44,993)	0	(380,331)
Buildings and Improvements	(13,103,229)	(1,377,473)	0	(14,480,702)
Furniture and Equipment	(1,734,890)	(240,235)	28,716	(1,946,409)
Vehicles	(639,418)	(77,992)	0	(717,410)
Total Accumulated Depreciation	<u>(15,812,875)</u>	<u>(1,740,693) *</u>	<u>28,716</u>	<u>(17,524,852)</u>
Total Capital Assets being depreciated, Net	<u>35,980,344</u>	<u>(1,488,873)</u>	<u>(510)</u>	<u>34,490,961</u>
Governmental Activities Capital Assets, Net	<u>\$36,702,574</u>	<u>(\$1,488,873)</u>	<u>(\$510)</u>	<u>\$35,213,191</u>
Business-Type Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$48,591	\$0	\$0	\$48,591
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	1,473,477	0	0	1,473,477
Land Improvements	25,000	0	0	25,000
Furniture and Equipment	63,250	19,579	(2,877)	79,952
<i>Total Capital Assets, being depreciated</i>	<u>1,561,727</u>	<u>19,579</u>	<u>(2,877)</u>	<u>1,578,429</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(9,167)	(833)	0	(10,000)
Land Improvements	(1,214,875)	(13,611)	0	(1,228,486)
Furniture and Equipment	(54,554)	(3,652)	2,877	(55,329)
Total Accumulated Depreciation	<u>(1,278,596)</u>	<u>(18,096) *</u>	<u>2,877</u>	<u>(1,293,815)</u>
Total Capital Assets Being Depreciated, Net	<u>283,131</u>	<u>1,483</u>	<u>0</u>	<u>284,614</u>
Business-Type Activities Capital Assets, Net	<u>\$331,722</u>	<u>\$1,483</u>	<u>\$0</u>	<u>\$333,205</u>

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$944,121
Special	282,033
Support Services:	
Pupils	88,935
Instructional Staff	52,334
Administration	102,099
Fiscal	2,093
Business	1,610
Operation and Maintenance of Plant	186,820
Pupil Transportation	64,494
Central	5,046
Extracurricular Activities	<u>11,108</u>
Total Depreciation Expense	<u><u>\$1,740,693</u></u>

Note 10 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2003, the School District contracted with various insurance companies through the Ohio Schools Council insurance program. Indiana Insurance provides property, inland marine and crime insurance coverage. There is a \$5,000 deductible on building and contents, along with a \$1,000 deductible for crime insurance. The inland marine coverage has a deductible of \$250.

The boiler and machinery coverage is provided by Travelers Insurance Company. The coverage provides a \$30,000,000 limit and a \$1,000 deductible.

Indiana Insurance Company provides fleet and liability insurance. Automobile liability has a limit of \$2,056,000 with a \$250 deductible. The general liability provides coverage with a limit of \$1,000,000 per occurrence and \$2,000,000 per year. Coverage provided by these companies was as follows:

<u>Coverage</u>	<u>Amount</u>
Building and Contents-replacement cost	\$80,713,732
Inland Marine Coverage	1,196,800
Boiler and Machinery	30,000,000
Automobile Liability	2,056,000
General Liability	
Per occurrence	1,000,000
Umbrella	8,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

Rocky River City School District
Notes to the Basic Financial Statements
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The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' 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 workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are 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 shares 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 Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Note 11 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$290,045, \$375,248 and \$134,521 respectively; 41 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. 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 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment

Rocky River City School District
Notes to the Basic Financial Statements
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decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the 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. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who 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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$1,433,559, \$1,033,146, and \$958,132 respectively; 83 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were \$14,758 made by the School District and \$26,760 made by the plan members.

Note 12 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$112,332 for fiscal year 2003.

STRS Ohio pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS Ohio were \$354,697,000 and STRS Ohio had 105,300 eligible benefit recipients.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay was established at \$14,500. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2003 fiscal year equaled \$273,194.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2002 (the latest information available), were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 13 - Other Employee Benefits

A. 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 vacation leave from 10 to 20 days, based on years of service. Vacation leave must be used in the contract year earned and may not be accrued or accumulated. Administrators are entitled to 20 to 25 days of vacation leave annually, based on years of service and performance evaluations. Administrators may not accrue or accumulate vacation days.

All regular employees earn sick leave at a rate of one and one-fourth days per month up to a maximum of 245 days. Support staff personnel and managers employed by the School 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. These employees receive one-third of the value of the unused sick leave up to a maximum of 75 days at the daily rate of pay at the time of retirement.

Teachers and administrators who resign with ten or more years of service, or those who meet the retirement eligibility requirements pursuant to State statute, are entitled to severance benefits equal to one-fourth of the value of unused sick leave up to a maximum of 40 days, plus twenty dollars per day for unused accumulated sick leave in excess of 120 days. Alternatively, teachers and administrators who resign during the year in which they attain 30 years of service credit with the State Teachers Retirement System are entitled to one-third of the value of unused sick leave up to a maximum of 70 days, plus an amount equal to thirty percent of the value of unused accumulated sick leave in excess of 120 days, plus \$350 per year served in the School District (\$650 for administrators) up to a maximum of 30 years.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

B. Life and Medical Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance Company.

The School District has elected to provide employee medical, surgical, prescription drug and dental benefits through a conventional premium program.

Note 14 - Long-Term Obligations

The following is a schedule of long-term obligations outstanding at June 30, 2003, for the Rocky River City School District:

	Outstanding 6/30/2002	Additions	Deductions	Outstanding 6/30/2003	Due In One Year
Governmental Activities					
General Obligation Bonds:					
1998-2018 \$24,500,000 3.650-05.375%					
School Building Improvement Bonds	\$21,265,000	\$0	(\$930,000)	\$20,335,000	\$970,000
1996-2012 \$9,994,128 4.25%-5.75%					
School Building Improvement Bonds					
Serial Bonds	6,320,000	0	(770,000)	5,550,000	810,000
Capital Appreciation Bonds	743,371	137,397	0	880,768	0
Total General Obligation Bonds	28,328,371	137,397	(1,700,000)	26,765,768	1,780,000
Compensated Absences	4,137,757	313,129	(277,778)	4,173,108	370,290
Capital Lease Obligation	29,348	0	(29,348)	0	0
Total Governmental Activities					
Long Term Liabilities	<u>\$32,495,476</u>	<u>\$450,526</u>	<u>(\$2,007,126)</u>	<u>\$30,938,876</u>	<u>\$2,150,290</u>
Business - Type Activities					
Compensated Absences	<u>\$40,828</u>	<u>\$3,664</u>	<u>\$0</u>	<u>\$44,492</u>	<u>\$5,463</u>

In 1998, the School District issued bonds for the renovations of various school buildings. In 1996, the School District issued bonds for the advance refunding of school building improvement bonds. All bonds are paid from the bond retirement fund.

The 1996 general obligation bonds include serial bonds and capital appreciation bonds. This year the addition on these bonds was \$137,397 which represents the annual accretion of discounted interest. The final amount of these bonds will be \$3,340,000, payable through June 2012.

Compensated absences will be paid from the general fund, the auxiliary services special revenue fund and the food service and community programs enterprise funds. The capital lease obligation was paid from the general fund.

In a prior year, the School District defeased the 1991 series general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2003 \$6,870,000 of bonds outstanding are considered defeased.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The School District's overall debt margin was \$33,815,491 with an unvoted debt margin of \$635,538 at June 30, 2003.

The School Districts's future debt service requirements to retire bonded debt is as follows:

Fiscal Year Ending June 30	General Obligation Bonds		Capital Appreciation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$1,780,000	\$1,249,589	\$0	\$0	\$1,780,000	\$1,249,589
2005	1,860,000	1,166,904	0	0	1,860,000	1,166,904
2006	1,955,000	1,078,745	0	0	1,955,000	1,078,745
2007	2,040,000	985,365	0	0	2,040,000	985,365
2008	2,145,000	886,453	0	0	2,145,000	886,453
2009-2013	7,625,000	3,181,690	304,128	3,035,872	7,929,128	6,217,562
2014-2018	8,480,000	1,187,050	0	0	8,480,000	1,187,050
Total	<u>\$25,885,000</u>	<u>\$9,735,796</u>	<u>\$304,128</u>	<u>\$3,035,872</u>	<u>\$26,189,128</u>	<u>\$12,771,668</u>

Note 15 - Interfund Transfers and Balances

A transfer of \$56,061 was made during fiscal year 2003 from the general fund to the building capital projects fund. This transfer was made to move unrestricted balances to support the program.

The general fund had an interfund receivable at June 30, 2003, of \$131 and the Title VI-R special revenue had a corresponding interfund payable of \$131. The interfund receivable and payable were due to the timing of the receipt of grant monies by the special revenue fund.

Note 16 - Jointly Governed Organizations

Lakeshore Northeast Ohio Computer Association - The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau owned and operated by sixteen public school districts. The primary function of LNOCA is to provide data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. Rocky River City School District paid \$58,347 to LNOCA during fiscal year 2003. The Cuyahoga County Board of Education serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valleyview, OH 44125.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Ohio Schools Council - The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven 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 2003, the School District paid \$800 to the Council. Financial information can be obtained by contacting Kathleen T.Neal, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

The School District participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) 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 required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

The School 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 for a twelve year period. The participants make monthly payments based on estimated usage. Each month these estimated payments are compared to their actual usage and any necessary adjustments are made.

The City of Hamilton, an 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.

Note 17 - Insurance Purchasing Pool

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

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Note 18 - Related Organization

Rocky River Public Library - The Rocky River Public 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 Rocky River City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School 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 Rocky River City School District during fiscal year 2003. Financial information can be obtained from the Rocky River Public Library, James Wilson, Clerk/Treasurer, at 1600 Hampton, Rocky River, Ohio 44116.

Note 19- Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund, or other applicable funds. However, in the opinion of management any such disallowed claims will not have a material adverse effect on the overall financial position of the School District as of June 30, 2003.

B. Litigation

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

Note 20 - Set-Aside Calculations and Fund Reserves

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization. At June 30, 2003, only the unspent portion of certain workers compensation refunds continues to be set aside.

The following cash basis information describes the change in the year-end set-aside amounts for text books, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

Rocky River City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

	Budget Stabalization Reserve	Capital Improvements Reserve	Textbooks Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2002	\$101,708	\$0	(\$299,973)
Current Year Set-aside Requirement	0	341,666	341,666
Qualifying Disbursements	0	(361,885)	(368,521)
Total	\$101,708	(\$20,219)	(\$326,828)
Set-aside Balance Carried Forward to Future Fiscal Years	\$101,708	\$0	(\$326,828)
Set-aside Reserve Balance as of June 30, 2003	\$101,708	\$0	\$0

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

Note 21 – State School Funding Decision

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school-funding decision is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...”

The School District is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

Combining and Individual Fund
Statements and Schedules

Fund Descriptions - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

To account for revenues from specific sources which legally, or otherwise, are restricted to expenditures for specific purposes.

Public School Support Fund This fund accounts for school site sales revenue and expenditures for field trips, assemblies, and other activity costs.

Career Education Fund - This fund accounts for State monies provided to make special education students aware of career opportunities.

District Managed Student Activities Fund This fund accounts for gate receipts and other revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's athletic program and transportation of the band to and from athletic events.

Auxiliary Services Fund This fund accounts for funds which provide services and materials to pupils attending non-public schools within the School District.

Educational Management Information Fund This fund accounts for State monies which support the development of hardware and software or other costs associated with the requirements of the management information system.

School Net Development Fund This fund accounts for State monies used to provide for a limited number of professional development subsidy grants.

Ohio Reads Grant Fund This fund accounts for monies that improve reading outcomes on the reading proficiency test and for volunteer coordinators in public school buildings.

School Conflict Management Fund This fund accounts for State monies provided to educate students on proper social behavior.

Eisenhower Math and Science Fund This fund accounts for monies used to improve the skills of teachers and the quality of instruction in mathematics, science, foreign languages and computer learning, and to increase the access of all students to that instruction.

Title VI-B Fund This fund accounts 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 This fund accounts for Federal monies used for costs associated with English proficiency.

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

Title V Fund This fund accounts for Federal revenues which support the implementation of a variety of programs such as computer education, gifted and talented programs, in-service and staff development.

(continued)

Fund Descriptions -Nonmajor Governmental Funds (continued)

Drug Free Schools Fund This fund accounts for Federal revenues which support the implementation of programs for drug abuse education and prevention.

Preschool Grant Fund This fund accounts for Federal revenues used for speech therapy services and instructional supplies used in preschool programs.

Title VI-R Grant Fund This fund accounts for Federal monies which support the telecommunications activities within the School District.

Miscellaneous Federal Grants Fund This fund accounts for various monies received through the Federal government which are not classified elsewhere.

Nonmajor Capital Projects Funds

Capital projects funds account for the acquisition, construction or improvement of capital facilities other than those financed by proprietary and trust funds.

Permanent Improvement Fund This fund accounts for property taxes levied to be used for various capital improvements within the School District.

School Net Plus Fund This fund accounts for State grant monies used to purchase computer hardware and software.

Power Up Capacity Fund This fund accounts for State grant monies to be spent on electrical upgrades throughout the School District.

Net IVDL Fund This fund accounts for State monies to be used to provide interactive video cameras for classrooms.

Data Communications Fund This fund accounts for State monies used to improve School District site connectivity which in turn improves instruction.

Combining Statement –Fiduciary Funds

Fiduciary Funds

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

Agency Fund

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

Rocky River City School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$434,323	\$517,234	\$951,557
Intergovernmental Receivable	12,552	0	12,552
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$446,875</u>	<u>\$517,234</u>	<u>\$964,109</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$155,370	\$598	\$155,968
Contracts Payable	12,960	36,170	49,130
Accrued Wages	6,811	0	6,811
Intergovernmental Payable	4,569	0	4,569
Interfund Payable	131	0	131
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities</i>	<u>179,841</u>	<u>36,768</u>	<u>216,609</u>
Fund Balances:			
Reserved for Encumbrances	102,838	78,777	181,615
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	164,196	0	164,196
Capital Projects Funds	0	401,689	401,689
	<u> </u>	<u> </u>	<u> </u>
<i>Total Fund Balances</i>	<u>267,034</u>	<u>480,466</u>	<u>747,500</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$446,875</u>	<u>\$517,234</u>	<u>\$964,109</u>

Rocky River City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$1,744,148	\$49,190	\$1,793,338
Interest	5,642	8,444	14,086
Tuition and Fees	77,663	0	77,663
Extracurricular Activities	159,481	0	159,481
Rentals	0	86,602	86,602
Contributions and Donations	84,382	0	84,382
Miscellaneous	52,797	0	52,797
<i>Total Revenues</i>	<u>2,124,113</u>	<u>144,236</u>	<u>2,268,349</u>
Expenditures			
Current:			
Instruction:			
Regular	72,137	0	72,137
Special	375,229	0	375,229
Support Services:			
Pupil	70,524	0	70,524
Instructional Staff	39,655	0	39,655
Central	7,144	0	7,144
Operation of Non-Instructional Services	1,352,924	0	1,352,924
Extracurricular Activities	327,172	0	327,172
Capital Outlay	0	271,671	271,671
<i>Total Expenditures</i>	<u>2,244,785</u>	<u>271,671</u>	<u>2,516,456</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(120,672)	(127,435)	(248,107)
Other Financing Sources			
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(120,672)	(127,435)	(248,107)
<i>Fund Balances Beginning of Year</i>	<u>387,706</u>	<u>607,901</u>	<u>995,607</u>
<i>Fund Balances End of Year</i>	<u><u>\$267,034</u></u>	<u><u>\$480,466</u></u>	<u><u>\$747,500</u></u>

Rocky River City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Public School Support	Career Education	District Managed Student Activities	Auxiliary Services
Assets				
Equity in Pooled Cash and Cash Equivalents	\$96,835	\$5,992	\$43,753	\$253,157
Intergovernmental Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$96,835</u>	<u>\$5,992</u>	<u>\$43,753</u>	<u>\$253,157</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$360	\$0	\$6,385	\$146,879
Contracts Payable	0	0	0	11,651
Accrued Wages	0	0	0	0
Intergovernmental Payable	0	0	270	415
Interfund Payable	0	0	0	0
<i>Total Liabilities</i>	<u>360</u>	<u>0</u>	<u>6,655</u>	<u>158,945</u>
Fund Balances:				
Reserved for Encumbrances	0	0	3,168	89,297
Unreserved, Undesignated (Deficit)	96,475	5,992	33,930	4,915
<i>Total Fund Balances(Deficit)</i>	<u>96,475</u>	<u>5,992</u>	<u>37,098</u>	<u>94,212</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$96,835</u>	<u>\$5,992</u>	<u>\$43,753</u>	<u>\$253,157</u>

<u>Educational Management Information</u>	<u>School Net Development</u>	<u>Ohio Reads Grant</u>	<u>School Conflict Management</u>	<u>Title VI-B</u>	<u>Title III</u>	<u>Title I</u>
\$18,319	\$388	\$243	\$1,544	\$1,309	\$1,155	\$85
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,281</u>
<u>\$18,319</u>	<u>\$388</u>	<u>\$243</u>	<u>\$1,544</u>	<u>\$1,309</u>	<u>\$1,155</u>	<u>\$12,366</u>
\$0	\$0	\$0	\$0	\$0	\$1,108	\$0
0	0	0	0	\$1,309	0	0
0	0	0	0	0	0	6,811
56	129	337	76	0	0	1,976
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>56</u>	<u>129</u>	<u>337</u>	<u>76</u>	<u>1,309</u>	<u>1,108</u>	<u>8,787</u>
0	0	0	0	0	47	0
<u>18,263</u>	<u>259</u>	<u>(94)</u>	<u>1,468</u>	<u>0</u>	<u>0</u>	<u>3,579</u>
<u>18,263</u>	<u>259</u>	<u>(94)</u>	<u>1,468</u>	<u>0</u>	<u>47</u>	<u>3,579</u>
<u>\$18,319</u>	<u>\$388</u>	<u>\$243</u>	<u>\$1,544</u>	<u>\$1,309</u>	<u>\$1,155</u>	<u>\$12,366</u>

(continued)

Cardinal Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2003

	Title V	Drug Free Schools	Preschool Grant	Title VI-R Grant
Assets				
Equity in Pooled Cash and Cash Equivalents	\$81	\$608	\$191	\$0
Intergovernmental Receivable	140	0	0	131
<i>Total Assets</i>	<u>\$221</u>	<u>\$608</u>	<u>\$191</u>	<u>\$131</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$110	\$0	\$191	\$0
Contracts Payable	0	0	0	0
Accrued Wages	0	0	0	0
Intergovernmental Payable	0	0	0	1,310
Interfund Payable	0	0	0	131
<i>Total Liabilities</i>	<u>110</u>	<u>0</u>	<u>191</u>	<u>1,441</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	0
Unreserved, Undesignated (Deficit)	111	608	0	(1,310)
<i>Total Fund Balances(Deficit)</i>	<u>111</u>	<u>608</u>	<u>0</u>	<u>(1,310)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$221</u>	<u>\$608</u>	<u>\$191</u>	<u>\$131</u>

Miscellaneous Federal Grants	Nonmajor Special Revenue Funds
\$10,663	\$434,323
0	12,552
<u>\$10,663</u>	<u>\$446,875</u>

\$337	\$155,370
0	12,960
0	6,811
0	4,569
0	131
<u>337</u>	<u>179,841</u>

10,326	102,838
0	164,196
<u>10,326</u>	<u>267,034</u>
<u>\$10,663</u>	<u>\$446,875</u>

Rocky River City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Public School Support	Career Education	District Managed Student Activities
Revenues			
Intergovernmental	\$0	\$0	\$0
Interest	0	0	926
Tuition and Fees	0	0	77,663
Extracurricular Activities	35,597	0	123,884
Contributions and Donations	22,769	6,257	55,356
Miscellaneous	0	0	52,797
<i>Total Revenues</i>	<u>58,366</u>	<u>6,257</u>	<u>310,626</u>
Expenditures			
Current:			
Instruction:			
Regular	0	2,662	0
Special	0	0	0
Support Services:			
Pupil	53,946	0	0
Instructional Staff	0	0	0
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	327,172
<i>Total Expenditures</i>	<u>53,946</u>	<u>2,662</u>	<u>327,172</u>
<i>Net Change in Fund Balances</i>	4,420	3,595	(16,546)
<i>Fund Balances Beginning of Year</i>	<u>92,055</u>	<u>2,397</u>	<u>53,644</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$96,475</u></u>	<u><u>\$5,992</u></u>	<u><u>\$37,098</u></u>

<u>Auxiliary Services</u>	<u>Educational Management Information</u>	<u>School Net Development</u>	<u>Ohio Reads Grant</u>	<u>School Conflict Management</u>	<u>Eisenhower Math and Science</u>
\$1,147,007	\$9,387	\$4,600	\$15,000	\$4,000	\$0
4,716	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,151,723</u>	<u>9,387</u>	<u>4,600</u>	<u>15,000</u>	<u>4,000</u>	<u>0</u>
0	0	0	17,070	3,062	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	736	0	154
0	7,144	0	0	0	0
1,233,285	0	8,008	0	0	0
0	0	0	0	0	0
<u>1,233,285</u>	<u>7,144</u>	<u>8,008</u>	<u>17,806</u>	<u>3,062</u>	<u>154</u>
(81,562)	2,243	(3,408)	(2,806)	938	(154)
<u>175,774</u>	<u>16,020</u>	<u>3,667</u>	<u>2,712</u>	<u>530</u>	<u>154</u>
<u>\$94,212</u>	<u>\$18,263</u>	<u>\$259</u>	<u>(\$94)</u>	<u>\$1,468</u>	<u>\$0</u>

(continued)

Rocky River City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2003

	Title VI-B	Title III	Title I	Title V
Revenues				
Intergovernmental	\$310,569	\$4,002	\$119,827	\$25,325
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>310,569</u>	<u>4,002</u>	<u>119,827</u>	<u>25,325</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	0	13,779
Special	261,790	0	94,719	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	3,955	5,207	0
Central	0	0	0	0
Operation of Non-Instructional Services	71,540	0	25,289	11,991
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>333,330</u>	<u>3,955</u>	<u>125,215</u>	<u>25,770</u>
<i>Net Change in Fund Balances</i>	(22,761)	47	(5,388)	(445)
<i>Fund Balances Beginning of Year</i>	<u>22,761</u>	<u>0</u>	<u>8,967</u>	<u>556</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>\$47</u>	<u>\$3,579</u>	<u>\$111</u>

<u>Drug Free Schools</u>	<u>Preschool Grant</u>	<u>Title VI-R Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$15,115	\$10,943	\$62,343	\$16,030	\$1,744,148
0	0	0	0	5,642
0	0	0	0	77,663
0	0	0	0	159,481
0	0	0	0	84,382
0	0	0	0	52,797
<u>15,115</u>	<u>10,943</u>	<u>62,343</u>	<u>16,030</u>	<u>2,124,113</u>
0	0	35,564	0	72,137
0	16,257	0	2,463	375,229
13,337	0	0	3,241	70,524
0	0	29,603	0	39,655
0	0	0	0	7,144
1,170	1,641	0	0	1,352,924
0	0	0	0	327,172
<u>14,507</u>	<u>17,898</u>	<u>65,167</u>	<u>5,704</u>	<u>2,244,785</u>
608	(6,955)	(2,824)	10,326	(120,672)
0	6,955	1,514	0	387,706
<u>\$608</u>	<u>\$0</u>	<u>(\$1,310)</u>	<u>\$10,326</u>	<u>\$267,034</u>

Rocky River City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2003

	Permanent Improvement	Power Up Capacity
Assets		
Equity in Pooled Cash and Cash Equivalents	\$510,842	\$2,792
 Liabilities and Fund Balances		
Liabilities		
Accounts Payable	\$598	\$0
Contracts Payable	36,170	0
<i>Total Liabilities</i>	36,768	0
 Fund Balances:		
Reserved for Encumbrances	75,177	0
Unreserved, Undesignated	398,897	2,792
<i>Total Fund Balances</i>	474,074	2,792
 <i>Total Liabilities and Fund Balances</i>	\$510,842	\$2,792

Net IVDL	Total Nonmajor Capital Projects Funds
<u>\$3,600</u>	<u>\$517,234</u>
\$0	\$598
<u>0</u>	<u>36,170</u>
<u>0</u>	<u>36,768</u>
3,600	78,777
<u>0</u>	<u>401,689</u>
<u>3,600</u>	<u>480,466</u>
<u>\$3,600</u>	<u>\$517,234</u>

Rocky River City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2003

	<u>Permanent Improvement</u>	<u>School Net Plus</u>	<u>Power Up Capacity</u>
Revenues			
Intergovernmental	\$0	\$35,190	\$0
Interest	8,444	0	0
Rentals	86,602	0	0
<i>Total Revenues</i>	95,046	35,190	0
Expenditures			
Capital Outlay	216,259	35,190	0
<i>Total Expenditures</i>	216,259	35,190	0
<i>Net Change in Fund Balances</i>	(121,213)	0	0
<i>Fund Balances Beginning of Year</i>	595,287	0	2,792
<i>Fund Balances End of Year</i>	<u>\$474,074</u>	<u>\$0</u>	<u>\$2,792</u>

Net IVDL	Data Communications	Total Nonmajor Capital Projects Funds
\$0	\$14,000	\$49,190
0	0	8,444
0	0	86,602
0	14,000	144,236
6,222	14,000	271,671
6,222	14,000	271,671
(6,222)	0	(127,435)
9,822	0	607,901
\$3,600	\$0	\$480,466

Rocky River City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2003

	Beginning Balance June 30, 2002	Additions	Reductions	Ending Balance June 30, 2003
Student Activities				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$55,325	\$213,208	\$185,485	\$83,048
Liabilities				
Due to Students	\$55,325	\$213,208	\$185,485	\$83,048

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

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$18,037,275	\$18,191,508	\$18,191,508	\$0
Intergovernmental	3,661,911	3,864,005	3,864,005	0
Interest	323,310	210,209	210,209	0
Tuition and Fees	215,000	157,544	157,544	0
Rentals	62,000	59,657	59,657	0
Charges For Service	31,338	101,597	101,597	0
Miscellaneous	500	1,324	1,324	0
<i>Total Revenues</i>	22,331,334	22,585,844	22,585,844	0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,670,619	7,689,963	7,689,963	0
Fringe Benefits	2,126,477	1,981,916	1,981,916	0
Purchased Services	169,790	263,113	263,113	0
Materials and Supplies	468,320	416,951	416,951	0
Capital Outlay - New	69,808	68,576	68,576	0
Capital Outlay - Replacement	5,811	1,753	1,753	0
Other	30,837	23,330	23,330	0
Total Regular	10,541,662	10,445,602	10,445,602	0
Special:				
Salaries and Wages	1,642,325	1,702,124	1,702,124	0
Fringe Benefits	474,400	475,987	475,987	0
Purchased Services	852,686	785,140	785,140	0
Materials and Supplies	20,340	18,348	18,348	0
Capital Outlay - New	7,772	8,672	8,672	0
Capital Outlay - Replacement	1,000	447	447	0
Total Special	2,998,523	2,990,718	2,990,718	0
Vocational:				
Purchased Services	400,000	272,119	272,119	0
Total Instruction	\$13,940,185	\$13,708,439	\$13,708,439	\$0

(continued)

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$924,345	\$913,078	\$913,078	\$0
Fringe Benefits	268,558	247,839	247,839	0
Purchased Services	117,078	98,271	98,271	0
Materials and Supplies	15,897	17,903	17,903	0
Capital Outlay - New	0	2,227	2,227	0
Other	300	155	155	0
Total Pupil	1,326,178	1,279,473	1,279,473	0
Instructional Staff:				
Salaries and Wages	471,481	476,601	476,601	0
Fringe Benefits	152,408	145,193	145,193	0
Purchased Services	57,339	65,197	65,197	0
Materials and Supplies	36,711	34,097	34,097	0
Capital Outlay - New	24,000	53,421	53,421	0
Total Instructional Staff	741,939	774,509	774,509	0
Board of Education:				
Salaries and Wages	8,000	8,000	8,000	0
Fringe Benefits	1,236	1,255	1,255	0
Purchased Services	17,603	11,597	11,597	0
Materials and Supplies	879	696	696	0
Other	6,334	6,835	6,835	0
Total Board of Education	34,052	28,383	28,383	0
Administration:				
Salaries and Wages	958,374	949,741	949,741	0
Fringe Benefits	344,876	340,455	340,455	0
Purchased Services	19,436	19,469	19,469	0
Materials and Supplies	3,222	1,881	1,881	0
Capital Outlay - Replacement	250	2,127	2,127	0
Other	1,473	1,807	1,807	0
Total Administration	\$1,327,631	\$1,315,480	\$1,315,480	\$0

(continued)

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Fiscal:				
Salaries and Wages	\$145,296	\$149,571	\$149,571	\$0
Fringe Benefits	294,240	122,440	122,440	0
Purchased Services	51,292	46,331	46,331	0
Materials and Supplies	3,335	4,620	4,620	0
Capital Outlay - New	3,000	0	0	0
Other	354,915	323,416	323,416	0
Total Fiscal	852,078	646,378	646,378	0
Business:				
Salaries and Wages	89,223	85,793	85,793	0
Fringe Benefits	36,082	30,036	30,036	0
Purchased Services	193,968	144,808	144,808	0
Materials and Supplies	24,049	16,329	16,329	0
Capital Outlay - New	0	6,001	6,001	0
Other	30,000	47,814	47,814	0
Total Business	373,322	330,781	330,781	0
Operation and Maintenance of Plant:				
Salaries and Wages	1,067,244	1,085,335	1,085,335	0
Fringe Benefits	338,845	328,113	328,113	0
Purchased Services	1,157,095	1,187,543	1,187,543	0
Materials and Supplies	262,794	262,528	262,528	0
Capital Outlay - New	15,000	13,994	13,994	0
Other	2,000	90	90	0
Total Operation and Maintenance of Plant	2,842,978	2,877,603	2,877,603	0
Pupil Transportation:				
Salaries and Wages	542,274	602,656	602,656	0
Fringe Benefits	162,347	177,095	177,095	0
Purchased Services	140,588	167,643	167,643	0
Materials and Supplies	121,664	106,057	106,057	0
Capital Outlay - New	2,000	0	0	0
Capital Outlay - Replacement	28,000	30,017	30,017	0
Other	525	270	270	0
Total Pupil Transportation	\$997,398	\$1,083,738	\$1,083,738	\$0

(continued)

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$414,863	\$420,279	\$420,279	\$0
Fringe Benefits	144,770	124,806	124,806	0
Purchased Services	146,763	114,589	114,589	0
Materials and Supplies	21,950	31,112	31,112	0
Capital Outlay - New	10,020	29,493	29,493	0
Capital Outlay - Replacement	8,200	2,528	2,528	0
Total Central	746,566	722,807	722,807	0
Total Support Services	9,242,142	9,059,152	9,059,152	0
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	82,441	71,735	71,735	0
Fringe Benefits	12,532	10,355	10,355	0
Total Academic and Subject Oriented Activities	94,973	82,090	82,090	0
Sports Oriented Activities:				
Salaries and Wages	317,324	336,224	336,224	0
Fringe Benefits	48,631	49,659	49,659	0
Total Sports Oriented Activities	365,955	385,883	385,883	0
School and Public Service Co-Curricular Activities:				
Salaries and Wages	103,513	102,212	102,212	0
Fringe Benefits	34,202	31,754	31,754	0
Purchased Services	1,000	1,461	1,461	0
Materials and Supplies	5,000	7,190	7,190	0
Total School and Public Service Co-Curricular Activities	143,715	142,617	142,617	0
Total Extracurricular Activities	604,643	610,590	610,590	0
Capital Outlay:				
Building Improvement Services:				
Purchased Services	5,150	0	0	0
Total Expenditures	23,792,120	23,378,181	23,378,181	0
Excess of Revenues Under Expenditures	(\$1,460,786)	(\$792,337)	(\$792,337)	\$0

(continued)

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Uses:				
Advances Out	\$0	(\$131)	(\$131)	\$0
Operating Transfers Out	(12,500)	(56,061)	(56,061)	0
<i>Total Other Financing Uses</i>	<u>(12,500)</u>	<u>(56,192)</u>	<u>(56,192)</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	(1,473,286)	(848,529)	(848,529)	0
<i>Fund Balance Beginning of Year</i>	3,146,506	3,146,506	3,146,506	0
Prior Year Encumbrances Appropriated	<u>856,566</u>	<u>856,566</u>	<u>856,566</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,529,786</u></u>	<u><u>\$3,154,543</u></u>	<u><u>\$3,154,543</u></u>	<u><u>\$0</u></u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$2,875,738	\$2,852,731	\$2,852,731	\$0
Intergovernmental	310,000	383,873	383,873	0
<i>Total Revenues</i>	3,185,738	3,236,604	3,236,604	0
Expenditures				
Current:				
Support Services:				
Fiscal:				
Other	50,250	50,250	33,795	16,455
Debt Service:				
Principal Retirement	1,700,000	1,700,000	1,700,000	0
Interest and Fiscal Charges	1,326,874	1,326,874	1,326,874	0
<i>Total Debt Service</i>	3,026,874	3,026,874	3,026,874	0
<i>Total Expenditures</i>	3,077,124	3,077,124	3,060,669	16,455
<i>Net Change In Fund Balance</i>	108,614	159,480	175,935	16,455
<i>Fund Balance Beginning of Year</i>	2,307,832	2,307,832	2,307,832	0
<i>Fund Balance End of Year</i>	\$2,416,446	\$2,467,312	\$2,483,767	\$16,455

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$10,000	\$10,635	\$10,635	\$0
Miscellaneous	1,500	0	0	0
<i>Total Revenues</i>	11,500	10,635	10,635	0
Expenditures				
Capital Outlay:				
Architectural and Engineering Services:				
Purchased Services	55,000	55,000	52,572	2,428
Building Improvement Services				
Purchased Services	67,100	65,100	59,358	5,742
Materials and Supplies	2,000	2,000	320	1,680
Capital Outlay - New	1,145,436	735,436	682,469	52,967
Capital Outlay - Replacement	50,000	0	0	0
Other	34,000	56,500	56,061	439
Total Building Improvement Services	1,298,536	859,036	798,208	60,828
<i>Total Expenditures</i>	1,353,536	914,036	850,780	63,256
<i>Excess Of Revenues</i>				
<i>Under Expenditures</i>	(1,342,036)	(903,401)	(840,145)	(63,256)
Other Financing Sources:				
Transfer In	12,500	56,061	56,061	0
<i>Net Change In Fund Balance</i>	(1,329,536)	(847,340)	(784,084)	63,256
<i>Fund Balance Beginning of Year</i>	675,548	675,548	675,548	0
Prior Year Encumbrances Appropriated	654,036	654,036	654,036	0
<i>Fund Balance End of Year</i>	\$48	\$482,244	\$545,500	\$63,256

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Extracurricular Activities	\$30,000	\$35,597	\$35,597	\$0
Contributions and Donations	15,000	22,769	22,769	0
<i>Total Revenues</i>	45,000	58,366	58,366	0
Expenditures				
Current:				
Support Services:				
Pupil:				
Purchased Services	19,512	17,112	7,817	9,295
Supplies and Materials	16,000	15,235	11,286	3,949
Capital Outlay - New	0	2,183	2,183	0
Other	31,248	34,030	33,931	99
<i>Total Expenditures</i>	66,760	68,560	55,217	13,343
<i>Net Change In Fund Balance</i>	(21,760)	(10,194)	3,149	13,343
<i>Fund Balance Beginning of Year</i>	91,865	91,865	91,865	0
Prior Year Encumbrances Appropriated	260	260	260	0
<i>Fund Balance End of Year</i>	\$70,365	\$81,931	\$95,274	\$13,343

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Career Education Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Contributions and Donations	\$0	\$6,257	\$6,257	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Supplies and Materials	1,950	4,650	2,700	1,950
Support Services:				
Instructional Staff:				
Salaries and Wages	94	94	0	94
<i>Total Expenditures</i>	<u>2,044</u>	<u>4,744</u>	<u>2,700</u>	<u>2,044</u>
<i>Net Change In Fund Balance</i>	(2,044)	1,513	3,557	2,044
<i>Fund Balance Beginning of Year</i>	<u>2,434</u>	<u>2,434</u>	<u>2,434</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$390</u>	<u>\$3,947</u>	<u>\$5,991</u>	<u>\$2,044</u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Interest	\$1,500	\$926	\$926	\$0
Tuition and Fees	50,000	77,663	77,663	0
Extracurricular Activities	170,000	123,884	123,884	0
Contributions and Donations	5,000	55,356	55,356	0
Miscellaneous	43,500	53,906	53,906	0
<i>Total Revenues</i>	270,000	311,735	311,735	0
Expenditures				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Purchased Services	100,800	69,878	66,937	2,941
Materials and Supplies	31,460	30,100	30,010	90
Capital Outlay - New	6,800	4,407	2,359	2,048
Other	8,580	9,445	9,234	211
Total Academic and Subject Oriented Activities	147,640	113,830	108,540	5,290
Sports Oriented Activities:				
Salaries and Wages	14,270	13,082	9,748	3,334
Fringe Benefits	0	1,413	1,385	28
Purchased Services	60,318	65,967	61,988	3,979
Materials and Supplies	64,537	82,399	81,975	424
Capital Outlay - New	4,520	42,089	41,915	174
Capital Outlay - Replacement	0	9,607	8,328	1,279
Other	20,560	22,493	22,493	0
Total Sports Oriented Activities	164,205	237,050	227,832	9,218
<i>Total Expenditures</i>	311,845	350,880	336,372	14,508
<i>Net Change In Fund Balance</i>	(41,845)	(39,145)	(24,637)	14,508
<i>Fund Balance Beginning of Year</i>	52,790	52,790	52,790	0
Prior Year Encumbrances Appropriated	6,881	6,881	6,881	0
<i>Fund Balance End of Year</i>	\$17,826	\$20,526	\$35,034	\$14,508

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$1,290,000	\$1,147,007	\$1,147,007	\$0
Interest	10,000	4,716	4,716	0
<i>Total Revenues</i>	<u>1,300,000</u>	<u>1,151,723</u>	<u>1,151,723</u>	<u>0</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	22,975	15,586	15,311	275
Fringe Benefits	6,000	3,703	3,700	3
Purchased Services	554,741	589,298	589,166	132
Supplies and Materials	690,028	487,103	483,747	3,356
Capital Outlay - New	94,597	246,190	246,055	135
Other	0	881	881	0
<i>Total Expenditures</i>	<u>1,368,341</u>	<u>1,342,761</u>	<u>1,338,860</u>	<u>3,901</u>
<i>Net Change In Fund Balance</i>	(68,341)	(191,038)	(187,137)	3,901
<i>Fund Balance Beginning of Year</i>	156,159	156,159	156,159	0
Prior Year Encumbrances Appropriated	<u>36,310</u>	<u>36,310</u>	<u>36,310</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$124,128</u>	<u>\$1,431</u>	<u>\$5,332</u>	<u>\$3,901</u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Educational Management Information Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$10,000	\$9,387	\$9,387	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Salaries and Wages	2,000	3,909	2,073	1,836
Fringe Benefits	309	597	314	283
Supplies and Materials	0	274	273	1
Capital Outlay - New	6,813	11,311	4,498	6,813
<i>Total Expenditures</i>	<u>9,122</u>	<u>16,091</u>	<u>7,158</u>	<u>8,933</u>
<i>Net Change In Fund Balance</i>	878	(6,704)	2,229	(8,933)
<i>Fund Balance Beginning of Year</i>	<u>16,091</u>	<u>16,091</u>	<u>16,091</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$16,969</u></u>	<u><u>\$9,387</u></u>	<u><u>\$18,320</u></u>	<u><u>\$8,933</u></u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
School Net Development Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$0	\$8,050	\$8,050	\$0
Expenditures				
Current:				
Operation of Non-Instructional Services				
Community Services:				
Salaries and Wages	0	4,999	4,999	0
Fringe Benefits	0	855	780	75
Purchased Services	0	2,196	2,196	0
Supplies and Materials	314	314	0	314
<i>Total Expenditures</i>	<u>314</u>	<u>8,364</u>	<u>7,975</u>	<u>389</u>
<i>Net Change In Fund Balance</i>	(314)	(314)	75	389
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	<u>314</u>	<u>314</u>	<u>314</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$389</u>	<u>\$389</u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Ohio Reads Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$15,000	\$15,000	\$15,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	11,000	12,144	12,144	0
Fringe Benefits	2,600	2,100	1,877	223
Other	0	2,967	2,967	0
Total Instruction	13,600	17,211	16,988	223
Support Services:				
Instructional Staff:				
Purchased Services	1,400	756	736	20
<i>Total Expenditures</i>	15,000	17,967	17,724	243
<i>Net Change In Fund Balance</i>	0	(2,967)	(2,724)	243
<i>Fund Balance Beginning of Year</i>	2,967	2,967	2,967	0
<i>Fund Balance End of Year</i>	\$2,967	\$0	\$243	\$243

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
School Conflict Management Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$4,000	\$4,000	\$4,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	3,000	3,000	2,586	414
Fringe Benefits	500	500	400	100
Supplies and Materials	500	500	0	500
<i>Total Expenditures</i>	4,000	4,000	2,986	1,014
<i>Net Change In Fund Balance</i>	0	0	1,014	1,014
<i>Fund Balance Beginning of Year</i>	530	530	530	0
<i>Fund Balance End of Year</i>	\$530	\$530	\$1,544	\$1,014

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Eisenhower Math and Science Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$25,325	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	11,961	349	349	0
Capital Outlay - New	13,364	0	0	0
<i>Total Expenditures</i>	25,325	349	349	0
<i>Net Change In Fund Balance</i>	0	(349)	(349)	0
<i>Fund Balance Beginning of Year</i>	349	349	349	0
<i>Fund Balance End of Year</i>	\$349	\$0	\$0	\$0

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$309,129	\$310,569	\$310,569	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Purchased Services	260,350	261,790	261,790	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	72,611	72,611	72,611	0
<i>Total Expenditures</i>	332,961	334,401	334,401	0
<i>Net Change In Fund Balance</i>	(23,832)	(23,832)	(23,832)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	23,832	23,832	23,832	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title III Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$4,002	\$4,002	\$4,002	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Supplies and Materials	4,002	4,002	4,002	0
<i>Net Change In Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$120,856	\$107,544	\$107,544	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Salaries and Wages	89,262	71,715	71,715	0
Fringe Benefits	26,054	17,657	17,657	0
Total Instruction	115,316	89,372	89,372	0
Support Services:				
Instructional Staff:				
Purchased Services	7,195	4,602	4,602	0
Materials and Supplies	659	605	605	0
Total Support Services	7,854	5,207	5,207	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	9,846	25,041	25,041	0
Materials and Supplies	248	248	248	0
Total Operation of Non-Instructional Services	10,094	25,289	25,289	0
<i>Total Expenditures</i>	133,264	119,868	119,868	0
<i>Net Change In Fund Balance</i>	(12,408)	(12,324)	(12,324)	0
<i>Fund Balance Beginning of Year</i>	12,292	12,292	12,292	0
Prior Year Encumbrances Appropriated	116	116	116	0
<i>Fund Balance End of Year</i>	\$0	\$84	\$84	\$0

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title V Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,282	\$25,575	\$25,575	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Materials and Supplies	1,688	986	985	1
Capital Outlay - New	2,305	13,380	13,380	0
Total Instruction	3,993	14,366	14,365	1
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	0	9,462	9,461	1
Capital Outlay - New	0	2,420	2,420	0
Total Operation of Non-Instructional Services	0	11,882	11,881	1
<i>Total Expenditures</i>	3,993	26,248	26,246	2
<i>Net Change In Fund Balance</i>	(711)	(673)	(671)	2
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	752	752	752	0
<i>Fund Balance End of Year</i>	\$41	\$79	\$81	\$2

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Drug Free Schools Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$15,115	\$15,115	\$15,115	\$0
Expenditures				
Current:				
Support Services:				
Pupil:				
Purchased Services	13,337	13,337	13,337	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,552	1,727	1,170	557
Materials and Supplies	226	51	0	51
Total Operation of Non-Instructional Services	1,778	1,778	1,170	608
<i>Total Expenditures</i>	15,115	15,115	14,507	608
<i>Net Change In Fund Balance</i>	0	0	608	608
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$608	\$608

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Preschool Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$10,943	\$10,943	\$10,943	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Purchased Services	16,257	16,257	16,257	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,641	1,641	1,641	0
<i>Total Expenditures</i>	17,898	17,898	17,898	0
<i>Net Change In Fund Balance</i>	(6,955)	(6,955)	(6,955)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	6,955	6,955	6,955	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Title VI-R Grant Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$62,212	\$62,212	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	2,252	30,488	30,488	0
Fringe Benefits	130	4,711	4,711	0
Total Instruction	2,382	35,199	35,199	0
Support Services:				
Instructional Staff:				
Salaries and Wages	0	15,008	15,008	0
Fringe Benefits	0	3,422	3,422	0
Purchased Services	0	11,096	11,096	0
Total Support Services	0	29,526	29,526	0
<i>Total Expenditures</i>	2,382	64,725	64,725	0
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	(2,382)	(2,513)	(2,513)	0
Other Financing Sources				
Advance In	0	131	131	0
<i>Net Change In Fund Balance</i>	(2,382)	(2,382)	(2,382)	0
<i>Fund Balance Beginning of Year</i>	2,382	2,382	2,382	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$2,126	\$16,030	\$16,030	\$0
Expenditures				
Current:				
Instruction:				
Special:				
Capital Outlay - New	2,126	12,789	12,789	0
Support Services:				
Pupil:				
Purchased Services	0	3,241	3,241	0
<i>Total Expenditures</i>	<u>2,126</u>	<u>16,030</u>	<u>16,030</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$0	\$8,444	\$8,444	\$0
Rentals	0	86,602	86,602	0
<i>Total Revenues</i>	<u>0</u>	<u>95,046</u>	<u>95,046</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Pupil Transportation				
Capital Outlay	550,000	77,740	69,563	8,177
Capital Outlay:				
Building Improvement Services:				
Purchased Services	0	15,720	15,649	71
Capital Outlay - New	0	206,540	206,224	316
Total Capital Outlay	<u>0</u>	<u>222,260</u>	<u>221,873</u>	<u>387</u>
<i>Total Expenditures</i>	<u>550,000</u>	<u>300,000</u>	<u>291,436</u>	<u>8,564</u>
<i>Net Change In Fund Balance</i>	(550,000)	(204,954)	(196,390)	8,564
<i>Fund Balance Beginning of Year</i>	<u>595,287</u>	<u>595,287</u>	<u>595,287</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$45,287</u></u>	<u><u>\$390,333</u></u>	<u><u>\$398,897</u></u>	<u><u>\$8,564</u></u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
School Net Plus Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$35,190	\$35,190	\$35,190	\$0
Expenditures				
Current:				
Instruction:				
Regular				
Capital Outlay - New	35,190	35,190	35,190	0
<i>Net Change In Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Power Up Capacity Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Supplies and Materials	109	0	0	0
Capital Outlay	<u>2,683</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,792</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	(2,792)	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>2,792</u>	<u>2,792</u>	<u>2,792</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$2,792</u></u>	<u><u>\$2,792</u></u>	<u><u>\$0</u></u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Net IVDL Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	0	5,553	5,553	0
Capital Outlay - New	0	3,147	3,147	0
Total Support Services	0	8,700	8,700	0
Operation of Non-Instructional Services:				
Community Services				
Purchased Services	0	1,122	1,122	0
Total Expenditures	0	9,822	9,822	0
Net Change In Fund Balance	0	(9,822)	(9,822)	0
Fund Balance Beginning of Year	9,822	9,822	9,822	0
Fund Balance End of Year	<u>\$9,822</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Rocky River City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP) and Actual
Data Communications Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$14,000	\$14,000	\$14,000	\$0
Expenditures				
Current:				
Instruction:				
Regular:				
Capital Outlay - New	14,000	14,000	14,000	0
<i>Total Expenditures</i>	14,000	14,000	14,000	0
<i>Net Change In Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Rocky River City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Sales	\$369,000	\$372,521	\$372,521	\$0
Interest	3,000	1,515	1,515	0
Operating Grants	48,000	44,273	44,273	0
<i>Total Revenues</i>	<u>420,000</u>	<u>418,309</u>	<u>418,309</u>	<u>0</u>
Expenses				
Salaries	126,771	126,771	125,147	1,624
Fringe Benefits	40,738	40,738	38,584	2,154
Purchased Services	11,470	19,928	13,776	6,152
Materials and Supplies	278,650	247,622	225,144	22,478
Capital Outlay - New	2,000	13,871	13,871	0
Capital Outlay - Replacement	5,000	9,570	8,929	641
<i>Total Expenses</i>	<u>464,629</u>	<u>458,500</u>	<u>425,451</u>	<u>33,049</u>
<i>Net Change In Fund Equity</i>	(44,629)	(40,191)	(7,142)	33,049
<i>Fund Equity Beginning of Year</i>	97,836	97,836	97,836	0
Prior Year Encumbrances Appropriated	<u>750</u>	<u>750</u>	<u>750</u>	<u>0</u>
<i>Fund Equity End of Year</i>	<u>\$53,957</u>	<u>\$58,395</u>	<u>\$91,444</u>	<u>\$33,049</u>

Rocky River City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Uniform School Supplies Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues				
Sales	\$27,050	\$27,436	\$27,436	\$0
Expenses				
Materials and Supplies	35,394	35,398	24,883	10,515
<i>Net Change In Fund Equity</i>	(8,344)	(7,962)	2,553	10,515
<i>Fund Equity Beginning of Year</i>	5,757	5,757	5,757	0
Prior Year Encumbrances Appropriated	8,344	8,344	8,344	0
<i>Fund Equity End of Year</i>	<u>\$5,757</u>	<u>\$6,139</u>	<u>\$16,654</u>	<u>\$10,515</u>

Rocky River City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Community Programs Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tuition and Fees	\$13,000	\$16,932	\$16,932	\$0
Sales	208,982	243,284	243,284	0
Charges For Services	10,000	14,536	14,536	0
Miscellaneous	30,000	2,664	2,664	0
<i>Total Revenues</i>	261,982	277,416	277,416	0
Expenses				
Salaries	30,990	30,930	30,854	76
Fringe Benefits	3,740	5,059	5,046	13
Purchased Services	95,559	88,033	87,703	330
Materials and Supplies	118,234	134,094	133,509	585
Capital Outlay	2,293	2,293	2,293	0
Other	16,950	27,532	27,532	0
<i>Total Expenses</i>	267,766	287,941	286,937	1,004
<i>Net Change In Fund Equity</i>	(5,784)	(10,525)	(9,521)	1,004
<i>Fund Equity Beginning of Year</i>	29,807	29,807	29,807	0
Prior Year Encumbrances Appropriated	5,784	5,784	5,784	0
<i>Fund Equity End of Year</i>	\$29,807	\$25,066	\$26,070	\$1,004

Rocky River City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP) and Actual
Special Trust Fund
For the Fiscal Year Ended June 30, 2003

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Interest	\$2,288	\$481	\$481	\$0
Contributions and Donations	32,000	32,750	32,750	0
<i>Total Revenues</i>	34,288	33,231	33,231	0
Expenses				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Other	34,288	28,450	28,450	0
<i>Net Change In Fund Balance</i>	0	4,781	4,781	0
<i>Fund Equity Beginning of Year</i>	32,123	32,123	32,123	0
<i>Fund Equity End of Year</i>	<u>\$32,123</u>	<u>\$36,904</u>	<u>\$36,904</u>	<u>\$0</u>

Rocky River City School District
*Governmental Activities Revenues by Source
and Expenses by Function
Last Three Fiscal Years*

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Program Revenues			
Charges for Services	\$641,923	\$658,216	\$557,591
Operating Grants and Contributions	1,824,585	1,613,584	1,487,474
Capital Grants and Contributions	64,801	39,323	124,308
General Revenues			
Taxes	18,997,675	22,202,315	19,985,894
Intergovernmental	4,264,539	4,043,817	3,831,578
Investment Earnings	160,029	382,782	988,182
Gain on Sale of Capital Asset	0	0	6,016
Miscellaneous	54,874	52,078	153,417
Total	<u><u>\$26,008,426</u></u>	<u><u>\$28,992,115</u></u>	<u><u>\$27,134,460</u></u>
Expenses			
Current:			
Instruction:			
Regular	\$11,967,804	\$11,149,321	\$6,732,218
Special	3,015,213	2,992,102	2,938,803
Vocational	272,121	254,075	339,407
Support Services:			
Pupil	1,455,209	1,372,246	1,441,604
Instructional Staff	843,360	715,646	1,197,071
Board of Education	29,123	130,178	20,275
Administration	1,495,752	1,268,525	2,374,172
Fiscal	630,446	676,445	799,415
Business	327,517	481,778	1,052,019
Operation and Maintenance of Plant	3,010,065	2,725,763	2,967,923
Pupil Transportation	1,050,482	852,648	896,795
Central	635,583	648,400	2,303,118
Operation of Non-Instructional Services	1,352,962	1,244,624	1,196,061
Extracurricular Activities	926,228	812,311	808,624
Interest and Fiscal Charges	1,458,885	1,510,459	1,585,232
Total	<u><u>\$28,470,750</u></u>	<u><u>\$26,834,521</u></u>	<u><u>\$26,652,737</u></u>

Source: School District Financial Records

Rocky River City School District
General Fund Revenues by Source
and Expenditures by Function
Last Ten Fiscal Years

	2003	2002	2001	2000
Revenues				
Taxes	\$16,552,914	\$18,501,926	\$16,321,910	\$14,739,813
Intergovernmental	3,873,294	3,625,331	3,478,108	3,192,238
Interest	135,309	344,468	912,817	1,075,825
Charges for Services	101,077	57,811	50,026	47,832
Tuition and Fees	157,949	188,033	165,032	112,045
Rentals	59,151	54,378	68,457	47,086
Contributions and Donations	0	0	0	4,000
Miscellaneous	2,077	5,783	1,034	924
Total	\$20,881,771	\$22,777,730	\$20,997,384	\$19,219,763
Expenditures				
Current:				
Instruction	\$13,232,894	\$12,512,414	\$11,884,829	\$11,485,411
Support Services:				
Pupil	1,285,265	1,249,362	1,187,076	1,077,231
Instructional Staff	748,057	714,836	682,993	733,502
Board of Education	28,340	24,156	20,275	18,970
Administration	1,370,287	1,246,165	1,110,961	1,152,030
Fiscal	589,125	645,247	572,253	941,808
Business	325,115	284,907	290,860	264,947
Operation and Maintenance of Plant	2,775,288	2,632,355	2,445,296	2,474,137
Pupil Transportation	1,046,926	871,363	932,466	896,073
Central	684,226	651,949	442,158	633,510
Extracurricular Activities	586,298	499,831	508,765	517,938
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	29,348	27,867	26,461	25,125
Interest and Fiscal Charges	832	2,313	3,719	5,055
Total	\$22,702,001	\$21,362,765	\$20,108,112	\$20,225,737

Source: School District Financial Records

1999	1998	1997	1996	1995	1994
\$14,828,925	\$14,255,378	\$13,281,292	\$12,215,597	\$12,108,238	\$11,840,679
2,850,877	2,520,536	2,436,851	2,273,398	2,329,013	2,243,075
1,491,192	773,732	261,786	279,928	276,490	200,601
50,087	56,614	46,047	0	0	0
76,811	13,264	13,793	15,426	39,325	37,532
138,780	40,875	39,885	0	0	0
0	0	0	0	0	0
5,318	200,921	15,313	86,246	101,275	55,595
<u>\$19,441,990</u>	<u>\$17,861,320</u>	<u>\$16,094,967</u>	<u>\$14,870,595</u>	<u>\$14,854,341</u>	<u>\$14,377,482</u>
\$10,475,192	\$9,543,069	\$8,750,966	\$8,564,230	\$7,761,358	\$7,394,124
964,165	865,259	875,978	771,073	768,148	742,503
671,078	646,513	621,191	577,442	533,453	546,851
28,064	31,735	29,835	35,854	44,780	14,178
972,060	1,033,329	1,036,815	936,592	946,685	899,334
449,018	522,526	399,496	318,168	421,517	399,980
229,784	203,369	227,293	268,768	270,106	315,920
2,250,286	2,286,880	2,238,259	2,143,505	1,901,023	1,993,012
747,354	727,042	840,714	739,719	591,708	797,305
652,620	492,323	614,600	484,400	524,219	379,006
453,384	581,969	463,038	422,300	367,890	393,357
0	3,600	92,675	54,124	190,869	164,573
23,857	0	0	49,109	46,578	44,047
6,323	0	0	2,532	5,063	7,594
<u>\$17,923,185</u>	<u>\$16,937,614</u>	<u>\$16,190,860</u>	<u>\$15,367,816</u>	<u>\$14,373,397</u>	<u>\$14,091,784</u>

Rocky River City School District
Property Tax Levies and Collections
Real and Tangible Personal Property (1)
Last Ten Calendar Years

Year (2)	Current Levy	Delinquent Levy	Total Levy	Current Collections	Percent of Current Levy Collected
2002	\$21,942,966	\$1,704,967	\$23,647,933	\$21,209,241	96.66%
2001	22,372,013	1,309,954	23,681,967	21,772,318	97.32
2000	21,734,779	701,301	22,436,080	21,407,883	98.50
1999	19,446,461	919,915	20,366,376	18,924,826	97.52
1998	19,225,206	1,112,513	20,337,719	18,730,169	97.42
1997	16,831,137	1,075,158	17,906,295	16,276,398	96.70
1996	15,555,703	1,033,787	16,589,490	15,233,043	97.93
1995	15,634,407	1,013,074	16,647,481	15,218,587	97.34
1994	15,378,860	919,195	16,298,055	14,966,492	97.32
1993	15,208,085	666,575	15,874,660	14,949,405	98.30

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because this is the manner in which the information is maintained by the County Auditor.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) 2003 information cannot be presented because all collections have not been made by June 30.

<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Total Collection As a Percent of Current Levy</u>
\$767,998	\$21,977,239	100.16%
\$446,303	22,218,621	99.32
208,654	21,616,537	99.46
597,807	19,522,633	99.24
606,605	19,336,774	100.00
249,068	16,525,466	98.18
262,991	15,496,034	99.62
273,746	15,492,333	99.09
189,530	15,156,022	98.55
143,398	15,092,803	99.24

Rocky River City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2003	\$604,957,220	\$1,728,449,200	\$10,146,330	\$11,529,920
2002	610,185,370	1,743,386,771	10,476,890	11,905,557
2001 (2)	601,385,550	1,718,244,429	13,190,950	14,989,716
2000	524,675,910	1,499,074,029	12,877,130	14,633,102
1999	520,815,150	1,488,043,286	14,147,550	16,076,761
1998 (3)	517,522,350	1,478,635,286	14,559,700	16,545,114
1997	474,869,360	1,356,769,600	15,216,930	17,291,966
1996	469,970,430	1,342,772,657	15,759,370	17,908,375
1995 (2)	468,577,200	1,338,792,000	17,452,450	19,832,330
1994	410,479,720	1,172,799,200	17,148,540	19,486,977

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because this is the manner in which the information is maintained by the County Auditor.

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal is assessed at 88 percent of actual value.
 Capital assets for tangible personal property is assessed at twenty-five percent of actual value.
 Inventory for tangible personal property is assessed at twenty-four percent of actual value.

(2) Reappraisal of property values

(3) Triennial update of property values

Tangible Personal Property		Total		Ratio
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
\$20,434,063	\$81,736,252	\$635,537,613	\$1,821,715,372	35%
22,528,229	90,112,916	643,190,489	1,845,405,244	35
21,603,344	86,413,376	636,179,844	1,819,647,520	35
21,160,548	84,642,192	558,713,588	1,598,349,323	35
22,236,921	88,947,684	557,199,621	1,593,067,731	35
20,997,223	83,988,892	553,079,273	1,579,169,292	35
21,196,321	84,785,284	511,282,611	1,458,846,850	35
20,538,848	82,155,392	506,268,648	1,442,836,424	35
20,552,352	82,209,408	506,582,002	1,440,833,738	35
18,898,646	72,687,100	446,526,906	1,264,973,277	35

Rocky River City School District

Property Tax Rates - Direct and Overlapping Governments

(per \$1,000 of Assessed Valuation)

Last Ten Calendar Years

Year	School Levy	Library Levy	County Levy	City Levy	Total Levy	Debt Service Included in Total Levy		
						School	County	Total
2003	\$72.40	\$4.70	\$16.20	\$9.90	\$103.20	\$5.03	\$0.91	\$5.94
2002	67.50	4.70	16.20	9.90	98.30	5.03	0.86	5.89
2001	68.00	4.70	16.20	9.90	98.80	5.53	0.79	6.32
2000	68.60	4.70	15.30	9.90	98.50	6.13	0.85	6.98
1999	64.70	3.80	15.30	9.90	93.70	6.13	0.72	6.85
1998	64.40	3.80	16.60	9.90	94.70	5.83	0.60	6.43
1997	60.90	3.80	16.60	9.90	91.20	2.33	0.90	3.23
1996	58.40	3.80	16.60	9.90	88.70	3.33	0.87	4.20
1995	58.90	3.80	16.80	9.90	89.40	3.83	0.76	4.59
1994	59.40	2.60	16.80	9.90	88.70	4.33	0.68	5.01

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Auditor.

Rocky River City School District
Ratio of Annual Debt Service Expenditures For
General Obligation Bonded Debt to General Fund Expenditures
Last Ten Fiscal Years

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentages)
2003	\$1,700,000	\$1,326,874	\$3,026,874	\$22,702,001	13.33%
2002	1,895,000	1,406,532	3,301,532	21,362,765	15.45
2001	1,825,000	1,488,786	3,313,786	20,108,112	16.48
2000	1,760,000	1,566,201	3,326,201	20,225,737	16.45
1999	1,300,000	1,630,604	2,930,604	17,923,185	16.35
1998	265,000	847,047	1,112,047	16,937,614	6.57
1997	1,165,000	376,767	1,541,767	16,190,860	9.52
1996	1,065,000	834,261	1,899,261	15,367,816	12.36
1995	1,030,000	897,088	1,927,088	14,373,397	13.41
1994	1,000,000	957,419	1,957,419	14,091,784	13.89

Source: School District Financial Records

Rocky River City School District
*Ratio of Net General Obligation Bonded Debt to
 Assessed Value and Net Bonded Debt Per Capita
 Last Ten Fiscal Years*

Year	Gross General Obligation Bonded Debt	Less: Balance of Debt Service Fund	Net General Obligation Bonded Debt	Assessed Value
2003	\$26,765,768	\$2,806,234	\$23,959,534	\$635,537,613
2002	28,328,371	3,006,437	25,321,934	643,190,489
2001	30,107,409	2,594,000	27,513,409	636,179,844
2000	31,881,394	2,418,709	29,462,685	558,713,588
1999	33,511,927	2,582,292	30,929,635	557,199,621
1998	34,775,591	2,127,551	32,648,040	553,079,273
1997	10,476,539	397,202	10,079,337	511,282,611
1996	12,260,000	1,061,030	11,198,970	506,268,648
1995	13,325,000	1,582,374	11,742,626	506,582,002
1994	14,355,000	1,712,876	12,642,124	446,526,906

(1) Source: Bureau of Census, City of Rocky River.

<u>Population (1)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
20,735	3.77%	\$1,156
20,735	3.94	1,221
20,735	4.32	1,327
20,410	5.27	1,444
20,410	5.55	1,515
20,410	5.90	1,600
20,410	1.97	494
20,410	2.21	549
20,410	2.32	575
20,410	2.83	619

Rocky River City School District
Computation of Legal Debt Margin
June 30, 2003

Assessed Valuation	<u><u>\$635,537,613</u></u>
Overall Debt Limit - 9% of Assessed Value (1)	\$57,198,385
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	(26,189,128)
Amount Available in Debt Service Fund	<u>2,806,234</u>
Overall Debt Margin	<u><u>\$33,815,491</u></u>
Unvoted Debt Limit - .10% of Assessed Value (1)	\$635,538
Amount of Debt Applicable	<u>0</u>
Unvoted Debt Margin	<u><u>\$635,538</u></u>

Source: Cuyahoga County Auditor and School District Financial Records

(1) Ohio Bond Law sets an overall limit of 9% for all debt and 1/10 of 1% for unvoted debt.

Rocky River City School District

*Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2002*

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<u>Direct:</u>			
Rocky River City School District	<u>\$26,189,128</u>	100.00%	<u>\$26,189,128</u>
<u>Overlapping:</u>			
City of Rocky River	7,215,000	100.00	7,215,000
Cuyahoga County	200,162,636	2.23	4,463,627
Regional Transit Authority	<u>136,510,000</u>	2.23	<u>3,044,173</u>
Total Overlapping	<u>343,887,636</u>		<u>14,722,800</u>
Total	<u><u>\$370,076,764</u></u>		<u><u>\$40,911,928</u></u>

Source: Cuyahoga County Auditor - Data is presented on a calendar year basis (including School District) because that is the manner in which information is maintained by the County Auditor.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2003 collection year.

Rocky River City School District

Property Value, Construction

and Bank Deposits

Last Ten Calendar Years

<u>Year</u>	<u>Number of Commercial Units (a)</u>	<u>Construction Value (a)</u>	<u>Number of Residential Units (a)</u>	<u>Construction Value (a)</u>	<u>Cuyahoga County Bank Deposits (b) (Amount in 000's)</u>
2002	1	\$9,570,917	10	\$3,190,000	\$95,761,917
2001	5	6,469,000	16	6,646,000	63,893,769
2000	2	6,119,202	7	2,476,750	61,942,764
1999	3	1,917,500	14	5,810,000	57,021,360
1998	5	5,485,000	24	5,220,000	56,770,353
1997	3	3,287,001	16	4,123,500	53,941,971
1996	4	3,859,826	75	8,109,237	27,068,211
1995	1	6,651,500	24	8,437,749	22,458,573
1994	3	7,411,380	15	4,952,867	20,885,453
1993	1	3,262,600	33	5,281,834	21,009,421

Source: (a) City of Rocky River, Building Department

(b) Federal Reserve Bank of Cleveland (total demand, time and savings deposits per 000's) for Cuyahoga County, Ohio Banks

(c) Cuyahoga County Auditor

Note: One precinct of the City of Fairview Park, Ohio is part of the Rocky River City School District. The new construction data for that precinct only is not available from the City of Fairview Park.

<u>Tax Valuation Residential/ Agricultural (c)</u>	<u>Tax Valuation Commercial/ Other (c)</u>	<u>Total Assessed Real Property</u>
\$484,197,438	\$120,759,782	\$604,957,220
488,381,960	121,803,410	610,185,370
484,330,340	117,055,210	601,385,550
425,295,680	99,380,230	524,675,910
421,812,000	99,003,150	520,815,150
419,217,480	98,304,870	517,522,350
381,460,810	93,408,550	474,869,360
379,938,520	90,031,910	469,970,430
379,573,240	89,003,960	468,577,200
332,704,350	77,775,370	410,479,720

Rocky River City School District

Principal Taxpayers

Real Estate Tax

December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Westgate Joint Venture	\$30,612,620	5.06%
Westwood Towne Center Inc.	5,447,130	0.90
Normandy Associates, Ltd.	5,103,390	0.84
Higbee Company	5,016,140	0.83
Presidential Apartments, Ltd.	4,057,450	0.67
Spielberger, John D.	3,258,680	0.54
Gross Management	3,062,650	0.51
Linden Apartments Company	2,835,040	0.47
Rockport Associates, Ltd.	2,642,380	0.44
Levin, Morris	<u>2,613,320</u>	<u>0.43</u>
Total	<u><u>\$64,648,800</u></u>	<u><u>10.69%</u></u>
Total Real Estate Valuation	<u><u>\$604,957,220</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for calendar year 2002

Rocky River City School District

Principal Taxpayers

Tangible Personal Property Tax

December 31, 2002

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
Higbee Company	\$1,559,390	7.63%
Home Depot	1,159,990	5.68
Target Corporation	761,350	3.72
Cox Cable of Cleveland	716,280	3.50
Riser Foods	703,250	3.44
Kohl's Department Store	663,160	3.25
Marc Glassman Inc.	387,820	1.90
Zale Delaware, Inc.	349,740	1.71
Sygenta Crop Protection, Inc.	336,640	1.65
Heinen's, Inc.	<u>326,640</u>	<u>1.60</u>
Total	<u><u>\$6,964,260</u></u>	<u><u>34.08%</u></u>
Total Tangible Assessed Valuation	<u><u>\$20,434,063</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for calendar year 2002

Rocky River City School District
Principal Taxpayers
Public Utilities Real and Tangible Property Tax
December 31, 2002

Name of Taxpayer	Assessed Value (1)	Percentage of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,359,130	42.96%
Ohio Bell Telephone Company	3,308,970	32.61
East Ohio Gas Company	628,690	6.20
American Transmission Systems Company	570,190	5.62
	<u>\$8,866,980</u>	<u>87.39%</u>
Total Public Utility Assessed Value	<u>\$10,146,330</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for calendar year 2002

Rocky River City School District

Per Pupil Cost

Last Ten Fiscal Years

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Official Enrollment</u>	<u>Per Pupil Cost</u>
2003	\$22,702,001	2,575	\$8,816
2002	21,362,765	2,517	8,487
2001	20,108,112	2,458	8,181
2000	20,225,737	2,397	8,438
1999	17,923,185	2,341	7,656
1998	16,937,614	2,213	7,654
1997	16,190,860	2,167	7,472
1996	15,367,816	2,124	7,235
1995	14,373,397	2,031	7,077
1994	14,091,784	1,997	7,056

Source: School District Financial Records.

Rocky River City School District
Certificated Staff Education and Experience
June 30, 2003

Degree	Number of Staff	Percentage of Total
Bachelor's Degree	19	11.80%
Bachelor's Degree + 9 hours	7	4.35
Bachelor's Degree + 18 hours	24	14.91
Master's Degree	50	31.06
Master's Degree+ 9 hours	23	14.29
Master's Degree + 18 hours	9	5.59
Master's Degree + 27 hours	12	7.45
Master's Degree + 36 hours	17	10.55
Total	161	100.00%
Years of Experience	Number of Staff	Percentage of Total
0 - 5	45	27.95%
6 - 10	42	26.09
11 and over	74	45.96
	161	100.00%

Source: School District Personnel Records (Excludes Administrators and Managers).

Rocky River City School District

Student Demographic Information

June 30, 2003

<u>Grade</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
CCB Preschool Handicapped	26	12	38
Kindergarten	80	77	157
First Grade	97	84	181
Second Grade	97	108	205
Third Grade	113	82	195
Fourth Grade	90	89	179
Fifth Grade	107	116	223
Sixth Grade	116	94	210
Seventh Grade	103	106	209
Eighth Grade	93	90	183
Ninth Grade	135	92	227
Tenth Grade	100	118	218
Eleventh Grade	88	109	197
Twelfth Grade	73	80	153
School District Total	<u>1,318</u>	<u>1,257</u>	<u>2,575</u>

	<u>Eskimo/ American Indian</u>	<u>Asian</u>	<u>Black</u>	<u>White</u>	<u>Multi-Racial</u>	<u>Hispanic</u>
Primary	0.20%	1.40%	0.40%	94.30%	2.30%	1.40%
Intermediate	0.00	1.40	1.00	94.70	1.70	1.20
Middle School	0.20	1.30	0.50	94.00	2.50	1.50
High School	0.50	2.10	0.30	94.40	0.90	1.80

Source: School District Student Records

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**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

ROCKY RIVER CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 13, 2004**