



Dave Yost • Auditor of State

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Non-Cash Receipts</u>	<u>Expenditures</u>	<u>Non-Cash Expenditures</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed Through Ohio Department of Education:</i>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	\$23,894		\$23,894	
National School Lunch Program	10.555	374,531	\$41,862	374,531	\$41,862
Total Child Nutrition Cluster		398,425	41,862	398,425	41,862
Total U.S. Department of Agriculture		398,425	41,862	398,425	41,862
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B) - 2013	84.027	728,743		725,923	
Total Special Education - Grants to States (IDEA, Part B)		728,743		725,923	
Special Education - Preschool Grants (IDEA Preschool) - 2013	84.173	18,397		18,397	
Total Special Education - Preschool Grants (IDEA Preschool)		18,397		18,397	
Total Special Education Cluster (IDEA)		747,140		744,320	
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) - 2012	84.010	34,200		34,331	
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) - 2013	84.010	322,489		321,093	
Total Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)		356,689		355,424	
Race to the Top	84.395	1,750		0	
Educational Technology State Grants (Title II-D) - 2013	84.318	2,132		0	
Total Educational Technology State Grants (Title II-D)		2,132		0	
English Language Acquisition Grants (Title III) - 2012	84.365	1,350		1,962	
English Language Acquisition Grants (Title III) - 2013	84.365	25,971		24,555	
Total English Language Acquisition Grants (Title III)		27,321		26,517	
Improving Teacher Quality State Grants - 2012	84.367	20,641		872	
Improving Teacher Quality State Grants - 2013	84.367	54,332		51,346	
Total Improving Teacher Quality State Grants		74,973		52,218	
Total U.S. Department of Education		1,210,005		1,178,479	
Total Federal Financial Assistance		\$1,608,430	\$41,862	\$1,576,904	\$41,862

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE E - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. These transfers resulted in the Schedule reporting negative receipts. The District transferred the following amounts from 2012 to 2013 program:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred from 2012 to 2013</u>
Special Education- Grants to States (IDEA, Part B)	84.027	\$ 4,330
Improving Teacher Quality State Grants	84.367	3,646

CFDA – Catalog of Federal Domestic Assistance



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Royalton City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2013.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 20, 2013



Dave Yost • Auditor of State

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

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

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the North Royalton City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the North Royalton City School District's major federal program for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. 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 our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the North Royalton City School District, Cuyahoga County, Ohio complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

North Royalton City School District
Cuyahoga County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control Over
Compliance Required by OMB Circular A-133, and the Federal
Awards and Receipts Expenditures Schedule
Page 3

Report on the Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the North Royalton City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 20, 2013. We conducted our audit to opine on the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 20, 2013

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**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster: School Breakfast Program – CFDA #10.553 National School Lunch Program – CFDA #10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURE

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

To the Board of Education:

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

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

1. We noted the Board amended its anti-harassment policy at its meeting on July 9, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

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

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

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

Dave Yost
Auditor of State

December 20, 2013

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www.ohioauditor.gov

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*North Royalton City School District
North Royalton, Ohio*



"We Inspire and Empower Learners"

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013*

*North Royalton, Ohio
City School District*

*Comprehensive
Annual Financial Report
For the Fiscal Year Ended June 30, 2013*

Prepared by

*Treasurer's Office
Richard McIntosh
Treasurer*

INTRODUCTORY SECTION

North Royalton City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013
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North Royalton City Schools

Administrative Office

6579 Royalton Road • North Royalton, Ohio 44133
Phone (440) 237-8800 • Fax (440) 582-7336 • www.northroyaltonsd.org

December 20, 2013

Board of Education Members
North Royalton City School District

Gregory Gurka
Superintendent
(440) 582-9030

Richard McIntosh
Treasurer
(440) 582-9045

James Presot
Assistant Superintendent
(440) 582-9034

Gary Puntel
Director of Personnel
(440) 582-9036

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

Kathleen Spirakus
Director of Pupil Services
(440) 582-9143

It is our privilege to present to you the Comprehensive Annual Financial Report (CAFR) of the North Royalton City School District (“School District”) for the fiscal year ended June 30, 2013. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the School District. These audits may be done by either the State Auditor’s Office or, if the State Auditor permits, an independent public accounting firm. For fiscal year 2013, the School District was audited by the Auditor of State’s Office. Their unmodified opinion is included in the financial section of this CAFR.

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

The School District

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

The School District is located in Cuyahoga County in northeastern Ohio, twenty miles south of the downtown area of the City of Cleveland and covers 25 square miles. Based on property valuations, the School District includes 98.5 percent of the City of North Royalton and 24.7 percent of the City of Broadview Heights (1.5 percent of the City of North Royalton and 75.3 percent of the City of Broadview Heights are in the Brecksville-Broadview Heights City School District). The School District is bounded by the City of Parma on the north, the City of Broadview Heights on the east, the City of Strongsville on the west and Medina County on the south.

North Royalton became a township in 1818, was incorporated as a village in 1927 and became a city in 1961. Early records show that formal schooling began in approximately 1821 with a log schoolhouse on State Road. In 1858, there were 41 students enrolled in the North Royalton School District. On February 13, 1961, North Royalton Local Schools became a City School District.

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

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

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

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

The Reporting Entity

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," and Statement No. 61, "The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the North Royalton City School District (the primary government) and its potential component units. The School District is not a component unit and has no component units.

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

Economic Condition and Outlook

The City of North Royalton continues to experience a period of growth. The 2010 U.S. Census data reports a population of 30,444 in the City of North Royalton. This represents a 6.3 percent increase since the 2000 census. The median household income is \$61,954.

The North Royalton City School District receives 71 percent of its governmental revenues from local property tax collections. Therefore the long-term financial health of the School District is very dependent on its tax base. The total assessed value of the School District's tax duplicate rose by nearly 19 percent in the last ten years. The increased value in the duplicate is due to revisions in property values made by the County Fiscal Officer every three years and new construction taking place in the School District.

Enrollment for the 2002-2003 school year was 4,428 students. Enrollment for the 2012-2013 school year was 4,632 students. The School District enlists the assistance of a professional demographer to develop enrollment projections. Projections are developed assuming low, moderate and high growth rates in the School District. The last enrollment projections completed in July 2012 indicate that the growth in the student population will moderate and stabilize. Student enrollment projections for the 2021-2022 school year estimates an enrollment of 4,708 students assuming moderate community growth rates.

Educational Program

During the 2013 school year, the School District's curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and technical career programs. The school district offers advanced placement courses at the high school in Calculus AB, Calculus BC, English Literature and Composition, Macroeconomics, Microeconomics, Physics B, Statistics, U.S. Government and Politics and U.S. History.

The graduating Class of 2013 exceeded the State and national average scores on both the American College Test (ACT) and the Scholastic Aptitude Test (SAT). The composite score of 24.2 on the ACT surpassed the State average of 21.8 and the national average of 20.9. The mean scores for North Royalton students on the SAT of 548 in mathematics and 547 in critical reading are fairly consistent with the State mean score of 556 and the national score of 514 in mathematics and the State mean of 548 the national mean of 496 in the critical reading section. This year the high school has one commended scholar in the National Merit Scholarship Program.

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

Ninety percent of the high school graduates last year indicated they intended to continue their education at the university or college level with 70 percent attending a four-year college and 20 percent a two-year college. The high school offers 198 courses on the main campus with an additional 50 vocational offerings at Cuyahoga Valley Career Center. Additional academic statistics from the Class of 2013 include: 35 percent received an Honors Diploma, 17 percent were members of the National Honor Society, 8 percent graduated Magna Cum Laude and 10 percent graduated Cum Laude.

Major Initiatives:

2012-2013 School Year

- Implementing the Common Core academic standards in English language arts and math, and the new Ohio academic standards in science, social studies, foreign language, and fine arts.
- Continued development of common assessments in all subject areas to provide a vehicle for common instructional dialog and adjusting instruction to raise student achievement.
- Proceed with year four of the Ohio Improvement Process, providing teachers collaboration time in a variety of modified schedules, early releases, and teacher meetings before and after school to discuss student achievement and adjust instruction. This process has in place District Leadership Teams, Building Leadership Teams and Teacher Based Teams.

- Continued use of TestingWerks student data warehouse to provide teachers and electronic tool for storing and analyzing student data, as well as producing powerful growth and comparison reports. This system is also being used to electronically chart Progress Monitoring processes.
- Continue the use of benchmark assessments in reading and math, including DIBELS, Study Island, Scholastic Reading Inventory, and DRA
- Adopted a comprehensive K-4 Reading Language Arts textbook adoption and professional development in the use of the system.
- Adopted a comprehensive 5-8 Math textbook adoption and professional development in the use of the system.
- Continued expansion of technology in the classrooms including SMART Boards, tablets, I Pads, and others. The high school and middle school are now have complete wireless access for instruction.
- Continued Title I services to students in the Early Learning Center as well as North Royalton Middle School in reading and math. Continued ELL services for second language learners as well as specialized instruction for at risk students.
- Continued use of the co-teaching model for special education students and the effective strategies to increase student achievement of these students.
- Continued use of Federal and State grant funds through the CCIP to match grant dollars with the most effective instructional practices and tools.
- Developed Student Growth Measures and Student Learning Objectives for all subjects to meet the requirements of student achievement growth data for the Ohio Teacher Evaluation System.

For the Future

- Continue the curriculum review cycle, including a grade K-4 math textbook adoption, science and social studies internet based instructional materials.
- Continue the development of common assessments in all instructional areas to be used for professional dialog and increasing student achievement.
- Expand our Bring Your Own Device initiative by bringing the middle school and elementary schools to full wireless to mirror connectivity in the high school.
- Address the mandates of the Third Grade Guarantee.
- Transition from DIBELS web site and progress monitoring system to the new TestingWerks system and transfer Tier documentation from paper to online application.

Long Term Planning

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

Relevant Financial Policies

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

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to North Royalton City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

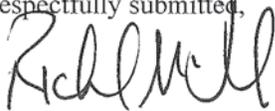
The publication of this report is a significant step toward professionalizing the North Royalton City School District's financial reporting. It enhances the School District's accountability to the residents of the North Royalton City School District.

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

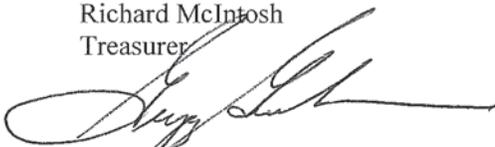
Special appreciation is expressed to the Local Government Services Section of State Auditor Dave Yost's office for assistance in planning, designing and reviewing this financial report.

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

Respectfully submitted,



Richard McIntosh
Treasurer



Gregory Gurka
Superintendent

North Royalton City School District

Principal Officials

June 30, 2013

Board of Education

Dr. John Kelly President
Ms. Anne Reinkober Vice President
Ms. Heidi Dolezal Member
Mr. Len Reinhard Member
Ms. Barbara Zindroski Member

Treasurer

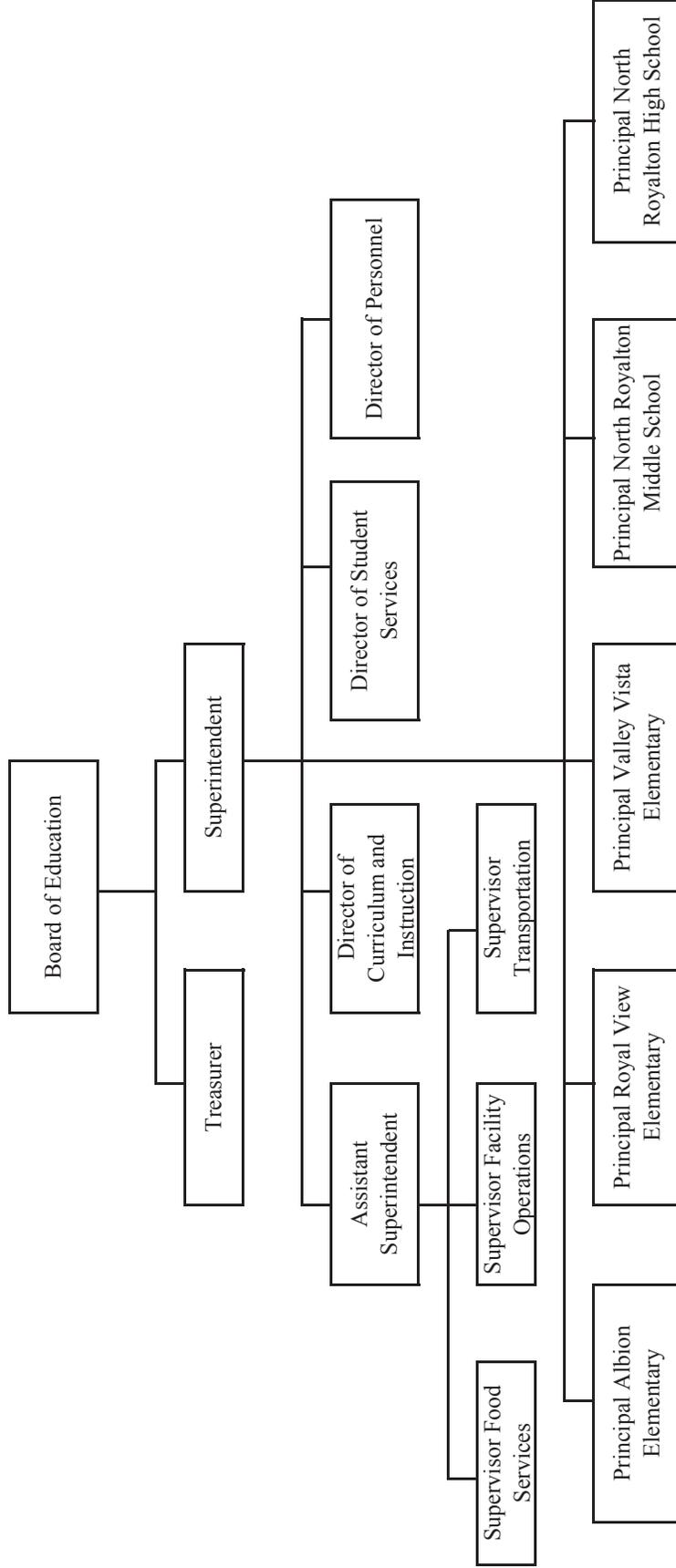
Mr. Richard McIntosh

Administration

Mr. Greg Gurka Superintendent
Mr. James J. Presot Assistant Superintendent
Mr. Gary Puntel Director of Personnel
Mr. Bruce Bradley Director of Curriculum and Instruction
Ms. Kathleen Spirakus Director of Student Services

North Royalton City School District

Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**North Royalton City
School District, Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 20, 2013

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North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

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

Financial Highlights

Key financial highlights for 2013 are as follows:

- ❑ The School District is committed to providing instructional staff with a wealth of student data to make decisions about teaching and learning. The School District purchased academic benchmarking software that is used throughout the School District to assess students' strengths and weaknesses. The School District also purchased an interactive data warehouse that teachers can access via the internet to make instructional decisions about groups of students as well as individual students.
- ❑ The School District is also committed to the Ohio Improvement Process, which is funded through grants, and includes focused professional development and release time for collaboration and assessment development. This process is also used in the development of teacher created pretests and posttest to provide Student Growth Measures for the Ohio Teacher Evaluation System.
- ❑ The School District values the education of our students and teachers. In fact, continuing education is a priority for our certificated staff, and 75 percent have achieved a Masters' degree or above. The Director of Curriculum and Instruction is an adjunct professor for Ashland University and regularly provides coursework at the North Royalton buildings for Ashland credit.
- ❑ The School District completed a strategic planning process during fiscal year 2010. Nearly 1,000 community and staff members participated in this process. In fiscal 2013, 90 percent of the action steps have been initiated and/or completed.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

The analysis of the School District's major funds begins on page 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 and bond retirement debt service funds.

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

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

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2013 compared to 2012:

Table 1
 Net Position
 Governmental Activities

	2013	2012	Change
Assets			
Current and Other Assets	\$55,326,812	\$55,462,958	(\$136,146)
Capital Assets, Net of Depreciation	24,484,028	25,503,958	(1,019,930)
<i>Total Assets</i>	<u>79,810,840</u>	<u>80,966,916</u>	<u>(1,156,076)</u>
Deferred Outflows of Resources	<u>761,317</u>	<u>901,868</u>	<u>140,551</u>
Liabilities			
Current and Other Liabilities	5,892,082	5,651,227	(240,855)
Long-Term Liabilities:			
Due Within One Year	1,732,286	1,630,446	(101,840)
Due in More Than One Year	16,932,714	17,803,260	870,546
<i>Total Liabilities</i>	<u>24,557,082</u>	<u>25,084,933</u>	<u>527,851</u>
Deferred Inflows of Resources	<u>32,117,602</u>	<u>32,774,081</u>	<u>656,479</u>
Net Position			
Net Investment in Capital Assets	10,136,598	9,926,872	209,726
Restricted for:			
Capital Projects	1,005,491	1,082,942	(77,451)
Debt Service	3,755,928	3,775,292	(19,364)
Other Purposes	575,421	657,122	(81,701)
Unrestricted	<u>8,424,035</u>	<u>8,567,542</u>	<u>(143,507)</u>
<i>Total Net Position</i>	<u><u>\$23,897,473</u></u>	<u><u>\$24,009,770</u></u>	<u><u>(\$112,297)</u></u>

Total net position decreased slightly during fiscal year 2013. Management continues to diligently plan expenses, staying carefully within the School District's revenues.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year. Table 2 shows total revenues, expenses and changes in net position for fiscal years 2013 and 2012.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

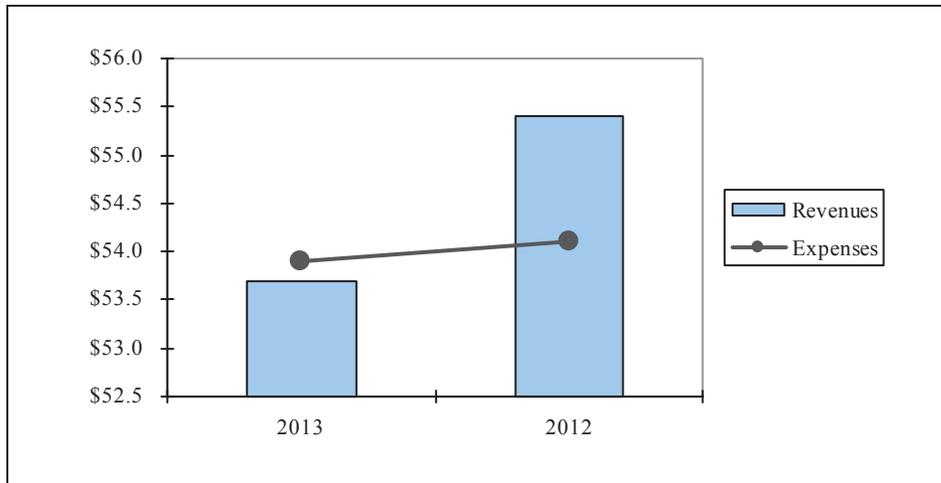
Table 2
 Governmental Activities

	2013	2012	Change
Program Revenues			
Charges for Services and Sales	\$2,125,027	\$2,065,947	\$59,080
Operating Grants and Contributions	2,683,068	2,681,759	1,309
Capital Grants and Contributions	314,693	208,179	106,514
<i>Total Program Revenues</i>	<u>5,122,788</u>	<u>4,955,885</u>	<u>166,903</u>
General Revenues			
Property Taxes	38,075,329	39,492,940	(1,417,611)
Grants and Entitlements not Restricted to Specific Programs	10,352,797	10,755,927	(403,130)
Investment Earnings	2,574	62,955	(60,381)
Miscellaneous	186,824	177,206	9,618
<i>Total General Revenues</i>	<u>48,617,524</u>	<u>50,489,028</u>	<u>(1,871,504)</u>
<i>Total Revenues</i>	<u>53,740,312</u>	<u>55,444,913</u>	<u>(1,704,601)</u>
Program Expenses			
Instruction:			
Regular	25,854,788	26,138,639	283,851
Special	3,515,628	3,273,352	(242,276)
Vocational	117,329	208,167	90,838
Student Intervention Services	1,137,695	1,191,607	53,912
Support Services:			
Pupil	3,022,582	2,841,655	(180,927)
Instructional Staff	2,591,553	2,698,007	106,454
Board of Education	42,802	37,533	(5,269)
Administration	3,451,156	4,371,516	920,360
Fiscal	1,268,445	1,323,210	54,765
Business	350,442	357,023	6,581
Operation and Maintenance of Plant	4,027,974	3,931,841	(96,133)
Pupil Transportation	3,631,902	3,527,949	(103,953)
Central	601,508	580,206	(21,302)
Operation of Non-Instructional Services	1,070,930	818,483	(252,447)
Operation of Food Services	1,141,926	1,254,636	112,710
Extracurricular Activities	1,191,528	1,063,664	(127,864)
Interest and Fiscal Charges	834,421	502,662	(331,759)
<i>Total Program Expenses</i>	<u>53,852,609</u>	<u>54,120,150</u>	<u>267,541</u>
<i>Change in Net Position</i>	(112,297)	1,324,763	(1,437,060)
<i>Net Position Beginning of Year</i>	<u>24,009,770</u>	<u>22,685,007</u>	<u>1,324,763</u>
<i>Net Position End of Year</i>	<u>\$23,897,473</u>	<u>\$24,009,770</u>	<u>(\$112,297)</u>

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Graph 1
 Revenues and Expenses
 (In Millions)

	2013	2012
Revenues	\$53.7	\$55.4
Expenses	53.9	54.1



The two largest governmental activities expenses are related to regular instruction and operation and maintenance of plant. The largest decrease in governmental activities expenses from fiscal year 2012 to fiscal year 2013 is related to administration due to the costs related to accrued wages declining.

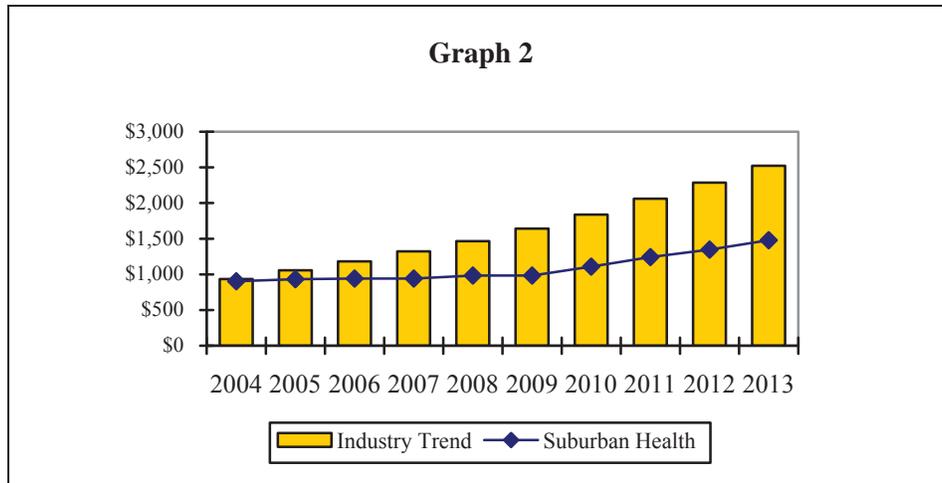
Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay less than \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

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

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

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



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

The negative amounts indicated in Table 3 should not be construed as something bad; they are merely indicative of whether a particular function of government relies on general revenues for financing or is a net contributor of resources to the School District. Almost 91 percent of governmental activities are supported through taxes and other general revenues. The community, as a whole, is by far the primary support for North Royalton City School District students.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

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

	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction:				
Regular	\$25,854,788	(\$24,662,674)	\$26,138,639	(\$24,992,625)
Special	3,515,628	(3,515,628)	3,273,352	(3,273,352)
Vocational	117,329	(117,329)	208,167	(208,167)
Student Intervention Services	1,137,695	(1,110,272)	1,191,607	(1,162,275)
Support Services:				
Pupil	3,022,582	(3,022,582)	2,841,655	(2,819,058)
Instructional Staff	2,591,553	(1,806,065)	2,698,007	(1,801,935)
Board of Education	42,802	(42,802)	37,533	(37,533)
Administration	3,451,156	(3,401,399)	4,371,516	(4,258,778)
Fiscal	1,268,445	(1,029,316)	1,323,210	(1,314,490)
Business	350,442	(350,442)	357,023	(357,023)
Operation and Maintenance of Plant	4,027,974	(3,858,699)	3,931,841	(3,744,465)
Pupil Transportation	3,631,902	(3,391,418)	3,527,949	(3,406,169)
Central	601,508	(601,508)	580,206	(580,206)
Operation of Non-Instructional Services	1,070,930	879,024	818,483	1,334,632
Operation of Food Services	1,141,926	(1,141,926)	1,254,636	(1,254,636)
Extracurricular Activities	1,191,528	(722,364)	1,063,664	(785,523)
Interest and Fiscal Charges	834,421	(834,421)	502,662	(502,662)
<i>Total</i>	<u>\$53,852,609</u>	<u>(\$48,729,821)</u>	<u>\$54,120,150</u>	<u>(\$49,164,265)</u>

The School District's Funds

Information regarding the School District's major funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$53,943,594 and expenditures of \$54,156,743. The general fund had a decrease in fund balance mainly due to the slight increases in expenses. The bond retirement debt service fund continues to make the bonded debt service requirements. Other Governmental Funds had a decrease in fund balance due to a decrease in intergovernmental revenues and charges for services. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, property taxes from the communities that comprise the School District are the largest revenue source, accounting for 71 percent of total governmental revenue.

General Fund Budgeting Highlights

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

During the course of fiscal year 2013, the School District amended its general fund budget several times. The School District uses an operational unit budget process and has in place systems that are designed to tightly control expenses but provide flexibility for program based decisions and management.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Due to conservative estimates for interest revenue and tuition and fees, the actual budget basis revenue was slightly higher than final budget basis revenues. The School District's final budget basis expenditures were \$521,645 lower than the final estimate. This is due in large part to the School District's continued commitment to provide a quality education while still controlling costs.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal 2013 balances compared to 2012:

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

	2013	2012
Land	\$560,140	\$560,140
Construction in Progress	0	4,587,353
Land Improvements	121,240	193,099
Buildings and Improvements	22,250,933	18,596,951
Furniture and Equipment	321,082	432,671
Vehicles	1,230,633	1,133,744
<i>Total Capital Assets</i>	\$24,484,028	\$25,503,958

During fiscal year 2013 the School District spent less on capital assets than in prior fiscal years due to the remodeling of the football stadium in fiscal years 2012 and 2011. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2013, this amounted to \$781,500 for the set aside. See Note 10 to the basic financial statements for additional information on the School District's capital assets and Note 20 for additional information regarding required set-asides.

Debt

Table 5 summarizes the bonds outstanding.

Table 5
 Outstanding Debt at Fiscal Year End
 Governmental Activities

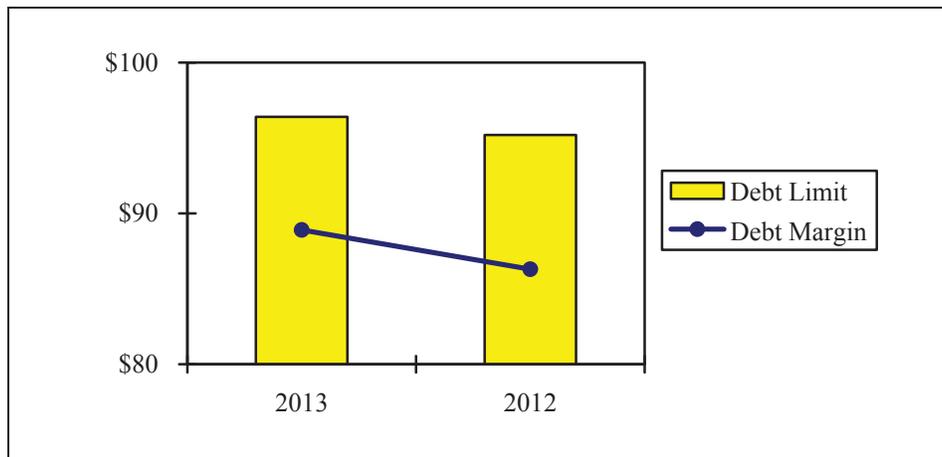
	2013	2012
2011 Certificates of Participation	\$2,973,219	\$3,026,727
2005 School Improvement Bonds	12,135,528	13,670,703
<i>Total</i>	\$15,108,747	\$16,697,430

North Royalton City School District
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Unaudited

The School District's overall legal debt margin increased to \$88.9 million. This is the additional amount of debt the School District could issue. The debt margin increased from 2012 due to increasing property valuations. See Note 15 to the basic financial statements for detail on the School District's long-term obligations.

Graph 3
 Legal Debt Margin
 (in millions)

	2013	2012
Overall Debt Limit	\$96.4	\$95.2
Overall Debt Margin	88.9	86.3



School District Outlook

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

During the 2009-2010 school year the School District completed a strategic planning process. This process engaged all segments of the school community in focus groups and action planning teams. The five year strategic plan will now be used to guide the School District's decision making process. During the past three school years 90 percent of the action steps included in the plan were initiated and/or completed.

The State of Ohio's 2012-2013 biennium budget reduced State funding to the School District by approximately three million dollars over the two year period. The Legislative Service Commission projects the 2014-2015 budget to increase State funding to the School District by approximately \$300,000 the first year and \$500,000 the second year of the biennium.

Residential development continues to take place in both the cities of North Royalton and Broadview Heights. The School District's enrollment projection, updated in 2012, reflects student enrollment to remain at present levels over the next ten years. The School District's facilities have reached

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

maximum capacity. As a stopgap measure, the School District leased four buildings from the City of Broadview Heights to house preschool and kindergarten students beginning in the 2004-2005 school year. This freed classroom space at the elementary level and enabled redistricting, achieving a better balance of student enrollment at each of the elementary schools.

The School District contracted with an architectural firm and a construction management firm to update the facilities master plan. A citizen advisory group, working with the School District and the firms, prepared a long-term solution to the facilities issues. The Board of Education reviewed and accepted the recommendations and submitted a \$54.3 million bond issue to the community at the November 2012 general election. The bond issue was not approved.

The School District contracted with Triad Research to conduct a random survey of registered voters regarding the facilities issue. The survey results indicated 62 percent of the respondents definitely or probably for the issue, 30 percent probably or definitely against and 8 percent undecided with an error range of plus or minus 5 percent. Two components of the issue, a new locker room and a transportation facility, were viewed less essential when compared to the other components.

The survey also queried those respondents definitely or probably against if the School District removed the locker room and transportation facility from the issue if that would increase their likelihood of voting for the revised bond issue. The response indicated a positive seven point swing in favor of the issue with the removal of those two components.

The School District placed a bond issue on the November 2013 ballot without the new locker room and transportation facility. This bond issue was also not successful. The School District is now reviewing the voting results and gathering feedback from residents regarding the issue. A decision will be made following this analysis on how best to proceed to address the facility needs of the District.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Richard McIntosh, Treasurer at North Royalton City School District, 6579 Royalton Road, North Royalton, Ohio 44133 or E-Mail at rich.mcintosh@northroyaltonsd.org until December 31, 2013. Following December 31, 2013 contact Biagio Sidoti, Treasurer at North Royalton City School District, 6579 Royalton Road, North Royalton, Ohio 44133 or E-Mail at biagio.sidoti@northroyaltonsd.org.

Basic Financial Statements

North Royalton City School District

Statement of Net Position

June 30, 2013

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$16,379,083
Accounts Receivable	1,439
Intergovernmental Receivable	12,298
Accrued Interest Receivable	1,071
Taxes Receivable	38,722,760
Inventory Held for Resale	35,323
Materials and Supplies Inventory	174,838
Nondepreciable Capital Assets	560,140
Depreciable Capital Assets, Net	23,923,888
<i>Total Assets</i>	<u>79,810,840</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	<u>761,317</u>
Liabilities	
Accounts Payable	251,630
Accrued Wages and Benefits	4,073,553
Matured Compensated Absences Payable	392,683
Vacation Benefits Payable	132,562
Intergovernmental Payable	969,295
Accrued Interest Payable	51,687
Claims Payable	20,672
Long-Term Liabilities:	
Due Within One Year	1,732,286
Due In More Than One Year	16,932,714
<i>Total Liabilities</i>	<u>24,557,082</u>
Deferred Inflows of Resources	
Property Taxes	<u>32,117,602</u>
Net Position	
Net Investment in Capital Assets	10,136,598
Restricted for:	
Capital Projects	1,005,491
Debt Service	3,755,928
Other Purposes	575,421
Unrestricted	8,424,035
<i>Total Net Position</i>	<u><u>\$23,897,473</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2013

	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions		
Governmental Activities					
Instruction:					
Regular	\$25,854,788	\$699,589	\$432,780	\$59,745	(\$24,662,674)
Special	3,515,628	0	0	0	(3,515,628)
Vocational	117,329	0	0	0	(117,329)
Student Intervention Services	1,137,695	27,423	0	0	(1,110,272)
Support Services:					
Pupil	3,022,582	0	0	0	(3,022,582)
Instructional Staff	2,591,553	0	785,488	0	(1,806,065)
Board of Education	42,802	0	0	0	(42,802)
Administration	3,451,156	1,048	41,476	7,233	(3,401,399)
Fiscal	1,268,445	0	231,840	7,289	(1,029,316)
Business	350,442	0	0	0	(350,442)
Operation and Maintenance of Plant	4,027,974	98,567	39,388	31,320	(3,858,699)
Pupil Transportation	3,631,902	31,378	0	209,106	(3,391,418)
Central	601,508	0	0	0	(601,508)
Operation of Non-Instructional Services	1,070,930	819,618	1,130,336	0	879,024
Operation of Food Services	1,141,926	0	0	0	(1,141,926)
Extracurricular Activities	1,191,528	447,404	21,760	0	(722,364)
Interest and Fiscal Charges	834,421	0	0	0	(834,421)
Totals	\$53,852,609	\$2,125,027	\$2,683,068	\$314,693	(48,729,821)
General Revenues					
Property Taxes Levied for:					
General Purposes					35,512,106
Debt Service					1,643,245
Capital Outlay					919,978
Grants and Entitlements not Restricted to Specific Programs					10,352,797
Investment Earnings					2,574
Miscellaneous					186,824
Total General Revenues					48,617,524
Change in Net Position					(112,297)
<i>Net Position Beginning of Year</i>					<u>24,009,770</u>
<i>Net Position End of Year</i>					<u><u>\$23,897,473</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District

Balance Sheet

Governmental Funds

June 30, 2013

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,323,044	\$3,369,140	\$1,497,547	\$16,189,731
Property Taxes Receivable	36,146,538	1,657,406	918,816	38,722,760
Accounts Receivable	1,439	0	0	1,439
Accrued Interest Receivable	1,071	0	0	1,071
Intergovernmental Receivable	12,298	0	0	12,298
Interfund Receivable	0	143,940	0	143,940
Inventory Held for Resale	0	0	35,323	35,323
Materials and Supplies Inventory	74,520	0	100,318	174,838
<i>Total Assets</i>	<u>\$47,558,910</u>	<u>\$5,170,486</u>	<u>\$2,552,004</u>	<u>\$55,281,400</u>
Liabilities				
Accounts Payable	\$166,128	\$0	\$73,146	\$239,274
Accrued Wages and Benefits	3,994,232	0	79,321	4,073,553
Interfund Payable	0	0	143,940	143,940
Intergovernmental Payable	954,368	0	14,927	969,295
Matured Compensated Absences Payable	392,683	0	0	392,683
Accrued Interest Payable	0	0	1,071	1,071
<i>Total Liabilities</i>	<u>5,507,411</u>	<u>0</u>	<u>312,405</u>	<u>5,819,816</u>
Deferred Inflows of Resources				
Property Taxes	29,995,916	1,363,942	757,744	32,117,602
Unavailable Revenue	1,484,351	77,817	41,268	1,603,436
<i>Total Deferred Inflows of Resources</i>	<u>31,480,267</u>	<u>1,441,759</u>	<u>799,012</u>	<u>33,721,038</u>
Fund Balances				
Nonspendable	74,520	0	100,318	174,838
Restricted	0	3,728,727	1,526,352	5,255,079
Committed	0	0	1,200	1,200
Assigned	1,928,311	0	0	1,928,311
Unassigned (Deficit)	8,568,401	0	(187,283)	8,381,118
<i>Total Fund Balances</i>	<u>10,571,232</u>	<u>3,728,727</u>	<u>1,440,587</u>	<u>15,740,546</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$47,558,910</u>	<u>\$5,170,486</u>	<u>\$2,552,004</u>	<u>\$55,281,400</u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2013*

Total Governmental Fund Balances	\$15,740,546
 <i>Amounts reported for governmental activities in the statement of net position are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,484,028
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.	
Delinquent Property Taxes	1,591,138
Tuition and Fees	12,298
Total	1,603,436
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	156,324
Deferred Outflows of Resources represent deferred charges on refundings, which are not reported in the funds.	761,317
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(50,616)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.	(132,562)
Long-term liabilities payable are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(3,556,253)
General Obligation Bonds	(12,135,528)
Certificates of Participation	(2,973,219)
Total	(18,665,000)
<i>Net Position of Governmental Activities</i>	\$23,897,473

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$35,709,003	\$1,647,709	\$922,015	\$38,278,727
Intergovernmental	10,352,797	231,840	2,490,584	13,075,221
Interest	1,819	0	755	2,574
Tuition and Fees	634,336	0	0	634,336
Extracurricular Activities	276,680	0	291,186	567,866
Contributions and Donations	44,756	0	230,581	275,337
Charges for Services	300	0	823,215	823,515
Rentals	49,334	0	49,860	99,194
Miscellaneous	165,541	0	21,283	186,824
<i>Total Revenues</i>	<u>47,234,566</u>	<u>1,879,549</u>	<u>4,829,479</u>	<u>53,943,594</u>
Expenditures				
Current:				
Instruction:				
Regular	24,214,149	0	514,542	24,728,691
Special	3,392,579	0	2,837	3,395,416
Vocational	128,772	0	0	128,772
Student Intervention Services	1,233,551	0	0	1,233,551
Support Services:				
Pupil	2,963,492	0	6,077	2,969,569
Instructional Staff	1,825,214	0	728,169	2,553,383
Board of Education	42,802	0	0	42,802
Administration	3,286,493	0	52,478	3,338,971
Fiscal	1,219,727	25,028	13,904	1,258,659
Business	344,756	0	0	344,756
Operation and Maintenance of Plant	3,738,764	0	98,359	3,837,123
Pupil Transportation	3,345,716	0	398,895	3,744,611
Central	577,848	0	0	577,848
Operation of Non-Instructional Services	65,092	0	922,402	987,494
Operation of Food Services	0	0	1,144,729	1,144,729
Extracurricular Activities	806,069	0	333,734	1,139,803
Capital Outlay	0	0	662,371	662,371
Debt Service:				
Principal Retirement	0	1,380,000	55,000	1,435,000
Interest and Fiscal Charges	0	493,538	139,656	633,194
<i>Total Expenditures</i>	<u>47,185,024</u>	<u>1,898,566</u>	<u>5,073,153</u>	<u>54,156,743</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>49,542</u>	<u>(19,017)</u>	<u>(243,674)</u>	<u>(213,149)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	7,400	0	10,400	17,800
Transfers In	0	0	118,000	118,000
Transfers Out	(118,000)	0	0	(118,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(110,600)</u>	<u>0</u>	<u>128,400</u>	<u>17,800</u>
<i>Net Change in Fund Balances</i>	(61,058)	(19,017)	(115,274)	(195,349)
<i>Fund Balances Beginning of Year</i>	<u>10,632,290</u>	<u>3,747,744</u>	<u>1,555,861</u>	<u>15,935,895</u>
<i>Fund Balances End of Year</i>	<u>\$10,571,232</u>	<u>\$3,728,727</u>	<u>\$1,440,587</u>	<u>\$15,740,546</u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2013*

Net Change in Fund Balances - Total Governmental Funds (\$195,349)

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

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

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

Capital Outlay	453,253	
Depreciation	(1,422,801)	
Total		(969,548)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (50,382)

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

Delinquent Property Taxes	(203,398)	
Tuition and Fees	116	
Total		(203,282)

Repayment of bond and certificates of participation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,435,000

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

Accrued Interest on Bonds	(214,359)	
Amortization of Discount on Certificates of Participation	(1,492)	
Amortization of Premium on Bonds	155,175	
Amortization of Deferred Charge on Refunding	(140,551)	
Total		(201,227)

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

Compensated Absences	81,891	
Vacation Benefits Payable	542	
Total		82,433

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (9,942)

Change in Net Position of Governmental Activities (\$112,297)

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$35,001,688	\$35,623,184	\$35,623,184	\$0
Intergovernmental	10,050,124	10,352,646	10,352,797	151
Interest	55,000	34,503	47,055	12,552
Tuition and Fees	454,750	605,691	606,913	1,222
Extracurricular Activities	163,900	158,483	158,383	(100)
Contributions and Donations	300	6,086	6,086	0
Charges for Services	0	300	300	0
Rentals	42,200	49,151	49,151	0
Miscellaneous	37,000	80,196	80,196	0
<i>Total Revenues</i>	<u>45,804,962</u>	<u>46,910,240</u>	<u>46,924,065</u>	<u>13,825</u>
Expenditures				
Current:				
Instruction:				
Regular	25,227,613	24,270,912	24,045,724	225,188
Special	3,213,800	3,392,245	3,371,037	21,208
Vocational	200,489	145,525	142,341	3,184
Student Intervention Services	290,317	1,204,060	1,202,545	1,515
Support Services:				
Pupil	2,998,778	2,981,573	2,898,025	83,548
Instructional Staff	1,991,479	1,876,070	1,839,809	36,261
Board of Education	42,550	51,879	42,357	9,522
Administration	3,412,879	3,373,282	3,360,716	12,566
Fiscal	1,269,329	1,277,659	1,234,406	43,253
Business	363,306	356,208	354,425	1,783
Operation and Maintenance of Plant	3,731,789	3,676,000	3,635,613	40,387
Pupil Transportation	3,353,038	3,394,719	3,357,951	36,768
Central	587,559	603,023	597,382	5,641
Operation of Non-Instructional Services	66,500	70,213	70,213	0
Extracurricular Activities	756,900	807,394	806,573	821
<i>Total Expenditures</i>	<u>47,506,326</u>	<u>47,480,762</u>	<u>46,959,117</u>	<u>521,645</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,701,364)</u>	<u>(570,522)</u>	<u>(35,052)</u>	<u>535,470</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	7,400	7,400	0
Advances In	26,200	26,200	26,200	0
Transfers Out	(118,000)	(118,000)	(118,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(91,800)</u>	<u>(84,400)</u>	<u>(84,400)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(1,793,164)</u>	<u>(654,922)</u>	<u>(119,452)</u>	<u>535,470</u>
<i>Fund Balance Beginning of Year</i>	10,891,436	10,891,436	10,891,436	0
Prior Year Encumbrances Appropriated	191,296	191,296	191,296	0
<i>Fund Balance End of Year</i>	<u>\$9,289,568</u>	<u>\$10,427,810</u>	<u>\$10,963,280</u>	<u>\$535,470</u>

See accompanying notes to the basic financial statements

North Royalton City School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2013

	<u>Self Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$189,352</u>
Liabilities	
Accounts Payable	12,356
Claims Payable	<u>20,672</u>
<i>Total Liabilities</i>	<u>33,028</u>
Net Position	
Unrestricted	<u><u>\$156,324</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Statement of Revenues,
 Expenses and Changes in Fund Net Position
 Internal Service Fund
 For the Fiscal Year Ended June 30, 2013*

	<u>Self Insurance</u>
Operating Revenues	
Charges for Services	\$143,008
Operating Expenses	
Purchased Services	36,952
Claims	115,998
<i>Total Operating Expenses</i>	152,950
<i>Change in Net Position</i>	(9,942)
<i>Net Position Beginning of Year</i>	166,266
<i>Net Position End of Year</i>	\$156,324

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2013

	<u>Self Insurance</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$143,008
Cash Payments for Purchased Services	(24,596)
Cash Payments for Claims	(113,274)
<i>Net Increase in Cash and Cash Equivalents</i>	5,138
<i>Cash and Cash Equivalents Beginning of Year</i>	184,214
<i>Cash and Cash Equivalents End of Year</i>	\$189,352
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	(\$9,942)
Adjustments:	
Increase in Accounts Payable	12,356
Increase in Claims Payable	2,724
<i>Net Cash Provided by Operating Activities</i>	\$5,138

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2013

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$191,184</u></u>
Liabilities	
Due to Students	<u><u>\$191,184</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 1 - Description of the School District and Reporting Entity

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

The School District is located in a suburban area south of Cleveland, Ohio. It is located in Cuyahoga County and encompasses nearly all of the City of North Royalton and a smaller portion of the City of Broadview Heights. It is staffed by 247 classified employees and 313 certified personnel who provide services to 4,632 students and other community members. The School District currently operates three elementary buildings, one middle school, one high school, an administrative building, a maintenance garage and a bus garage.

Reporting Entity

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

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

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

The School District participates in three jointly governed organizations and a shared risk pool. These organizations are the North Coast Council, Cuyahoga Valley Career Center, Ohio Schools Council Association and the Suburban Health Consortium which are presented in Notes 17 and 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Basis of Presentation

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

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

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

Fund Accounting

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

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

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

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

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

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

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

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

Measurement Focus

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

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

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified 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 inflows of resources and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and tuition. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

North Royalton City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2013

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

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

Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that were in effect at the time the original and final appropriations were passed by the Board of Education.

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

Cash and Investments

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

During fiscal year 2013, investments were limited to commercial paper, federal farm credit bank bonds, and STAR Ohio, the State Treasurer's Investment Pool. Investments are reported at fair value which is based on quoted market prices.

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2013 amounted to \$1,819, which includes \$19 assigned from other School District funds.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

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

Inventory

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

Capital Assets

The School District’s only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not.

All reported capital assets, except land 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:

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

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Since the School District’s policy limits the accrual of vacation time to one year from the employee’s anniversary date, the outstanding liability is recorded as “vacation benefits payable” on the statement of net position rather than as a long-term liability.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for athletic, food service and school programs.

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated. The School District Board of Education assigned fund balance to cover a gap between fiscal year 2014's estimated revenue and appropriated budget.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Operating Revenues and Expenses

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

Bond Premiums and Discounts

On the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are receipted in the year the bonds are issued. On the government-wide financial statements, bond discounts are presented as a decrease of the face amount of the general obligation bonds payable. On the fund financial statements, bond discounts are expended in the year the bonds are issued.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Internal Activity

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

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

Estimates

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

Note 3 – Change in Accounting Principles

For fiscal year 2013, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements”, Statement No. 61, “The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34”, Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”, Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” Statement No. 65, “Items Previously Reported as Assets and Liabilities”, and Statement No. 66, “Technical Corrections – 2012 – an Amendment of GASB Statements No. 10 and No. 62.”

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, the display of component units presentation and certain disclosure requirements. These changes were incorporated in the School District’s fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 62 incorporates into GASB’s authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the School District’s fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that

North Royalton City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the School District's fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the School District's financial statements.

Note 4 - Budgetary Basis of Accounting

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

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 restricted, committed, or assigned (GAAP).
4. Investments are reported at cost (budget) rather than fair value (GAAP).
5. Advances-In and Advances-Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
6. Budgetary revenues and expenditures of the adult education and public school support funds are classified to general fund for GAAP reporting.

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	(\$61,058)
Net Adjustment for Revenue Accruals	(624,403)
Advances In	26,200
Beginning Fair Value Adjustment for Investments	(4,929)
Ending Fair Value Adjustment for Investments	49,096
Perspective Difference:	
Adult Education	(3,200)
Public School Support	(20,604)
Net Adjustment for Expenditure Accruals	781,465
Encumbrances	(262,019)
Budget Basis	<u><u>(\$119,452)</u></u>

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 5 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, \$2,835,923 of the School District’s bank balance of \$7,166,731 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions’ trust department and all 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 Federal Deposit Insurance Corporation.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

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

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-2	3-5
Commercial Paper	\$998,900	\$998,900	\$0	
Federal Farm Credit Bank Bonds	6,986,599	999,400	2,998,000	2,989,199
STAR Ohio	1,733,543	1,733,543	0	0
Total Investments	<u>\$9,719,042</u>	<u>\$3,731,843</u>	<u>\$2,998,000</u>	<u>\$2,989,199</u>

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

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

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District’s allocation as of June 30, 2013:

Investment	Percentage of Investments
Commercial Paper	10.28 %
Federal Farm Credit Bank Bonds	71.89

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 6 – Fund Deficits

The immigrant education, title I and miscellaneous federal grants special revenue funds had deficits of \$886, \$44,400 and \$85, respectively. The building capital projects fund had a deficit of \$141,912. These deficits resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and provides transfers when cash is required, rather than when accruals occur.

Note 7 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Inventory	\$74,520	\$0	\$100,318	\$174,838
<i>Restricted for</i>				
Food Service Operations	0	0	366,752	366,752
Community Activities	0	0	57,180	57,180
Athletics	0	0	118,006	118,006
Auxiliary Services	0	0	11,247	11,247
Technology Improvements	0	0	1,776	1,776
Special Education	0	0	7,119	7,119
Preschool Program	0	0	49	49
Debt Service Payments	0	3,728,727	0	3,728,727
Capital Improvements	0	0	964,223	964,223
<i>Total Restricted</i>	0	3,728,727	1,526,352	5,255,079
<i>Committed to</i>				
College Scholarships	0	0	1,200	1,200
<i>Assigned to</i>				
Purchases on Order	1,601,756	0	0	1,601,756
2014 Appropriations	179,714	0	0	179,714
Adult Education	36,190	0	0	36,190
Public School Support	110,651	0	0	110,651
<i>Total Assigned</i>	1,928,311	0	0	1,928,311
<i>Unassigned (Deficit)</i>	8,568,401	0	(187,283)	8,381,118
<i>Total Fund Balances</i>	\$10,571,232	\$3,728,727	\$1,440,587	\$15,740,546

Note 8 - Property Taxes

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Property taxes include amounts levied against all real and public utility located in the School District. Real property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State statute 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 revenues received in calendar year 2013 represent the collections of calendar year 2012 taxes. Public utility real taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012 and are collected in calendar year 2013 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.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer 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, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

The amount available as an advance at June 30, 2013 was \$4,678,569 in the general fund, \$215,646 in the bond retirement debt service fund, and \$119,804 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2012 was \$4,592,750 in the general fund, \$226,426 in the bond retirement debt service fund, and \$119,171 in the permanent improvement capital projects fund. The difference was in the timing and collection by the County Fiscal Officer.

Collectible delinquent property taxes have been recorded as a receivable and revenue on a full accrual basis. On a modified accrual basis, the revenue has been reported as deferred inflows of resources – unavailable revenue.

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

	2012 Second Half Collections		2013 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,040,225,620	98.31 %	\$1,051,997,677	98.18 %
Public Utility Personal	17,900,300	1.69	19,486,420	1.82
Total	<u>\$1,058,125,920</u>	<u>100.00 %</u>	<u>\$1,071,484,097</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$64.70		\$64.70	

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 9 - Receivables

Receivables at June 30, 2013, consisted of taxes, tuition, interest, student fees and rentals. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

At June 30, 2013 the School District had intergovernmental receivables of \$12,298 in the general fund for tuition.

Note 10 – Capital Assets

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

	Balance 06/30/12	Additions	Deductions	Balance 06/30/13
<i>Capital Assets not being Depreciated:</i>				
Land	\$560,140	\$0	\$0	\$560,140
Construction in Progress	4,587,353	91,831	(4,679,184)	0
<i>Total Capital Assets not being Depreciated</i>	5,147,493	91,831	(4,679,184)	560,140
<i>Capital Assets being Depreciated:</i>				
Land Improvements	1,625,701	0	(500,295)	1,125,406
Buildings and Improvements	41,157,969	4,679,184	0	45,837,153
Furniture and Equipment	3,357,306	6,402	(24,253)	3,339,455
Vehicles	4,476,304	355,020	(317,449)	4,513,875
<i>Total Capital Assets being Depreciated</i>	50,617,280	5,040,606	(841,997)	54,815,889
Less Accumulated Depreciation:				
Land Improvements	(1,432,602)	(21,477)	449,913	(1,004,166)
Buildings and Improvements	(22,561,018)	(1,025,202)	0	(23,586,220)
Furniture and Equipment	(2,924,635)	(117,991)	24,253	(3,018,373)
Vehicles	(3,342,560)	(258,131)	317,449	(3,283,242)
<i>Total Accumulated Depreciation</i>	(30,260,815)	(1,422,801) *	791,615	(30,892,001)
<i>Total Assets being Depreciated, Net</i>	20,356,465	3,617,805	(50,382)	23,923,888
<i>Governmental Activities</i>				
<i>Capital Assets, Net</i>	\$25,503,958	\$3,709,636	(\$4,729,566)	\$24,484,028

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

*Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$689,916
Special	86,376
Vocational	7,603
Support Services:	
Pupil	43,481
Instructional Staff	19,805
Administration	111,458
Fiscal	2,887
Business	1,155
Operation and Maintenance of Plant	132,478
Pupil Transportation	237,435
Central	14,394
Operation of Non-Instructional Services	5,870
Operation of Food Service	51,133
Extracurricular Activities	18,810
Total Depreciation Expense	<u>\$1,422,801</u>

Note 11 - Pension Plans

School Employees Retirement System

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2013, the allocation to pension and death benefits was 13.10 percent. The remaining 0.90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were \$908,538, \$823,119 and \$802,254 respectively. For fiscal year 2013, 79.13 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

State Teachers Retirement System

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement 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 can be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at www.strsoh.org.

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

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

Funding Policy - Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The statutory maximum employee contribution rate will be increased one percent each year beginning July 1, 2013, until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2013, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$2,921,947 and \$65,962 for the fiscal year ended June 30, 2013, \$2,992,640 and \$73,512 for the fiscal year ended June 30, 2012, and \$3,009,593 and \$68,373 for the fiscal year ended June 30, 2011. For fiscal year 2013, 84.47 percent has been contributed for the DB plan and 84.47 percent has been contributed for the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

Contributions made to STRS Ohio for the DC Plan and for fiscal year 2013 were \$52,617 made by the School District and \$37,584 made by the plan members. In addition, member contributions of \$47,116 were made for fiscal year 2013 for the defined contribution portion of the Combined Plan.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 12 - Postemployment Benefits

School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2013, 0.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2013, this amount was \$20,525. During fiscal year 2013, the School District paid \$104,031 in surcharge.

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

The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$11,097, \$38,473, and \$97,140, respectively. For fiscal year 2013, 79.13 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011, were \$51,322, \$52,463, and \$51,627 respectively. For fiscal year 2013, 79.13 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District’s contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$229,839, \$235,858, and \$226,248 respectively. For fiscal year 2013, 84.47 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

Note 13 - Other Employee Benefits

Compensated Absences

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

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

Life Insurance

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

Note 14 – Interfund Transaction

Interfund Transfers

The general fund made a \$45,000 transfer to the athletics and music special revenue fund to help provide funding for fiscal year 2013. The general fund also made a \$73,000 transfer to the building capital project fund to pay down a portion of the manuscript note.

Interfund Balance

The interfund transaction between the debt service fund and the building capital projects fund of \$143,940 are manuscript notes for fiscal year 2013. The manuscript notes consist of an energy conservation note and were issued by the School District and purchased by the debt service fund as an investment. The manuscript notes will be paid on July 3, 2013.

Changes in manuscript notes of the School District during fiscal year 2013 were as follows:

	<u>Outstanding June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding June 30, 2013</u>
Manuscript Note - Energy Conservation	\$216,940	\$143,940	\$216,940	\$143,940

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 15 - Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
2011 Certificates of Participation			
Current Interest Serial Bonds	2.00% to 3.125%	\$525,000	2012 to 2019
Current Interest Term Bonds	4.00% to 5.250%	2,545,000	2020 to 2041
2005 School Improvement Bonds:			
Current Interest Serial Bonds	3.00% to 5.00%	14,145,000	2006 to 2020

Changes in long-term obligations of the School District during fiscal year 2013 were as follows:

	Principal Outstanding 6/30/12	Additions	Deductions	Principal Outstanding 6/30/13	Amounts Due in One Year
2011 Certificates of Participation					
Current Interest Serial Bonds	\$525,000	\$0	\$55,000	\$470,000	\$65,000
Current Interest Term Bonds	2,545,000	0	0	2,545,000	0
Discount on Bonds	(43,273)	0	(1,492)	(41,781)	0
Total 2011 Certificates of Participation	<u>3,026,727</u>	<u>0</u>	<u>53,508</u>	<u>2,973,219</u>	<u>65,000</u>
2005 School Improvement General Obligation Bonds					
Current Interest Serial Bonds	12,675,000	0	1,380,000	11,295,000	1,425,000
Unamortized Premium	995,703	0	155,175	840,528	0
Total 2005 School Improvement General Obligation Bonds	<u>13,670,703</u>	<u>0</u>	<u>1,535,175</u>	<u>12,135,528</u>	<u>1,425,000</u>
Other Long-Term Obligations					
Compensated Absences	<u>3,638,144</u>	<u>113,555</u>	<u>195,446</u>	<u>3,556,253</u>	<u>242,286</u>
<i>Total Governmental Activities Long-Term Liabilities</i>	<u><u>\$20,335,574</u></u>	<u><u>\$113,555</u></u>	<u><u>\$1,784,129</u></u>	<u><u>\$18,665,000</u></u>	<u><u>\$1,732,286</u></u>

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

On April 7, 2011, the School District issued \$3,070,000 in certificates of participation which included serial and term bonds in the amounts of \$525,000 and \$2,545,000, respectively. The certificates of participation certificates were issued for the purpose of improvements to the School District's high school stadium. The certificates were issued for a thirty year period with final maturity at December 1, 2040. The certificates will be retired from the permanent improvement fund.

The term bonds maturing on December 1, 2040 are subject to mandatory redemption in part by lot pursuant to the terms of the mandatory redemption requirements of the trust agreement, at a redemption price equal to 100 percent of the principal amount deemed, plus interest accrued to the redemption date, on December 1 of the years shown in, and according to, the following schedule:

North Royalton City School District

*Notes to the Basic Financial Statements
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<u>Year</u>	<u>Amount</u>
2020	\$75,000
2021	75,000
2022	80,000
2023	85,000
2024	85,000
2025	90,000
2026	95,000
2027	100,000
2028	105,000
2029	110,000
2030	115,000
2031	120,000
2032	130,000
2033	130,000
2034	140,000
2035	150,000
2036	155,000
2037	160,000
2038	170,000
2039	180,000
2040	195,000

The series 2011 certificates maturing on or after December 1, 2020 are subject to prior redemption, by and at the sole option of the School District, in whole or in part as selected by the School District (in whole multiples of \$5,000), on any date on or after December 1, 2019, at a redemption price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date.

In the event the Lease is terminated because the School District does not appropriate sufficient money to pay lease payments with respect to the Leased Property for any immediately succeeding Renewal Term, or the School District defaults under the Lease, all of the outstanding certificates are subject to special redemption by the Trustee in whole at any time for which the required notice may be given at a price equal to 100 percent of the principal amount redeemed, plus interest accrued to the redemption date, from any available funds.

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

North Royalton City School District

*Notes to the Basic Financial Statements
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The School District's overall debt margin was \$88,867,296 with an unvoted debt margin of \$1,071,484 at June 30, 2013. Principal and interest requirements to retire the general obligation bonds follow:

	Certificates of Participation			
	Serial		Term	
	Principal	Interest	Principal	Interest
2014	\$65,000	\$137,356	\$0	\$0
2015	60,000	136,106	0	0
2016	65,000	134,694	0	0
2017	70,000	132,919	0	0
2018	65,000	65,978	0	0
2019-2023	145,000	320,693	230,000	363,086
2024-2028	0	0	455,000	533,076
2029-2033	0	0	580,000	410,001
2034-2038	0	0	735,000	242,656
2039-2042	0	0	545,000	44,232
Total	\$470,000	\$927,746	\$2,545,000	\$1,593,051

	General Obligation Bonds	
	Serial	
	Principal	Interest
2014	\$1,425,000	\$444,450
2015	1,475,000	393,331
2016	1,530,000	328,900
2017	1,605,000	250,525
2018	1,685,000	176,700
2019-2020	3,575,000	144,500
Total	\$11,295,000	\$1,738,406

In 2005, the School District defeased a 1994 school improvement bond issue, in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements. On June 30, 2013, \$14,425,000 of the defeased bonds are still outstanding.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 16 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, the School District contracted with various insurance companies through the Ohio Schools Council Association insurance program. The following is a summary of the School District's insurance coverage as of June 30, 2013:

Company	Coverage	Amount
Travelers Insurance Company	Boiler and Machinery	\$50,000,000
Indiana Insurance Company	Buildings and Contents - replacement costs	123,295,283
	Inland Marine Coverage	3,865,497
	Crime Insurance	250,000
	Automobile Liability	1,000,000
	Uninsured Motorists	50,000
	General Liability	
	Per occurrence	1,000,000
Total per year	2,000,000	

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

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

Employee Health Benefits

For fiscal 2013, the School District was a participant in the Suburban Health Consortium (the "Consortium") to provide employee health, dental and prescription drug benefits. The Consortium is administered by Medical Mutual. Payments are made to the Consortium for the monthly attachment point, monthly stop-loss premiums, and administrative charges. The fiscal agent of the Consortium is the Orange City School District. The Treasurer of the Orange City School District pays monthly for the actual amount of claims processed, the stop-loss premium and the administrative charges. The entire risk of loss transfers to the Consortium upon payment of the premiums.

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

	Board Share of Premium			
	Plus Plan		Classic Plan	
	Family	Single	Family	Single
Medical	\$1,098.03	\$439.21	\$1,755.29	\$702.12
Prescription Drug	249.66	99.87	0.00	0.00
Dental	110.85	47.50	110.85	47.50

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Self-Insurance

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

The claims liability of \$20,672 reported in the internal service fund at June 30, 2013 is based on an estimate provided by the third party administrators and the requirements of GASB Statement No. 30 “Risk Financing Omnibus”, which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Management’s expectation is the claims liabilities will be paid within one year. Changes in the fund’s claims liability amount in 2012 and 2013 were:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2012	\$21,720	\$119,641	123,413	\$17,948
2013	17,948	115,998	113,274	20,672

Workers’ Compensation

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

Note 17 - Jointly Governed Organizations

North Coast Council – The North Coast Council (NCC) is a jointly governed computer service bureau owned and operated by thirteen public school districts. The North Coast Council was formed when the Lakeshore Northeast Ohio Computer Consortium and the Lake Erie Educational Computer Association merged during fiscal year 2012. The primary function of NCC is to provide to its members the support and leadership which enables organizations to achieve their objectives through innovative and cost effective shared technology solutions. Major areas of service provided by NCC include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. NCC is wholly owned by its member districts and is governed by a Board of Directors (member Superintendents). NCC’s Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant’s degree of control is limited to its representation on the Board. NCC’s current membership includes the Educational Service Center of Cuyahoga County and thirteen school districts in Cuyahoga County. Each year, the Board of Directors elects a Chairman, a Vice Chairman, and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of NCC. Each school district supports NCC based upon a per pupil charge dependent upon the software packages used. In fiscal year 2013, the School District paid \$151,917 to NCC. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valley View, OH 44125.

Cuyahoga Valley Career Center - The Cuyahoga Valley Career Center is a joint vocational school which is a jointly governed organization among eleven school districts. Each participating school district appoints one board member to the Cuyahoga Valley Career Center’s Board of Education. The Board exercises total

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

control over the operations of the Center including budgeting, appropriating, contracting, and designating management. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Cuyahoga Valley Career Center is limited to representation on the board. Continued existence of the Cuyahoga Valley Career Center is not dependent on the School District's continued participation. In fiscal year 2013, the School District did not contribute to Cuyahoga Valley Career Center. Financial information can be obtained from the Cuyahoga Valley Career School District, 8001 Brecksville Road, Brecksville, Ohio 44141.

Ohio Schools Council Association - The Ohio Schools Council (Council) is a jointly governed organization among 161 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2013, the School District paid \$4,520 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

Note 18 - Contingencies

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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2013, if applicable, cannot be determined at this time.

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.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 19 – Shared Risk Pool

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

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

Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred eighty (180) days prior to the effective date of withdrawal. Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal a withdrawal fee in the amount equal to two months’ premiums at the Consortium Member’s current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months’ premiums at the Consortium Member’s current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium’s assets. Financial information for the Consortium can be obtained from the Treasurer of the Orange City School District (the Fiscal Agent) at 32000 Chagrin Boulevard, Pepper Pike, Ohio 44124.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

Note 20 - Set-Aside Calculations

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

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

	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2012	\$0
Current Year Set-aside Requirement	781,500
Qualifying Disbursements	<u>(1,119,255)</u>
Totals	<u><u>(\$337,755)</u></u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>
Set-aside Balance as of June 30, 2013	<u><u>\$0</u></u>

Although the School District had qualifying disbursements during the fiscal year that reduced the capital acquisition set-aside amounts below zero, these amounts will not be used to reduce the set-aside requirements of future years.

Note 21 - Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General	\$262,019
Other Governmental Funds	<u>251,918</u>
Total	<u><u>\$513,937</u></u>

Note 22 – Subsequent Events

The School District issued \$70,940 of energy conservation notes at 0.75 percent on July 3, 2013. These notes mature on July 3, 2014 and were issued to refinance previous energy conservation notes. These notes were purchased by the bond retirement debt service fund as an investment.

The School District had a tax levy of \$49.8 million on the November 5, 2013 ballot. The proceeds of this levy would have been used to build a new science wing at North Royalton High School. Voters did not approve this levy.

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

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

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

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

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

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

Entry Year Program Fund – To account for and report restricted grant monies appropriated for the entry year programs. This fund did not have any budgetary activity in fiscal year 2013, therefore, budgetary information is not provided.

Network Connectivity Fund – To account for and report restricted grant monies appropriated for Ohio Educational Computer Network Connections.

Race to the Top Fund – To account for and report restricted Federal revenues received for programs to create innovation and reforms in state and local education.

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

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

Miscellaneous Federal Grants Fund – This fund accounts for and reports restricted monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere. This fund did not have any budgetary activity in fiscal year 2013, therefore, budgetary information is not provided.

Adult Education Fund – To account for and report revenues and expenditures involved in upgrading and retraining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupation or planned occupation as well as providing educational services including preschool. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Public School Support Fund – To account for and report school site sales revenue and expenditure for field trips, assemblies and other activity costs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

Nonmajor Capital Projects Funds

The Capital Projects Funds are used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary fund or for assets that will be held in trust. Following is a description of the nonmajor capital project funds:

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

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

North Royalton City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$627,527	\$870,020	\$1,497,547
Property Taxes Receivable	0	918,816	918,816
Inventory Held for Resale	35,323	0	35,323
Materials and Supplies Inventory	100,318	0	100,318
<i>Total Assets</i>	<u>\$763,168</u>	<u>\$1,788,836</u>	<u>\$2,552,004</u>
Liabilities			
Accounts Payable	\$50,644	\$22,502	\$73,146
Accrued Wages and Benefits	79,321	0	79,321
Interfund Payable	0	143,940	143,940
Intergovernmental Payable	14,927	0	14,927
Accrued Interest Payable	0	1,071	1,071
<i>Total Liabilities</i>	<u>144,892</u>	<u>167,513</u>	<u>312,405</u>
Deferred Inflows of Resources			
Property Taxes	0	757,744	757,744
Unavailable Revenue	0	41,268	41,268
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>799,012</u>	<u>799,012</u>
Fund Balances			
Nonspendable	100,318	0	100,318
Restricted	562,129	964,223	1,526,352
Committed	1,200	0	1,200
Unassigned (Deficit)	(45,371)	(141,912)	(187,283)
<i>Total Fund Balances</i>	<u>618,276</u>	<u>822,311</u>	<u>1,440,587</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$763,168</u>	<u>\$1,788,836</u>	<u>\$2,552,004</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$0	\$922,015	\$922,015
Intergovernmental	2,354,647	135,937	2,490,584
Interest	755	0	755
Extracurricular Activities	291,186	0	291,186
Contributions and Donations	51,825	178,756	230,581
Charges for Services	823,215	0	823,215
Rentals	4,545	45,315	49,860
Miscellaneous	0	21,283	21,283
<i>Total Revenues</i>	<u>3,526,173</u>	<u>1,303,306</u>	<u>4,829,479</u>
Expenditures			
Current:			
Instruction:			
Regular	404,711	109,831	514,542
Special	2,837	0	2,837
Support Services:			
Pupil	6,077	0	6,077
Instructional Staff	728,169	0	728,169
Administration	38,681	13,797	52,478
Fiscal	0	13,904	13,904
Operation and Maintenance of Plant	38,612	59,747	98,359
Pupil Transportation	0	398,895	398,895
Operation of Non-Instructional Services	922,402	0	922,402
Operation of Food Services	1,144,729	0	1,144,729
Extracurricular Activities	333,734	0	333,734
Capital Outlay	18,063	644,308	662,371
Debt Service:			
Principal Retirement	0	55,000	55,000
Interest and Fiscal Charges	0	139,656	139,656
<i>Total Expenditures</i>	<u>3,638,015</u>	<u>1,435,138</u>	<u>5,073,153</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(111,842)</u>	<u>(131,832)</u>	<u>(243,674)</u>
Other Financing Sources			
Sale of Capital Assets	0	10,400	10,400
Transfers In	45,000	73,000	118,000
<i>Total Other Financing Sources</i>	<u>45,000</u>	<u>83,400</u>	<u>128,400</u>
<i>Net Change in Fund Balances</i>	<u>(66,842)</u>	<u>(48,432)</u>	<u>(115,274)</u>
<i>Fund Balances Beginning of Year</i>	<u>685,118</u>	<u>870,743</u>	<u>1,555,861</u>
<i>Fund Balances End of Year</i>	<u>\$618,276</u>	<u>\$822,311</u>	<u>\$1,440,587</u>

North Royalton City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2013

	<u>Food Service</u>	<u>Scholarship</u>	<u>Local Grants</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$374,280	\$1,200	\$57,180
Inventory Held for Resale	35,323	0	0
Materials and Supplies Inventory	<u>100,318</u>	<u>0</u>	<u>0</u>
<i>Total Assets</i>	<u><u>\$509,921</u></u>	<u><u>\$1,200</u></u>	<u><u>\$57,180</u></u>
Liabilities			
Accounts Payable	\$221	\$0	\$0
Accrued Wages and Benefits	38,384	0	0
Intergovernmental Payable	<u>4,246</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities</i>	<u>42,851</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable	100,318	0	0
Restricted	366,752	0	57,180
Committed	0	1,200	0
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances (Deficit)</i>	<u>467,070</u>	<u>1,200</u>	<u>57,180</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$509,921</u></u>	<u><u>\$1,200</u></u>	<u><u>\$57,180</u></u>

<u>Athletics and Music</u>	<u>Auxiliary Services</u>	<u>Entry Year Program</u>	<u>Network Connectivity</u>
\$122,133	\$56,155	\$1,400	\$376
0	0	0	0
0	0	0	0
<u>\$122,133</u>	<u>\$56,155</u>	<u>\$1,400</u>	<u>\$376</u>
\$4,127	\$44,463	\$0	\$0
0	125	0	0
0	320	0	0
<u>4,127</u>	<u>44,908</u>	<u>0</u>	<u>0</u>
0	0	0	0
118,006	11,247	1,400	376
0	0	0	0
0	0	0	0
<u>118,006</u>	<u>11,247</u>	<u>1,400</u>	<u>376</u>
<u>\$122,133</u>	<u>\$56,155</u>	<u>\$1,400</u>	<u>\$376</u>

(continued)

North Royalton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2013

	<u>Race to the Top</u>	<u>Title VI-B</u>	<u>Immigrant Education</u>	<u>Title I</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,750	\$7,150	\$1,416	\$1,395
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
<i>Total Assets</i>	<u>\$1,750</u>	<u>\$7,150</u>	<u>\$1,416</u>	<u>\$1,395</u>
Liabilities				
Accounts Payable	\$0	\$1,548	\$0	\$106
Accrued Wages and Benefits	0	0	1,968	38,844
Intergovernmental Payable	0	2,869	334	6,845
<i>Total Liabilities</i>	<u>0</u>	<u>4,417</u>	<u>2,302</u>	<u>45,795</u>
Fund Balances				
Nonspendable	0	0	0	0
Restricted	1,750	2,733	0	0
Committed	0	0	0	0
Unassigned (Deficit)	0	0	(886)	(44,400)
<i>Total Fund Balances (Deficit)</i>	<u>1,750</u>	<u>2,733</u>	<u>(886)</u>	<u>(44,400)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,750</u>	<u>\$7,150</u>	<u>\$1,416</u>	<u>\$1,395</u>

<u>Preschool Grant</u>	<u>Class Size Reduction Grant</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$107	\$2,985	\$0	\$627,527
0	0	0	35,323
<u>0</u>	<u>0</u>	<u>0</u>	<u>100,318</u>
<u>\$107</u>	<u>\$2,985</u>	<u>\$0</u>	<u>\$763,168</u>
\$0	\$179	\$0	\$50,644
0	0	0	79,321
<u>58</u>	<u>170</u>	<u>85</u>	<u>14,927</u>
<u>58</u>	<u>349</u>	<u>85</u>	<u>144,892</u>
0	0	0	100,318
49	2,636	0	562,129
0	0	0	1,200
<u>0</u>	<u>0</u>	<u>(85)</u>	<u>(45,371)</u>
<u>49</u>	<u>2,636</u>	<u>(85)</u>	<u>618,276</u>
<u>\$107</u>	<u>\$2,985</u>	<u>\$0</u>	<u>\$763,168</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2013

	Food Service	Scholarship	Local Grants	Athletics and Music
Revenues				
Intergovernmental	\$417,302	\$0	\$7,500	\$0
Interest	372	0	0	184
Extracurricular Activities	0	0	0	291,186
Contributions and Donations	0	0	30,065	21,760
Charges for Services	823,215	0	0	0
Rentals	0	0	0	4,545
<i>Total Revenues</i>	<u>1,240,889</u>	<u>0</u>	<u>37,565</u>	<u>317,675</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	3,731	0
Special	0	0	0	0
Support Services:				
Pupil	0	0	6,077	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	5,024	0	33,588	0
Operation of Non-Instructional Services	0	0	0	0
Operation of Food Services	1,144,729	0	0	0
Extracurricular Activities	0	0	0	333,734
Capital Outlay	0	0	18,063	0
<i>Total Expenditures</i>	<u>1,149,753</u>	<u>0</u>	<u>61,459</u>	<u>333,734</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	91,136	0	(23,894)	(16,059)
Other Financing Sources				
Transfers In	0	0	0	45,000
<i>Net Change in Fund Balances</i>	91,136	0	(23,894)	28,941
<i>Fund Balances (Deficit)</i>				
<i>Beginning of Year</i>	<u>375,934</u>	<u>1,200</u>	<u>81,074</u>	<u>89,065</u>
<i>End of Year</i>	<u>\$467,070</u>	<u>\$1,200</u>	<u>\$57,180</u>	<u>\$118,006</u>

Auxiliary Services	Entry Year Program	Network Connectivity	Race to the Top	Title VI-B
\$709,040	\$0	\$10,800	\$1,750	\$728,743
199	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>709,239</u>	<u>0</u>	<u>10,800</u>	<u>1,750</u>	<u>728,743</u>
0	0	15,437	0	0
0	0	0	0	2,835
0	0	0	0	0
0	0	0	0	657,430
0	0	0	0	38,681
0	0	0	0	0
888,823	0	0	0	27,980
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>888,823</u>	<u>0</u>	<u>15,437</u>	<u>0</u>	<u>726,926</u>
(179,584)	0	(4,637)	1,750	1,817
0	0	0	0	0
<u>(179,584)</u>	<u>0</u>	<u>(4,637)</u>	<u>1,750</u>	<u>1,817</u>
<u>190,831</u>	<u>1,400</u>	<u>5,013</u>	<u>0</u>	<u>916</u>
<u>\$11,247</u>	<u>\$1,400</u>	<u>\$376</u>	<u>\$1,750</u>	<u>\$2,733</u>

(continued)

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2013

	Title II-D	Immigrant Education	Title I
Revenues			
Intergovernmental	\$2,132	\$27,321	\$356,689
Interest	0	0	0
Extracurricular Activities	0	0	0
Contributions and Donations	0	0	0
Charges for Services	0	0	0
Rentals	0	0	0
<i>Total Revenues</i>	<u>2,132</u>	<u>27,321</u>	<u>356,689</u>
Expenditures			
Current:			
Instruction:			
Regular	0	27,622	357,921
Special	0	2	0
Support Services:			
Pupil	0	0	0
Instructional Staff	0	878	2,180
Administration	0	0	0
Operation and Maintenance of Plant	0	0	0
Operation of Non-Instructional Services	0	0	4,839
Operation of Food Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>28,502</u>	<u>364,940</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,132	(1,181)	(8,251)
Other Financing Sources			
Transfers In	0	0	0
<i>Net Change in Fund Balances</i>	2,132	(1,181)	(8,251)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(2,132)</u>	<u>295</u>	<u>(36,149)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$0</u>	<u>(\$886)</u>	<u>(\$44,400)</u>

Preschool Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$18,397	\$74,973	\$0	\$2,354,647
0	0	0	755
0	0	0	291,186
0	0	0	51,825
0	0	0	823,215
0	0	0	4,545
<u>18,397</u>	<u>74,973</u>	<u>0</u>	<u>3,526,173</u>
0	0	0	404,711
0	0	0	2,837
0	0	0	6,077
18,400	49,281	0	728,169
0	0	0	38,681
0	0	0	38,612
0	760	0	922,402
0	0	0	1,144,729
0	0	0	333,734
0	0	0	18,063
<u>18,400</u>	<u>50,041</u>	<u>0</u>	<u>3,638,015</u>
(3)	24,932	0	(111,842)
<u>0</u>	<u>0</u>	<u>0</u>	<u>45,000</u>
(3)	24,932	0	(66,842)
<u>52</u>	<u>(22,296)</u>	<u>(85)</u>	<u>685,118</u>
<u>\$49</u>	<u>\$2,636</u>	<u>(\$85)</u>	<u>\$618,276</u>

North Royalton City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2013

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$866,921	\$3,099	\$870,020
Property Taxes Receivable	918,816	0	918,816
<i>Total Assets</i>	<u>\$1,785,737</u>	<u>\$3,099</u>	<u>\$1,788,836</u>
Liabilities			
Accounts Payable	\$22,502	\$0	\$22,502
Interfund Payable	0	143,940	143,940
Accrued Interest Payable	0	1,071	1,071
<i>Total Liabilities</i>	<u>22,502</u>	<u>145,011</u>	<u>167,513</u>
Deferred Inflows of Resources			
Property Taxes	757,744	0	757,744
Unavailable Revenue	41,268	0	41,268
<i>Total Deferred Inflows of Resources</i>	<u>799,012</u>	<u>0</u>	<u>799,012</u>
Fund Balances			
Restricted	964,223	0	964,223
Unassigned (Deficit)	0	(141,912)	(141,912)
<i>Total Fund Balances</i>	<u>964,223</u>	<u>(141,912)</u>	<u>822,311</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,785,737</u>	<u>\$3,099</u>	<u>\$1,788,836</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2013

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues			
Property Taxes	\$922,015	\$0	\$922,015
Intergovernmental	133,768	2,169	135,937
Contributions and Donations	178,756	0	178,756
Rentals	45,315	0	45,315
Miscellaneous	21,283	0	21,283
<i>Total Revenues</i>	<u>1,301,137</u>	<u>2,169</u>	<u>1,303,306</u>
Expenditures			
Current:			
Instruction:			
Regular	109,831	0	109,831
Support Services:			
Administration	13,797	0	13,797
Fiscal	13,904	0	13,904
Operation and Maintenance of Plant	59,747	0	59,747
Pupil Transportation	398,895	0	398,895
Capital Outlay	597,221	47,087	644,308
Debt Service:			
Principal Retirement	55,000	0	55,000
Interest and Fiscal Charges	138,556	1,100	139,656
<i>Total Expenditures</i>	<u>1,386,951</u>	<u>48,187</u>	<u>1,435,138</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(85,814)</u>	<u>(46,018)</u>	<u>(131,832)</u>
Other Financing Sources			
Sale of Capital Assets	10,400	0	10,400
Transfers In	0	73,000	73,000
<i>Total Other Financing Sources</i>	<u>10,400</u>	<u>73,000</u>	<u>83,400</u>
<i>Net Change in Fund Balances</i>	(75,414)	26,982	(48,432)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,039,637</u>	<u>(168,894)</u>	<u>870,743</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$964,223</u></u>	<u><u>(\$141,912)</u></u>	<u><u>\$822,311</u></u>

Combining Statements - Fiduciary Fund

Agency Fund

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

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

North Royalton City School District
Combining Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2013

	Beginning Balance 6/30/12	Additions	Deductions	Ending Balance 6/30/13
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$219,552	\$384,776	\$413,144	\$191,184
Liabilities				
Due to Students	\$219,552	\$384,776	\$413,144	\$191,184

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

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$35,001,688	\$35,623,184	\$35,623,184	\$0
Intergovernmental	10,050,124	10,352,646	10,352,797	151
Interest	55,000	34,503	47,055	12,552
Tuition and Fees	454,750	605,691	606,913	1,222
Extracurricular Activities	163,900	158,483	158,383	(100)
Contributions and Donations	300	6,086	6,086	0
Customer Sales and Services	0	300	300	0
Rentals	42,200	49,151	49,151	0
Miscellaneous	37,000	80,196	80,196	0
<i>Total Revenues</i>	<u>45,804,962</u>	<u>46,910,240</u>	<u>46,924,065</u>	<u>13,825</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	16,599,982	15,267,504	15,213,537	53,967
Fringe Benefits	7,635,492	5,917,311	5,895,844	21,467
Purchased Services	591,692	2,400,717	2,278,365	122,352
Materials and Supplies	396,559	628,004	602,007	25,997
Capital Outlay	3,475	55,526	54,121	1,405
Other	413	1,850	1,850	0
Total Regular	<u>25,227,613</u>	<u>24,270,912</u>	<u>24,045,724</u>	<u>225,188</u>
Special:				
Salaries and Wages	2,534,500	2,624,825	2,608,320	16,505
Fringe Benefits	639,300	702,547	697,844	4,703
Purchased Services	11,000	34,746	34,746	0
Materials and Supplies	13,000	11,768	11,768	0
Capital Outlay	16,000	18,359	18,359	0
Total Special	<u>3,213,800</u>	<u>3,392,245</u>	<u>3,371,037</u>	<u>21,208</u>
Vocational:				
Salaries and Wages	144,200	90,000	87,500	2,500
Fringe Benefits	53,200	52,451	51,767	684
Capital Outlay	3,089	3,074	3,074	0
Total Vocational	<u>\$200,489</u>	<u>\$145,525</u>	<u>\$142,341</u>	<u>\$3,184</u>

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Student Intervention Services:				
Salaries and Wages	\$169,452	\$742,325	\$740,996	\$1,329
Fringe Benefits	120,865	461,735	461,549	186
Total Student Intervention Services	<u>290,317</u>	<u>1,204,060</u>	<u>1,202,545</u>	<u>1,515</u>
Total Instruction	<u>28,932,219</u>	<u>29,012,742</u>	<u>28,761,647</u>	<u>251,095</u>
Support Services:				
Pupil:				
Salaries and Wages	1,782,400	1,809,859	1,781,755	28,104
Fringe Benefits	573,200	557,187	547,372	9,815
Purchased Services	599,676	570,301	525,182	45,119
Materials and Supplies	41,502	43,527	43,017	510
Other	2,000	699	699	0
Total Pupil	<u>2,998,778</u>	<u>2,981,573</u>	<u>2,898,025</u>	<u>83,548</u>
Instructional Staff:				
Salaries and Wages	1,412,200	1,377,261	1,358,363	18,898
Fringe Benefits	522,200	428,591	427,273	1,318
Purchased Services	52,079	56,508	40,955	15,553
Materials and Supplies	3,000	12,917	12,425	492
Other	2,000	793	793	0
Total Instructional Staff	<u>1,991,479</u>	<u>1,876,070</u>	<u>1,839,809</u>	<u>36,261</u>
Board of Education:				
Salaries and Wages	20,500	20,500	17,340	3,160
Fringe Benefits	400	1,567	1,567	0
Purchased Services	10,750	19,812	14,423	5,389
Materials and Supplies	500	0	0	0
Other	10,400	10,000	9,027	973
Total Board of Education	<u>\$42,550</u>	<u>\$51,879</u>	<u>\$42,357</u>	<u>\$9,522</u>

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Administration:				
Salaries and Wages	\$2,050,500	\$2,017,437	\$2,014,147	\$3,290
Fringe Benefits	1,063,900	1,105,510	1,104,093	1,417
Purchased Services	254,280	203,376	201,240	2,136
Materials and Supplies	10,352	19,513	15,701	3,812
Capital Outlay	3,000	6,698	6,698	0
Other	30,847	20,748	18,837	1,911
Total Administration	3,412,879	3,373,282	3,360,716	12,566
Fiscal:				
Salaries and Wages	364,700	361,487	361,487	0
Fringe Benefits	190,700	238,651	233,502	5,149
Purchased Services	39,133	17,579	16,720	859
Materials and Supplies	3,000	3,210	3,210	0
Other	671,796	656,732	619,487	37,245
Total Fiscal	1,269,329	1,277,659	1,234,406	43,253
Business:				
Salaries and Wages	224,000	224,425	224,057	368
Fringe Benefits	129,300	124,437	124,407	30
Purchased Services	6,991	5,433	5,433	0
Materials and Supplies	1,000	1,000	150	850
Other	2,015	913	378	535
Total Business	363,306	356,208	354,425	1,783
Operation and Maintenance of Plant:				
Salaries and Wages	1,623,900	1,631,337	1,620,943	10,394
Fringe Benefits	899,100	884,698	882,553	2,145
Purchased Services	904,414	879,821	854,301	25,520
Materials and Supplies	296,375	275,144	274,565	579
Capital Outlay	3,000	0	0	0
Other	5,000	5,000	3,251	1,749
Total Operation and Maintenance of Plant	\$3,731,789	\$3,676,000	\$3,635,613	\$40,387

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Pupil Transportation:				
Salaries and Wages	\$1,526,600	\$1,524,273	\$1,502,717	\$21,556
Fringe Benefits	730,500	733,131	731,255	1,876
Purchased Services	465,196	489,251	487,379	1,872
Materials and Supplies	630,742	648,064	636,600	11,464
Total Pupil Transportation	3,353,038	3,394,719	3,357,951	36,768
Central:				
Salaries and Wages	318,800	317,138	317,138	0
Fringe Benefits	75,800	92,971	92,436	535
Purchased Services	143,074	147,865	142,759	5,106
Materials and Supplies	40,885	41,887	41,887	0
Capital Outlay	9,000	3,162	3,162	0
Total Central	587,559	603,023	597,382	5,641
Total Support Services	17,750,707	17,590,413	17,320,684	269,729
Operation of Non-Instructional Services:				
Community Services:				
Fringe Benefits	7,500	6,894	6,894	0
Purchased Services	59,000	61,551	61,551	0
Materials and Supplies	0	1,768	1,768	0
Total Operation of Non-Instructional Services	66,500	70,213	70,213	0
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	189,400	193,465	193,465	0
Fringe Benefits	9,000	43,811	43,811	0
Total Academic Oriented Activities	198,400	237,276	237,276	0
Sport Oriented Activities:				
Salaries and Wages	514,000	517,262	516,452	810
Fringe Benefits	17,300	25,830	25,819	11
Purchased Services	26,200	26,441	26,441	0
Other	1,000	585	585	0
Total Sport Oriented Activities	558,500	570,118	569,297	821
Total Extracurricular Activities	756,900	807,394	806,573	821
Total Expenditures	47,506,326	47,480,762	46,959,117	521,645
<i>Excess of Revenues Under Expenditures</i>	<i>(\$1,701,364)</i>	<i>(\$570,522)</i>	<i>(\$35,052)</i>	<i>\$535,470</i>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Other Financing Sources (Uses)				
Sale of Capital Assets	\$0	\$7,400	\$7,400	\$0
Advances In	26,200	26,200	26,200	0
Transfers Out	(118,000)	(118,000)	(118,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(91,800)</u>	<u>(84,400)</u>	<u>(84,400)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,793,164)	(654,922)	(119,452)	535,470
<i>Fund Balance Beginning of Year</i>	10,891,436	10,891,436	10,891,436	0
Prior Year Encumbrances Appropriated	<u>191,296</u>	<u>191,296</u>	<u>191,296</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$9,289,568</u></u>	<u><u>\$10,427,810</u></u>	<u><u>\$10,963,280</u></u>	<u><u>\$535,470</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$1,658,488	\$1,658,488	\$0
Intergovernmental	234,009	234,009	0
<i>Total Revenues</i>	<u>1,892,497</u>	<u>1,892,497</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Fiscal:			
Other	32,151	25,028	7,123
Debt Service:			
Principal Retirement	1,636,940	1,596,940	40,000
Interest and Fiscal Charges	564,909	495,707	69,202
<i>Total Debt Service</i>	<u>2,201,849</u>	<u>2,092,647</u>	<u>109,202</u>
<i>Total Expenditures</i>	<u>2,234,000</u>	<u>2,117,675</u>	<u>116,325</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(341,503)</u>	<u>(225,178)</u>	<u>116,325</u>
Other Financing Sources			
Energy Conservation Notes Issued	143,940	143,940	0
Transfers In	73,000	73,000	0
<i>Total Other Financing Sources</i>	<u>216,940</u>	<u>216,940</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(124,563)	(8,238)	116,325
<i>Fund Balance Beginning of Year</i>	<u>3,521,318</u>	<u>3,521,318</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,396,755</u></u>	<u><u>\$3,513,080</u></u>	<u><u>\$116,325</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$398,425	\$398,425	\$0
Interest	337	372	35
Charges for Services	822,246	823,215	969
<i>Total Revenues</i>	<u>1,221,008</u>	<u>1,222,012</u>	<u>1,004</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	5,024	5,024	0
Operation of Food Services:			
Salaries and Wages	461,413	461,413	0
Fringe Benefits	235,658	235,658	0
Purchased Services	8,726	8,726	0
Materials and Supplies	445,370	445,370	0
Capital Outlay	214,484	7,442	207,042
Total Operation of Food Services	<u>1,365,651</u>	<u>1,158,609</u>	<u>207,042</u>
<i>Total Expenditures</i>	<u>1,370,675</u>	<u>1,163,633</u>	<u>207,042</u>
<i>Net Change in Fund Balance</i>	(149,667)	58,379	208,046
<i>Fund Balance Beginning of Year</i>	314,933	314,933	0
Prior Year Encumbrances Appropriated	675	675	0
<i>Fund Balance End of Year</i>	<u>\$165,941</u>	<u>\$373,987</u>	<u>\$208,046</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2013

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

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$7,500	\$7,500	\$0
Contributions and Donations	29,440	30,065	625
<i>Total Revenues</i>	<u>36,940</u>	<u>37,565</u>	<u>625</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	3,731	3,731	0
Materials and Supplies	1,436	1,436	0
Total Instruction	<u>5,167</u>	<u>5,167</u>	<u>0</u>
Support Services:			
Pupil:			
Purchased Services	6,077	6,077	0
Operation and Maintenance of Plant:			
Materials and Supplies	13,755	13,303	452
Capital Outlay	20,685	20,285	400
Total Operation and Maintenance of Plant	<u>34,440</u>	<u>33,588</u>	<u>852</u>
Total Support Services	<u>40,517</u>	<u>39,665</u>	<u>852</u>
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	18,063	18,063	0
<i>Total Expenditures</i>	<u>63,747</u>	<u>62,895</u>	<u>852</u>
<i>Net Change in Fund Balance</i>	(26,807)	(25,330)	1,477
<i>Fund Balance Beginning of Year</i>	78,763	78,763	0
Prior Year Encumbrances Appropriated	<u>3,747</u>	<u>3,747</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$55,703</u></u>	<u><u>\$57,180</u></u>	<u><u>\$1,477</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics and Music Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Interest	\$177	\$184	\$7
Extracurricular Activities	285,458	291,186	5,728
Contributions and Donations	21,760	21,760	0
Rentals	4,545	4,545	0
<i>Total Revenues</i>	<u>311,940</u>	<u>317,675</u>	<u>5,735</u>
Expenditures			
Current:			
Extracurricular Activities:			
Occupation Oriented Activities			
Other	2,869	2,869	0
Sport Oriented Activities:			
Purchased Services	12,420	12,420	0
Materials and Supplies	4,840	1,840	3,000
Capital Outlay	4,832	4,832	0
Other	342,950	327,832	15,118
Total Sport Oriented Activities	<u>365,042</u>	<u>346,924</u>	<u>18,118</u>
School and Public Service			
Co-curricular Activities:			
Other	199	199	0
<i>Total Expenditures</i>	<u>368,110</u>	<u>349,992</u>	<u>18,118</u>
<i>Excess of Revenues Under Expenditures</i>	(56,170)	(32,317)	23,853
Other Financing Sources			
Transfers In	45,000	45,000	0
<i>Net Change in Fund Balance</i>	(11,170)	12,683	23,853
<i>Fund Balance Beginning of Year</i>	80,512	80,512	0
Prior Year Encumbrances Appropriated	18,110	18,110	0
<i>Fund Balance End of Year</i>	<u>\$87,452</u>	<u>\$111,305</u>	<u>\$23,853</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$709,040	\$709,040	\$0
Interest	190	199	9
<i>Total Revenues</i>	<u>709,230</u>	<u>709,239</u>	<u>9</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	65,454	65,454	0
Fringe Benefits	27,688	27,688	0
Purchased Services	470,212	468,834	1,378
Materials and Supplies	283,311	282,310	1,001
Capital Outlay	89,608	89,608	0
<i>Total Expenditures</i>	<u>936,273</u>	<u>933,894</u>	<u>2,379</u>
<i>Net Change in Fund Balance</i>	(227,043)	(224,655)	2,388
<i>Fund Balance Beginning of Year</i>	141,046	141,046	0
Prior Year Encumbrances Appropriated	85,997	85,997	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$2,388</u>	<u>\$2,388</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Network Connectivity Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$10,800	\$10,800	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	8,562	8,562	0
Capital Outlay	6,875	6,875	0
<i>Total Expenditures</i>	15,437	15,437	0
<i>Net Change in Fund Balance</i>	(4,637)	(4,637)	0
<i>Fund Balance Beginning of Year</i>	376	376	0
Prior Year Encumbrances Appropriated	4,637	4,637	0
<i>Fund Balance End of Year</i>	\$376	\$376	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,750	\$1,750	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,750	1,750	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,750</u></u>	<u><u>\$1,750</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$728,743	\$728,743	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Materials and Supplies	2,835	2,835	0
Support Services:			
Instructional Staff:			
Salaries and Wages	573,116	573,116	0
Fringe Benefits	84,063	84,063	0
Total Instructional Staff	657,179	657,179	0
Administration:			
Salaries and Wages	33,004	31,391	1,613
Fringe Benefits	7,918	7,918	0
Total Administration	40,922	39,309	1,613
Total Support Services	698,101	696,488	1,613
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	13,167	13,167	0
Purchased Services	10,708	10,708	0
Materials and Supplies	4,613	2,454	2,159
Capital Outlay	3,476	3,476	0
Total Operation of Non-Instructional Services	31,964	29,805	2,159
<i>Total Expenditures</i>	732,900	729,128	3,772
<i>Net Change in Fund Balance</i>	(4,157)	(385)	3,772
<i>Fund Balance Beginning of Year</i>	4,182	4,182	0
<i>Fund Balance End of Year</i>	\$25	\$3,797	\$3,772

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title II-D Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,132	\$2,132	\$0
Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	2,132	2,132	0
Other Financing Uses			
Advances Out	<u>(2,200)</u>	<u>(2,200)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(68)	(68)	0
<i>Fund Balance Beginning of Year</i>	<u>68</u>	<u>68</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Immigrant Education Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$27,321	\$27,321	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	13,642	12,641	1,001
Fringe Benefits	1,677	1,677	0
Materials and Supplies	8,420	8,420	0
Capital Outlay	2,899	2,899	0
Total Instruction	26,638	25,637	1,001
Special:			
Salaries and Wages	2	2	0
Total Instruction	26,640	25,639	1,001
Support Services:			
Instructional Staff:			
Salaries and Wages	784	402	382
Fringe Benefits	196	196	0
Purchased Services	280	280	0
Total Support Services	1,260	878	382
<i>Total Expenditures</i>	27,900	26,517	1,383
<i>Net Change in Fund Balance</i>	(579)	804	1,383
<i>Fund Balance Beginning of Year</i>	612	612	0
<i>Fund Balance End of Year</i>	\$33	\$1,416	\$1,383

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$356,689	\$356,689	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	246,065	246,065	0
Fringe Benefits	87,594	87,594	0
Materials and Supplies	2,692	2,692	0
Capital Outlay	12,210	12,210	0
Total Instruction	348,561	348,561	0
Support Services:			
Instructional Staff:			
Salaries and Wages	948	450	498
Fringe Benefits	67	67	0
Purchased Services	1,622	1,622	0
Total Support Services	2,637	2,139	498
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	4,839	4,839	0
<i>Total Expenditures</i>	356,037	355,539	498
<i>Excess of Revenues Over Expenditures</i>	652	1,150	498
Other Financing Uses			
Advances Out	(2,000)	(2,000)	0
<i>Net Change in Fund Balance</i>	(1,348)	(850)	498
<i>Fund Balance Beginning of Year</i>	1,093	1,093	0
Prior Year Encumbrances Appropriated	1,037	1,037	0
<i>Fund Balance End of Year</i>	\$782	\$1,280	\$498

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grant Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$18,397	\$18,397	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	16,401	16,401	0
Fringe Benefits	1,996	1,996	0
<i>Total Expenditures</i>	18,397	18,397	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	107	107	0
<i>Fund Balance End of Year</i>	\$107	\$107	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction Grant Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$74,973	\$74,973	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Salaries and Wages	13,282	13,282	0
Fringe Benefits	2,024	2,024	0
Purchased Services	34,654	34,654	0
Materials and Supplies	3,114	3,114	0
Total Support Services	53,074	53,074	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	760	760	0
<i>Total Expenditures</i>	53,834	53,834	0
<i>Excess of Revenues Over Expenditures</i>	21,139	21,139	0
Other Financing Uses			
Advances Out	(22,000)	(22,000)	0
<i>Net Change in Fund Balance</i>	(861)	(861)	0
<i>Fund Balance Beginning of Year</i>	1,444	1,444	0
Prior Year Encumbrances Appropriated	787	787	0
<i>Fund Balance End of Year</i>	\$1,370	\$1,370	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$11,448	\$27,423	\$15,975
Miscellaneous	14,500	14,500	0
<i>Total Revenues</i>	<u>25,948</u>	<u>41,923</u>	<u>15,975</u>
Expenditures			
Current:			
Instruction:			
Student Intervention Services:			
Salaries and Wages	25,141	25,050	91
Fringe Benefits	386	386	0
Purchased Services	19,400	19,400	0
Materials and Supplies	287	287	0
<i>Total Expenditures</i>	<u>45,214</u>	<u>45,123</u>	<u>91</u>
<i>Net Change in Fund Balance</i>	(19,266)	(3,200)	16,066
<i>Fund Balance Beginning of Year</i>	25,159	25,159	0
Prior Year Encumbrances Appropriated	114	114	0
<i>Fund Balance End of Year</i>	<u><u>\$6,007</u></u>	<u><u>\$22,073</u></u>	<u><u>\$16,066</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$118,296	\$118,297	\$1
Contributions and Donations	38,670	38,670	0
Miscellaneous	69,943	70,845	902
<i>Total Revenues</i>	<u>226,909</u>	<u>227,812</u>	<u>903</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	10,101	10,101	0
Capital Outlay	9,277	9,277	0
Other	237,555	229,038	8,517
<i>Total Expenditures</i>	<u>256,933</u>	<u>248,416</u>	<u>8,517</u>
<i>Net Change in Fund Balance</i>	(30,024)	(20,604)	9,420
<i>Fund Balance Beginning of Year</i>	94,797	94,797	0
Prior Year Encumbrances Appropriated	16,933	16,933	0
<i>Fund Balance End of Year</i>	<u><u>\$81,706</u></u>	<u><u>\$91,126</u></u>	<u><u>\$9,420</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$921,382	\$921,382	\$0
Intergovernmental	133,768	133,768	0
Contributions and Donations	175,666	178,756	3,090
Rentals	45,315	45,315	0
Miscellaneous	21,283	21,283	0
<i>Total Revenues</i>	<u>1,297,414</u>	<u>1,300,504</u>	<u>3,090</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay	164,843	125,059	39,784
Support Services:			
Administration:			
Purchased Services	53,245	7,003	46,242
Capital Outlay	6,794	6,794	0
Total Administration	<u>60,039</u>	<u>13,797</u>	<u>46,242</u>
Fiscal:			
Other	13,904	13,904	0
Operation and Maintenance of Plant:			
Purchased Services	15,107	15,107	0
Materials and Supplies	11,101	11,101	0
Capital Outlay	43,190	43,190	0
Total Operation and Maintenance of Plant	<u>69,398</u>	<u>69,398</u>	<u>0</u>
Pupil Transportation:			
Capital Outlay	398,895	398,895	0
Total Support Services	<u>\$542,236</u>	<u>\$495,994</u>	<u>\$46,242</u>

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay:			
Acquisition Services:			
Purchased Services	\$102	\$102	\$0
Capital Outlay	58,525	58,525	0
Total Acquisition Services	58,627	58,627	0
Improvement Services:			
Purchased Services	467,591	447,591	20,000
Capital Outlay	234,932	194,933	39,999
Total Improvement Services	702,523	642,524	59,999
Total Capital Outlay	761,150	701,151	59,999
Debt Service:			
Principal Retirement	55,000	55,000	0
Interest and Fiscal Charges	138,556	138,556	0
Total Debt Service	193,556	193,556	0
<i>Total Expenditures</i>	1,661,785	1,515,760	146,025
<i>Excess of Revenues Under Expenditures</i>	(364,371)	(215,256)	149,115
Other Financing Sources			
Sale of Capital Assets	10,400	10,400	0
<i>Net Change in Fund Balance</i>	(353,971)	(204,856)	149,115
<i>Fund Balance Beginning of Year</i>	461,691	461,691	0
Prior Year Encumbrances Appropriated	461,785	461,785	0
<i>Fund Balance End of Year</i>	\$569,505	\$718,620	\$149,115

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Capital Outlay:			
Building Acquisition and Construction Services:			
Capital Outlay	50,186	47,087	3,099
<i>Net Change in Fund Balance</i>	(50,186)	(47,087)	3,099
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	50,186	50,186	0
<i>Fund Balance End of Year</i>	\$0	\$3,099	\$3,099

North Royalton City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$143,008	\$143,008	\$0
Expenses			
Purchased Services	24,596	24,596	0
Claims	120,404	113,274	7,130
<i>Total Expenses</i>	145,000	137,870	7,130
<i>Net Change in Fund Equity</i>	(1,992)	5,138	7,130
<i>Fund Equity Beginning of Year</i>	184,214	184,214	0
<i>Fund Equity End of Year</i>	\$182,222	\$189,352	\$7,130

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STATISTICAL
SECTION

Statistical Section

This part of the North Royalton City School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School District's overall financial health.

Contents	Pages(s)
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<i>Financial Trends</i>	<i>S2 – S9</i>
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These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

<i>Revenue Capacity</i>	<i>S10 – S18</i>
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These schedules contain information to help the reader assess the School District's most significant local revenue, the property tax.

<i>Debt Capacity</i>	<i>S19 – S23</i>
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These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

<i>Economic and Demographic Information</i>	<i>S24 – S26</i>
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These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.

<i>Operating Information</i>	<i>S27 – S36</i>
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These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

North Royalton City School District

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net Investment in Capital Assets	\$8,008,290	\$7,984,585	\$9,387,547	\$10,404,332
Restricted for:				
Capital Projects	470,886	694,252	253,191	243,059
Debt Service	2,704,713	3,149,780	3,328,432	3,472,628
Other Purposes	369,575	277,658	337,334	426,672
Unrestricted	<u>537,280</u>	<u>1,834,615</u>	<u>2,167,301</u>	<u>1,747,843</u>
Total Net Position	<u>\$12,090,744</u>	<u>\$13,940,890</u>	<u>\$15,473,805</u>	<u>\$16,294,534</u>

2008	2009	2010	2011	2012	2013
\$11,206,829	\$11,158,736	\$11,374,852	\$9,839,269	\$9,926,872	\$10,136,598
0	1,092,228	1,161,025	3,266,018	1,082,942	1,005,491
3,728,413	3,453,480	3,458,042	3,477,950	3,775,292	3,755,928
303,158	389,361	525,067	674,222	657,122	575,421
2,194,118	844,751	2,828,962	5,427,548	8,567,542	8,424,035
<u>\$17,432,518</u>	<u>\$16,938,556</u>	<u>\$19,347,948</u>	<u>\$22,685,007</u>	<u>\$24,009,770</u>	<u>\$23,897,473</u>

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

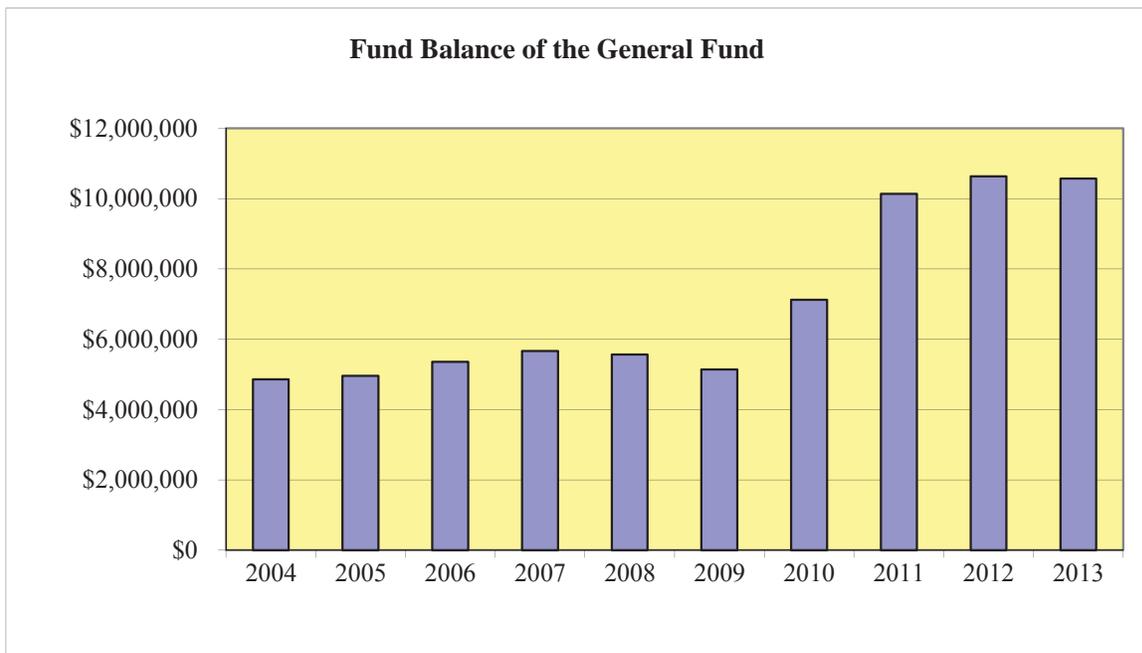
	2004	2005	2006	2007
Expenses				
Regular Instruction	\$17,400,569	\$18,824,347	\$19,181,614	\$20,004,883
Special Instruction	3,405,594	3,694,607	3,964,579	4,603,113
Vocational Instruction	100,839	196,199	168,079	193,147
Student Intervention Services	0	0	0	0
Pupil Support	1,931,083	2,073,596	2,201,623	2,418,861
Instructional Staff Support	2,544,774	2,854,523	2,806,302	3,132,012
Board of Education	27,367	32,209	32,661	35,706
Administration	2,676,212	2,956,743	3,045,649	3,249,707
Fiscal	911,411	925,283	1,003,012	970,782
Business	281,670	300,767	287,549	299,718
Operation and Maintenance of Plant	3,188,596	3,422,885	3,776,192	3,949,268
Pupil Transportation	2,700,384	2,991,475	3,258,231	3,490,934
Central	299,018	348,821	437,407	469,215
Operation of Non-Instructional Services	607,217	835,474	760,088	777,482
Operation of Food Services	1,318,533	1,383,071	1,386,551	1,373,576
Extracurricular Activities	856,680	928,390	886,853	971,326
Interest and Fiscal Charges	1,453,624	1,096,586	1,161,101	1,249,576
<i>Total Expenses</i>	<u>39,703,571</u>	<u>42,864,976</u>	<u>44,357,491</u>	<u>47,189,306</u>
Program Revenues				
Charges for Services and Sales				
Regular Instruction	205,392	466,294	338,402	251,613
Special Instruction	249,760	0	0	0
Student Intervention Services	0	0	0	0
Pupil Support	1,733	586	353	0
Administration	0	0	145	45
Fiscal	0	0	90	48
Business	57,500	0	0	0
Operation and Maintenance of Plant	0	59,358	50,344	66,496
Pupil Transportation	0	0	2,073	1,068
Operation of Non-Instructional Services	1,058,187	1,125,999	1,176,372	1,162,798
Extracurricular Activities	184,324	228,083	228,596	216,673
Operating Grants and Contributions	1,809,757	2,097,894	2,186,617	2,155,796
Capital Grants and Contributions	21,489	153,862	61,179	46,019
<i>Total Program Revenues</i>	<u>3,588,142</u>	<u>4,132,076</u>	<u>4,044,171</u>	<u>3,900,556</u>
Net Expense	<u>(36,115,429)</u>	<u>(38,732,900)</u>	<u>(40,313,320)</u>	<u>(43,288,750)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	29,363,757	27,467,331	28,267,848	29,852,874
Debt Service	2,747,051	2,434,371	2,622,996	2,621,799
Capital Outlay	858,498	801,374	873,788	938,459
Grants and Entitlements not				
Restricted to Specific Programs	9,707,794	9,539,711	9,475,185	9,734,777
Investment Earnings	76,094	236,072	516,550	855,268
Gain on Sale of Capital Assets	37,000	0	44	3,000
Miscellaneous	202,237	104,187	89,824	103,302
<i>Total General Revenues</i>	<u>42,992,431</u>	<u>40,583,046</u>	<u>41,846,235</u>	<u>44,109,479</u>
<i>Change in Net Position</i>	<u>\$6,877,002</u>	<u>\$1,850,146</u>	<u>\$1,532,915</u>	<u>\$820,729</u>

2008	2009	2010	2011	2012	2013
\$21,558,320	\$22,398,158	\$21,810,291	\$24,299,175	\$26,138,639	\$25,854,788
4,835,486	4,129,027	4,401,022	3,270,125	3,273,352	3,515,628
194,028	193,977	210,031	208,884	208,167	117,329
0	1,672,402	1,914,412	1,143,484	1,191,607	1,137,695
2,490,528	2,611,154	2,598,723	2,906,588	2,841,655	3,022,582
2,974,945	2,295,479	1,944,788	2,966,901	2,698,007	2,591,553
38,657	27,253	37,330	85,366	37,533	42,802
3,574,520	3,431,405	3,466,191	2,631,576	4,371,516	3,451,156
1,048,878	1,093,106	1,137,626	1,084,082	1,323,210	1,268,445
325,633	339,281	314,186	341,468	357,023	350,442
4,002,858	4,067,791	3,323,518	3,729,890	3,931,841	4,027,974
3,540,389	3,093,446	3,303,329	3,522,509	3,527,949	3,631,902
578,689	613,370	503,859	531,003	580,206	601,508
856,858	742,839	832,087	807,799	818,483	1,070,930
1,492,421	1,442,093	1,336,266	1,299,213	1,254,636	1,141,926
975,997	976,880	1,009,845	2,118,498	1,063,664	1,191,528
1,131,121	1,122,733	1,266,086	1,105,884	502,662	834,421
<u>49,619,328</u>	<u>50,250,394</u>	<u>49,409,590</u>	<u>52,052,445</u>	<u>54,120,150</u>	<u>53,852,609</u>
418,480	308,774	424,291	456,677	672,384	699,589
0	0	0	0	0	0
0	16,058	18,775	19,636	29,332	27,423
0	0	0	0	0	0
0	0	0	357,218	9,934	1,048
0	0	0	0	0	0
0	0	0	0	0	0
68,309	57,433	175,476	84,682	84,265	98,567
0	0	33,500	1,248	8,977	31,378
1,170,607	1,166,919	968,240	1,024,855	1,011,191	819,618
245,313	402,090	406,526	524,783	249,864	447,404
2,160,289	2,791,285	3,631,781	3,470,946	2,681,759	2,683,068
75,317	25,460	170,412	634,617	208,179	314,693
<u>4,138,315</u>	<u>4,768,019</u>	<u>5,829,001</u>	<u>6,574,662</u>	<u>4,955,885</u>	<u>5,122,788</u>
<u>(45,481,013)</u>	<u>(45,482,375)</u>	<u>(43,580,589)</u>	<u>(45,477,783)</u>	<u>(49,164,265)</u>	<u>(48,729,821)</u>
31,273,337	30,527,173	32,022,770	34,607,536	36,765,860	35,512,106
2,558,605	2,034,569	1,688,528	1,727,765	1,769,762	1,643,245
998,619	984,472	888,699	909,349	957,318	919,978
10,435,570	10,759,786	10,896,050	11,273,655	10,755,927	10,352,797
814,931	481,638	160,026	66,759	62,955	2,574
358,462	5,534	9,850	0	0	0
179,473	195,241	324,058	229,778	177,206	186,824
<u>46,618,997</u>	<u>44,988,413</u>	<u>45,989,981</u>	<u>48,814,842</u>	<u>50,489,028</u>	<u>48,617,524</u>
<u>\$1,137,984</u>	<u>(\$493,962)</u>	<u>\$2,409,392</u>	<u>\$3,337,059</u>	<u>\$1,324,763</u>	<u>(\$112,297)</u>

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

	2004	2005	2006	2007
General Fund				
Nonspendable	n/a	n/a	n/a	n/a
Committed	n/a	n/a	n/a	n/a
Assigned	n/a	n/a	n/a	n/a
Unassigned	n/a	n/a	n/a	n/a
Reserved	\$5,267,827	\$4,076,588	\$3,307,757	\$4,236,611
Unreserved (Deficit)	(407,775)	884,649	2,045,734	1,426,330
Total General Fund	4,860,052	4,961,237	5,353,491	5,662,941
All Other Governmental Funds				
Nonspendable	n/a	n/a	n/a	n/a
Restricted	n/a	n/a	n/a	n/a
Committed	n/a	n/a	n/a	n/a
Unassigned (Deficit)	n/a	n/a	n/a	n/a
Reserved	953,271	1,155,733	793,273	955,911
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	354,312	155,988	322,889	380,916
Debt Service Funds	2,307,768	2,776,408	3,017,612	3,241,776
Capital Projects Funds (Deficit)	(161,003)	(521,989)	(225,506)	(336,647)
Total All Other Governmental Funds	3,454,348	3,566,140	3,908,268	4,241,956
Total Governmental Funds	\$8,314,400	\$8,527,377	\$9,261,759	\$9,904,897

Note: The School District implemented GASB 54 in fiscal year 2011.



2008	2009	2010	2011	2012	2013
n/a	n/a	\$83,939	\$78,249	\$75,296	\$74,520
n/a	n/a	0	0	0	0
n/a	n/a	120,158	256,044	1,922,864	1,928,311
n/a	n/a	6,916,785	9,795,541	8,634,130	8,568,401
\$4,502,522	\$5,882,948	n/a	n/a	n/a	n/a
1,061,446	(748,015)	n/a	n/a	n/a	n/a
5,563,968	5,134,933	7,120,882	10,129,834	10,632,290	10,571,232
n/a	n/a	0	0	81,441	100,318
n/a	n/a	5,253,779	7,526,152	5,450,520	5,255,079
n/a	n/a	1,200	1,200	1,200	1,200
n/a	n/a	(510,115)	(21,126)	(229,556)	(187,283)
703,953	855,885	n/a	n/a	n/a	n/a
369,398	366,085	n/a	n/a	n/a	n/a
3,441,305	3,225,464	n/a	n/a	n/a	n/a
(459,998)	(15,108)	n/a	n/a	n/a	n/a
4,054,658	4,432,326	4,744,864	7,506,226	5,303,605	5,169,314
\$9,618,626	\$9,567,259	\$11,865,746	\$17,636,060	\$15,935,895	\$15,740,546

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

	2004	2005	2006	2007
Revenues				
Property Taxes	\$32,761,249	\$29,811,003	\$31,621,162	\$33,415,877
Intergovernmental	11,440,394	11,619,390	11,570,058	11,818,103
Interest	79,545	245,241	525,868	864,152
Tuition and Fees	557,370	332,735	305,125	381,057
Extracurricular Activities	182,504	225,983	227,206	215,637
Contributions and Donations	95,195	162,908	123,105	109,605
Charges for Services	1,088,120	1,154,091	1,203,212	1,240,255
Rentals	57,500	59,358	51,989	58,872
Miscellaneous	202,237	104,187	89,824	103,302
<i>Total Revenues</i>	<u>46,464,114</u>	<u>43,714,896</u>	<u>45,717,549</u>	<u>48,206,860</u>
Expenditures				
Current:				
Instruction:				
Regular	16,937,356	17,952,372	18,458,518	19,290,075
Special	3,322,726	3,590,761	3,877,343	4,515,969
Vocational	92,605	182,888	168,184	186,400
Student Intervention Services	0	0	0	0
Support Services:				
Pupil	1,881,898	2,051,487	2,161,006	2,356,571
Instructional Staff	2,371,198	2,803,076	2,631,753	3,027,227
Board of Education	27,367	32,209	32,661	35,706
Administration	2,646,460	2,732,941	2,809,307	3,054,205
Fiscal	884,703	927,855	995,258	950,820
Business	279,716	299,538	286,639	297,493
Operation and Maintenance of Plant	2,959,316	3,345,796	3,569,376	3,548,421
Pupil Transportation	2,393,572	2,625,312	2,812,288	2,965,680
Central	294,075	330,191	418,949	452,042
Operation of Non-Instructional Services	645,440	819,413	771,554	761,606
Operation of Food Services	1,283,994	1,343,360	1,313,791	1,299,759
Extracurricular Activities	826,667	915,181	931,901	954,755
Capital Outlay	1,255,125	1,242,520	1,025,493	1,247,094
Debt Service:				
Principal Retirement	1,435,000	1,480,000	1,935,000	1,930,000
Interest and Fiscal Charges	845,566	828,558	788,646	693,899
Capital Appreciation Bonds Interest	348,943	0	0	0
Bond Issuance Costs	0	198,293	0	0
<i>Total Expenditures</i>	<u>40,731,727</u>	<u>43,701,751</u>	<u>44,987,667</u>	<u>47,567,722</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>5,732,387</u>	<u>13,145</u>	<u>729,882</u>	<u>639,138</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	37,000	0	4,500	4,000
General Obligation Bonds Issued	0	14,424,974	0	0
Certificate of Participation Issued	0	0	0	0
Premium on General Obligation Bonds Issued	0	2,120,721	0	0
Discount on Certificate of Participation Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	(16,345,863)	0	0
Transfers In	35,500	80,500	155,500	147,000
Transfers Out	(35,500)	(80,500)	(155,500)	(147,000)
<i>Total Other Financing Sources (Uses)</i>	<u>37,000</u>	<u>199,832</u>	<u>4,500</u>	<u>4,000</u>
<i>Net Change in Fund Balances</i>	<u>\$5,769,387</u>	<u>\$212,977</u>	<u>\$734,382</u>	<u>\$643,138</u>
<i>Debt Service as a Percentage of</i>				
<i>Noncapital Expenditures</i>	6.66%	5.90%	6.20%	5.61%

2008	2009	2010	2011	2012	2013
\$34,205,019	\$33,945,326	\$34,620,543	\$38,483,074	\$37,940,035	\$38,278,727
12,556,835	13,459,733	14,582,445	14,834,568	13,314,136	13,075,221
820,943	481,638	160,026	66,759	62,955	2,574
322,892	305,695	347,196	319,092	438,848	634,336
241,921	397,324	554,175	534,062	515,033	567,866
108,329	116,798	115,798	544,650	331,729	275,337
1,278,303	1,175,407	1,078,024	1,025,353	1,016,198	823,515
62,488	53,711	68,603	593,633	92,960	99,194
179,473	195,241	324,058	229,778	177,206	186,824
49,776,203	50,130,873	51,850,868	56,630,969	53,889,100	53,943,594
20,407,395	21,503,101	21,295,590	23,738,921	24,403,267	24,728,691
4,735,179	4,067,766	4,304,154	3,122,539	3,207,668	3,395,416
179,747	196,590	192,427	195,579	197,782	128,772
0	1,600,301	1,901,290	1,138,060	1,189,179	1,233,551
2,469,230	2,544,283	2,542,093	2,830,579	2,833,344	2,969,569
2,928,773	2,253,825	1,964,190	2,874,452	2,713,289	2,553,383
38,657	27,253	37,330	85,366	37,533	42,802
3,292,509	3,305,585	3,333,173	3,898,949	3,655,960	3,338,971
1,026,711	1,058,988	1,134,329	1,154,314	1,229,812	1,258,659
317,103	334,570	310,387	335,207	354,056	344,756
3,638,912	3,579,539	3,239,354	3,597,065	3,488,977	3,837,123
3,029,463	2,802,742	3,361,002	3,106,555	3,273,926	3,744,611
557,250	597,043	485,603	509,548	563,885	577,848
915,948	764,229	721,145	703,028	749,770	987,494
1,408,263	1,375,593	1,330,059	1,301,456	1,251,036	1,144,729
967,013	966,033	994,174	1,053,701	1,041,968	1,139,803
1,828,259	647,255	582,324	2,208,190	3,497,902	662,371
1,241,594	1,243,984	525,137	165,697	1,380,000	1,435,000
628,495	567,299	534,382	522,684	519,911	633,194
728,406	751,016	774,863	1,214,303	0	0
0	0	0	129,697	0	0
50,338,907	50,186,995	49,563,006	53,885,890	55,589,265	54,156,743
(562,704)	(56,122)	2,287,862	2,745,079	(1,700,165)	(213,149)
276,433	4,755	10,625	0	0	17,800
0	0	0	0	0	0
0	0	0	3,070,000	0	0
0	0	0	0	0	0
0	0	0	(44,765)	0	0
0	0	0	0	0	0
147,000	225,000	226,000	158,000	118,000	118,000
(147,000)	(225,000)	(226,000)	(158,000)	(118,000)	(118,000)
276,433	4,755	10,625	3,025,235	0	17,800
(\$286,271)	(\$51,367)	\$2,298,487	\$5,770,314	(\$1,700,165)	(\$195,349)
5.30%	5.15%	3.80%	3.76%	3.51%	3.85%

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

Collection Year	Real Property			Estimated Actual Value	Tangible
	Assessed Value				General
	Residential/ Agricultural	Commercial/ Industrial	Total		Assessed Value
2004	\$714,571,850	\$136,287,030	\$850,858,880	\$2,431,025,371	\$28,710,170
2005	750,490,800	138,749,800	889,240,600	2,540,687,429	25,647,714
2006	790,921,970	140,998,620	931,920,590	2,662,630,257	29,503,890
2007	892,068,420	157,094,370	1,049,162,790	2,997,607,971	23,533,932
2008	906,951,690	160,657,050	1,067,608,740	3,050,310,686	7,052,513
2009	893,437,546	173,990,824	1,067,428,370	3,049,795,343	3,526,257
2010	860,369,751	167,551,099	1,027,920,850	2,936,916,714	0
2011	885,827,130	148,183,220	1,034,010,350	2,954,315,286	0
2012	890,386,710	149,838,910	1,040,225,620	2,972,073,200	0
2013	1,010,561,140	41,436,537	1,051,997,677	3,005,707,649	0

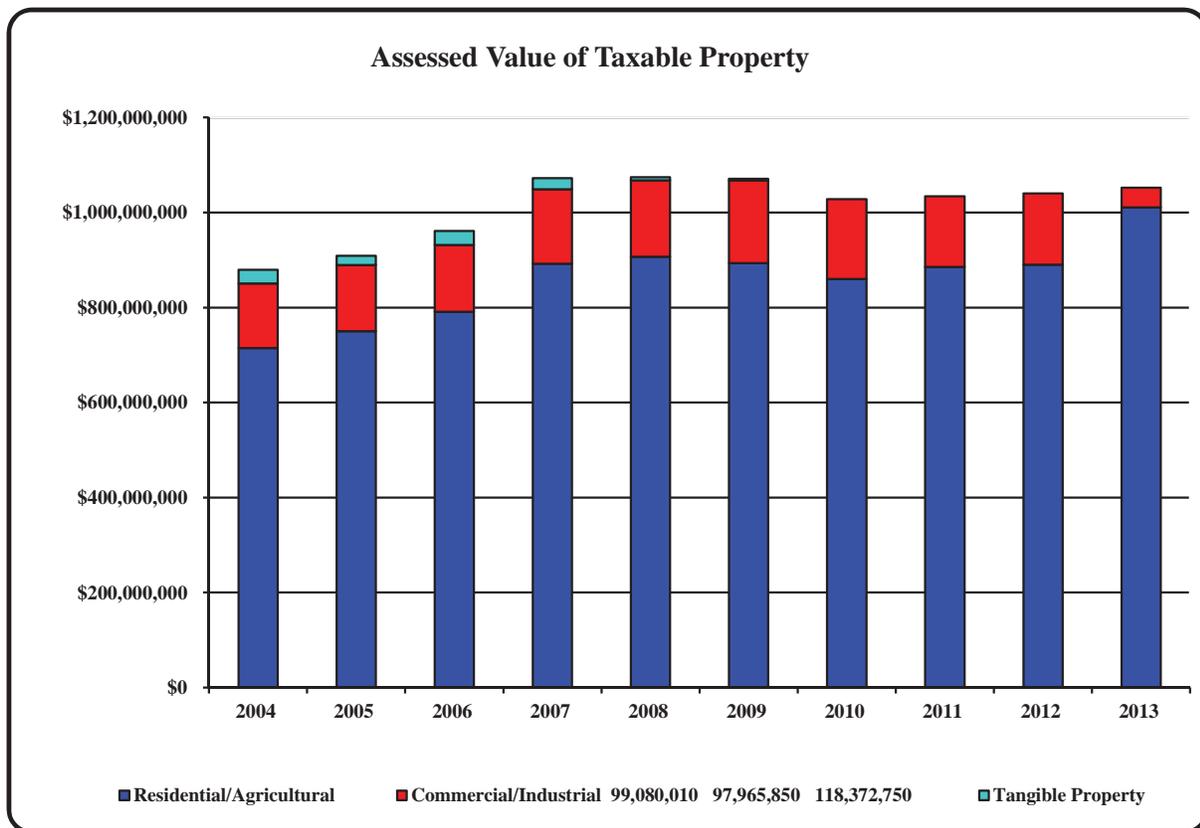
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories.

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

Source: Office of the County Fiscal Officer, Cuyahoga County, Ohio

Personal Property	Tangible Personal Property		Total		
Business	Public Utility				
Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Weighted Average Tax Rate
\$124,826,826	\$20,459,520	\$23,249,455	\$900,028,570	\$2,579,101,652	\$38.37126
111,511,800	19,944,270	22,663,943	934,832,584	2,674,863,172	37.82423
157,354,080	17,260,620	19,614,341	978,685,100	2,839,598,678	37.11332
188,271,456	17,952,160	20,400,182	1,090,648,882	3,206,279,609	35.65467
112,840,208	14,318,510	16,271,034	1,088,979,763	3,179,421,928	34.99258
56,420,104	15,178,170	17,247,920	1,086,132,797	3,123,463,367	28.11395
0	16,176,820	18,382,750	1,044,097,670	2,955,299,464	27.87710
0	17,182,820	19,525,932	1,051,193,170	2,973,841,218	35.78715
0	17,900,300	20,341,250	1,058,125,920	2,992,414,450	35.72622
0	19,486,420	22,143,659	1,071,484,097	3,027,851,308	36.27247



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

	2004	2005	2006	2007
Unvoted Millage				
Operating	\$6.000000	\$6.000000	\$6.000000	\$6.000000
Voted Millage - by levy				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	13.092800	13.101000	13.104600	13.161000
Commercial/Industrial	12.862200	12.865000	12.947600	12.899900
Tangible/Public Utility Personal	36.100000	36.100000	36.100000	36.100000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.058600	1.056200	1.055100	1.038100
Commercial/Industrial	1.140300	1.139400	1.146700	1.128200
Tangible/Public Utility Personal	2.500000	2.500000	2.500000	2.500000
1987 Bond (\$7,750,000)	0.800000	0.800000	0.900000	0.700000
1988 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	0.848600	0.842900	0.840400	0.800800
Commercial/Industrial	0.997600	0.995700	1.002100	0.971900
Tangible/Public Utility Personal	1.500000	1.500000	1.500000	1.500000
1994 Bond (\$24,000,000)	2.300000	2.200000	2.100000	2.000000
1995 Emergency (\$2,900,000) (1)	3.400000	3.300000	0.000000	0.000000
1996 Emergency (\$3,795,000) (2)	4.400000	4.300000	0.000000	0.000000
2002 Emergency (\$4,395,000)	5.100000	5.000000	4.700000	4.400000
2005 Emergency (\$6,695,000)	0.000000	0.000000	7.200000	6.600000
2007 Emergency (\$4,395,000)	0.000000	0.000000	0.000000	0.000000
2009 Emergency (\$6,700,000)	0.000000	0.000000	0.000000	0.000000
2010 Emergency (\$6,695,000)	0.000000	0.000000	0.000000	0.000000
Total Effective Voted Millage by type of property				
Residential/Agricultural	\$31.000000	\$30.600100	\$29.900100	\$28.699900
Commercial/Industrial	31.000100	30.600100	29.996400	28.700000
Tangible/Public Utility Personal	56.100000	55.700000	55.000000	53.800000
Total Effective Millage by type of property				
Residential/Agricultural	\$37.000000	\$36.600100	\$35.900100	\$34.699900
Commercial/Industrial	37.000100	36.600100	35.996400	34.700000
Tangible/Public Utility Personal	62.100000	61.700000	61.000000	59.800000
Total Weighted Average Tax Rate	\$38.371260	\$37.824230	\$37.113320	\$35.654670

2008	2009	2010	2011	2012	2013
<u>\$6.000000</u>	<u>\$6.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$5.000000</u>
\$13.161400	\$13.161600	\$13.816300	\$13.810000	\$13.830000	\$14.260113
12.899900	13.248100	13.283900	13.230000	13.267700	13.682405
36.100000	36.100000	36.100000	36.100000	36.100000	36.100000
1.038000	1.038000	1.089600	1.089100	1.090700	1.124612
1.128200	1.158700	1.161800	1.157100	1.160400	1.196637
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
0.500000	0.800000	0.000000	0.000000	0.000000	0.000000
0.800600	0.800500	0.840300	0.839900	0.841100	0.867268
0.971900	0.998100	1.000800	0.996800	0.999600	1.030854
1.500000	1.500000	1.500000	1.500000	1.500000	1.500000
2.000000	1.100000	1.900000	1.900000	1.800000	1.800000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
6.600000	6.500000	0.000000	0.000000	0.000000	0.000000
4.400000	4.300000	4.400000	4.400000	4.400000	4.400000
0.000000	0.000000	6.700000	6.700000	6.700000	6.700000
0.000000	0.000000	0.000000	6.700000	6.700000	6.700000
<u>\$28.500000</u>	<u>\$27.700100</u>	<u>\$28.746200</u>	<u>\$35.439000</u>	<u>\$35.361800</u>	<u>\$35.851993</u>
28.500000	28.104900	28.446500	35.083900	35.027700	35.509896
<u>53.600000</u>	<u>52.800000</u>	<u>53.100000</u>	<u>59.800000</u>	<u>59.700000</u>	<u>59.700000</u>
<u>\$34.500000</u>	<u>\$33.700100</u>	<u>\$33.746200</u>	<u>\$40.439000</u>	<u>\$40.361800</u>	<u>\$40.851993</u>
34.500000	34.104900	33.446500	40.083900	40.027700	40.509896
<u>59.600000</u>	<u>58.800000</u>	<u>58.100000</u>	<u>64.800000</u>	<u>64.700000</u>	<u>64.700000</u>
<u>\$34.992580</u>	<u>\$28.113945</u>	<u>\$27.877095</u>	<u>\$35.787148</u>	<u>\$35.726218</u>	<u>\$36.272472</u>

(continued)

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

	2004	2005	2006	2007
Overlapping Rates by Taxing District				
City of North Royalton				
Effective Millage Rates				
Residential/Agricultural	\$6.139900	\$6.131600	\$6.120300	\$5.774100
Commercial/Industrial	6.625000	6.596800	6.625300	6.465800
Tangible/Public Utility Personal	8.200000	8.200000	8.200000	8.200000
City of Broadview Heights				
Effective Millage Rates				
Residential/Agricultural	6.343900	6.330900	6.326500	6.272500
Commercial/Industrial	6.956500	6.953400	6.953200	6.817300
Tangible/Public Utility Personal	9.400000	9.400000	9.400000	9.400000
Cuyahoga County				
Effective Millage Rates				
Residential/Agricultural	13.442800	13.424600	14.172700	14.351600
Commercial/Industrial	14.736300	14.662400	15.281400	15.171600
Tangible/Public Utility Personal	16.450000	16.450000	16.450000	16.350000
Cuyahoga County Library				
Effective Millage Rates				
Residential/Agricultural	1.159300	1.993100	1.993500	1.809300
Commercial/Industrial	1.171500	1.989200	2.000000	1.876400
Tangible/Public Utility Personal	1.400000	2.000000	2.000000	2.000000
Cuyahoga Valley JVSD				
Effective Millage Rates				
Residential/Agricultural	2.000000	2.000000	2.000000	2.000000
Commercial/Industrial	2.000000	2.000000	2.000000	2.000000
Tangible/Public Utility Personal	2.000000	2.000000	2.000000	2.000000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	1.166100	1.845700	1.846500	1.671500
Commercial/Industrial	1.316600	1.839700	1.850000	1.718700
Tangible/Public Utility Personal	1.550000	1.850000	1.850000	1.850000

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

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

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

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

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

Source: Ohio Department of Taxation

Rate: Emergency and Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, the fixed amount is generated.

2008	2009	2010	2011	2012	2013
\$5.770800	\$5.769800	\$5.911700	\$5.912900	\$5.917500	\$6.045118
6.468300	6.591400	6.621000	6.609600	6.621800	6.769300
8.200000	8.200000	8.200000	8.200000	8.200000	8.200000
6.273100	6.273770	6.315657	6.315265	6.316400	7.325470
6.814700	6.817285	6.800420	6.787837	6.786000	7.796454
9.400000	9.400000	9.400000	9.400000	9.400000	10.400000
14.355800	15.150600	13.178900	13.186600	13.118200	13.220000
15.121000	15.489300	12.845700	12.841200	12.784600	12.996761
16.350000	16.250000	13.320000	13.320000	13.220000	13.220000
1.808600	2.500000	2.500000	2.500000	2.500000	2.500000
1.871900	2.500000	2.500000	2.500000	2.500000	2.500000
2.000000	2.500000	2.500000	2.500000	2.500000	2.500000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
1.672000	1.669800	1.806800	1.810600	1.818800	1.850000
1.712500	1.717100	1.724900	1.724300	1.735400	1.791705
1.850000	1.850000	1.850000	1.850000	1.850000	1.850000

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2003	\$36,339,103	\$32,846,659	90.39%	\$1,015,315	\$33,861,974	93.18%
2004	36,868,413	34,061,837	92.39	886,993	34,948,830	94.79
2005	37,663,289	35,455,548	94.14	900,530	36,356,078	96.53
2006	38,967,809	35,586,595	91.32	697,313	36,283,908	93.11
2007	38,310,937	36,802,765	96.06	971,671	37,774,436	98.60
2008	37,443,566	36,204,256	96.69	822,499	37,026,755	98.89
2009	43,410,682	42,242,926	97.31	964,940	43,207,866	99.53
2010	43,986,984	42,879,026	97.48	835,684	43,714,710	99.38
2011	44,113,787	42,901,802	97.25	1,901,574	44,803,376	101.56
2012	43,594,921	42,101,571	96.57	907,309	43,008,880	98.66

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2013 information cannot be presented because all collections have not been made by June 30, 2013.
- (3) The County current system does not track delinquent tax collections by tax year in total. This presentation will be updated as new information becomes available.
- (4) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and deletions which are brought on in one lump sum. Penalties and interest are included, since by Ohio Law they become part of the tax obligation.

North Royalton City School District

Principal Taxpayers

Real Estate Tax

2013 and 2004

Name of Taxpayer	2013	
	Assessed Value	Percent of Real Property Assessed Value
Spruce Lake, LTD	\$7,409,400	0.70 %
Hampton Club Company	7,305,110	0.69
JVM Royal Oaks Apartments	6,466,710	0.61
JVM Dover Farms Apartments	5,486,260	0.52
I & J Associates, LTD	3,506,940	0.33
Deer Creek Apt. LTD	3,143,150	0.30
Oak Brook Garden Apartments	2,836,790	0.27
Pine Forest Apartments	2,815,860	0.27
MCI Telecommunications	2,788,280	0.27
North Royalton Ohio Property, LLC	2,679,910	0.25
Total	\$44,438,410	4.22 %
Total Real Estate Assessed Valuation	\$1,051,997,677	
Name of Taxpayer	2004	
	Assessed Value	Percent of Real Property Assessed Value
Spruce Lake, LTD	\$8,209,640	0.96 %
CAPREIT Royalton	6,603,970	0.78
MCI Communications Corporation	5,427,490	0.64
M & J - Dover Farms Apartments	5,373,030	0.63
I & J Associates, LTD	3,811,680	0.45
Deer Creek Apartments, LTD	3,776,990	0.44
Oak Brook Garden Apartments	3,670,280	0.43
Pine Forest Apartments	3,514,740	0.41
Spartan House, LTD	3,088,650	0.36
Pulte Homes	2,699,040	0.33
Total	\$46,175,510	5.43 %
Total Real Estate Assessed Valuation	\$850,858,880	

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

North Royalton City School District

Principal Taxpayers

Public Utilities Tax

2013 and 2004

Name of Taxpayer	2013	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$14,536,840	74.60 %
Columbia Gas of Ohio, Inc.	2,423,990	12.44
American Transmission System	1,159,550	5.95
Total	\$18,120,380	92.99 %
Total Public Utility Valuation	\$19,486,420	
Name of Taxpayer	2004	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$9,508,380	46.47 %
Ohio Bell Telephone Company	4,199,310	20.52
Columbia Gas of Ohio	1,424,960	6.97
Total	\$15,132,650	73.96 %
Total Public Utility Valuation	\$20,459,520	

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

North Royalton City School District

Computation of Direct and Overlapping

Governmental Activities Debt

December 31, 2013

	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
North Royalton			
City School District			
General Obligation Bonds	\$12,135,528	100.00%	\$12,135,528
Certificates of Participation	<u>2,973,219</u>	100.00	<u>2,973,219</u>
Total Direct	<u>15,108,747</u>	100.00	<u>15,108,747</u>
Overlapping:			
City of North Royalton			
General Obligation Bonds	13,472,757	98.56	13,278,749
Special Assessment Bonds	1,268,243	98.56	1,249,980
Police and Fire Pension	114,379	98.56	112,732
OPWC Loans	339,378	98.56	334,491
City of Broadview Heights			
General Obligation Bonds	4,105,635	24.70	1,014,092
Special Assessment Bonds	2,087,490	24.70	515,610
OWDA Loans	1,012,313	24.70	250,041
Revolving Loan	35,856	24.70	8,856
OPWC Loans	130,000	24.70	32,110
Cuyahoga County			
General Obligation Bonds	346,787,828	3.05	10,577,029
Capital Lease Obligations	16,248,778	3.05	495,588
Loans Payable	7,269,902	3.05	221,732
Regional Transit Authority			
General Obligation Bonds	161,381,003	3.05	4,922,121
Capital Lease Obligation	<u>17,793,437</u>	3.05	<u>542,700</u>
Total Overlapping	<u>572,046,999</u>		<u>33,555,830</u>
Total	<u><u>\$587,155,746</u></u>		<u><u>\$48,664,577</u></u>

Source: Office of the Fiscal Officer, Cuyahoga County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2013 collection year.

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

Fiscal Year	General Bonded Debt			Other General Debt
	General Bonded Debt (1)	Ratio of Bonded Debt to Estimated Actual Value (2)	Bonded Debt per Capita (3)	Certificates of Participation
2004	\$22,455,319	0.87 %	\$784	\$0
2005	21,469,751	0.80	749	0
2006	19,898,979	0.70	695	0
2007	18,398,102	0.57	642	0
2008	16,916,326	0.53	590	0
2009	15,462,270	0.50	540	0
2010	14,806,925	0.50	517	0
2011	16,997,212	0.57	558	0
2012	12,768,835	0.43	419	3,070,000
2013	12,135,528	0.40	399	3,015,000

- (1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.
- (2) The Estimated Actual Value can be found on S10-S11
- (3) The population can be found on S24
- (4) The personal income can be found on S24

Source: Office of the Treasurer, North Royalton City School District, Cuyahoga County Fiscal Officer and the U.S Census Bureau

Total Debt	Ratio of General Debt to Personal Income (4)	General Debt per Capita (3)
\$22,455,319	2.95 %	\$783.84
21,469,751	2.82	749.43
19,898,979	2.61	694.60
18,398,102	2.41	642.21
16,916,326	2.22	590.49
15,462,270	2.03	539.73
14,806,925	1.94	516.86
16,997,212	1.75	558.31
15,838,835	1.63	520.26
15,150,528	1.56	497.65

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

	2004	2005	2006 (1)	2007 (1)
Residential/Agricultural Real Property	\$712,168,883	\$744,294,382	\$780,017,534	\$878,149,255
Commercial/Industrial Real Property	138,689,997	144,946,218	151,903,056	171,013,535
Tangible Personal Property	28,710,170	25,647,714	29,503,890	23,533,932
Public Utility Tangible	20,459,520	19,944,270	17,260,620	17,952,160
Less: Rail Road and Telephone Tangible Property	0	0	(33,657,710)	(27,632,182)
Assessed Valuation	<u>\$900,028,570</u>	<u>\$934,832,584</u>	<u>\$945,027,390</u>	<u>\$1,063,016,700</u>
Debt Limit - 9% of Assessed Value (2)	\$81,002,571	\$84,134,933	\$85,052,465	\$95,671,503
Amount of Debt Outstanding				
General Obligation Bonds	20,571,066	19,454,079	17,895,689	15,965,689
Certificates of Participation	0	0	0	0
Less Amount Available in Debt Service	<u>(2,782,034)</u>	<u>(3,130,487)</u>	<u>(3,282,793)</u>	<u>(3,546,596)</u>
Total	17,789,032	16,323,592	14,612,896	12,419,093
Exemptions:				
Certificates of Participation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>17,789,032</u>	<u>16,323,592</u>	<u>14,612,896</u>	<u>12,419,093</u>
Overall Debt Margin	<u>\$63,213,539</u>	<u>\$67,811,341</u>	<u>\$70,439,569</u>	<u>\$83,252,410</u>
Legal Debt Margin as a Percentage of Debt Limit	78.04%	80.60%	82.82%	87.02%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$900,029	\$934,833	\$945,027	\$1,063,017
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$900,029</u>	<u>\$934,833</u>	<u>\$945,027</u>	<u>\$1,063,017</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: Cuyahoga County Fiscal Officer and School District Financial Records

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

2008 (1)	2009 (1)	2010	2011	2012	2013
\$893,588,515	\$893,437,546	\$860,369,751	\$885,827,130	\$890,386,710	\$1,010,561,140
174,020,225	173,990,824	167,551,099	148,183,220	149,838,910	41,436,537
7,052,513	3,526,257	0	0	0	0
14,318,510	15,178,170	16,176,820	17,182,820	17,900,300	19,486,420
(10,089,603)	0	0	0	0	0
<u>\$1,078,890,160</u>	<u>\$1,086,132,797</u>	<u>\$1,044,097,670</u>	<u>\$1,051,193,170</u>	<u>\$1,058,125,920</u>	<u>\$1,071,484,097</u>
\$97,100,114	\$97,751,952	\$93,968,790	\$94,607,385	\$95,231,333	\$96,433,569
14,724,095	13,480,111	12,954,974	12,789,277	12,675,000	11,295,000
0	0	0	0	3,070,000	3,015,000
(3,763,757)	(3,225,464)	(3,635,223)	(3,735,956)	(3,747,744)	(3,728,727)
10,960,338	10,254,647	9,319,751	9,053,321	11,997,256	10,581,273
0	0	0	0	(3,070,000)	(3,015,000)
<u>10,960,338</u>	<u>10,254,647</u>	<u>9,319,751</u>	<u>9,053,321</u>	<u>8,927,256</u>	<u>7,566,273</u>
<u>\$86,139,776</u>	<u>\$87,497,305</u>	<u>\$84,649,039</u>	<u>\$85,554,064</u>	<u>\$86,304,077</u>	<u>\$88,867,296</u>
88.71%	89.51%	90.08%	90.43%	90.63%	92.15%
\$1,078,890	\$1,086,133	\$1,044,098	\$1,051,193	\$1,058,126	\$1,071,484
0	0	0	0	0	0
<u>\$1,078,890</u>	<u>\$1,086,133</u>	<u>\$1,044,098</u>	<u>\$1,051,193</u>	<u>\$1,058,126</u>	<u>\$1,071,484</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Year	Estimated Population	Total Personal Income	Personal Income Per Capita	Median Household Income	Median Age
2004	28,648	\$762,323,280	26,610	\$57,398	38.60
2005	28,648	762,323,280	26,610	57,398	38.60
2006	28,648	762,323,280	26,610	57,398	38.60
2007	28,648	762,323,280	26,610	57,398	38.60
2008	28,648	762,323,280	26,610	57,398	38.60
2009	28,648	762,323,280	26,610	57,398	38.60
2010	28,648	762,323,280	26,610	57,398	38.60
2011	30,444	971,194,044	31,901	61,954	38.60
2012	30,444	971,194,044	31,901	61,954	38.60
2013	30,444	971,194,044	31,901	61,954	38.60

Source: U.S. Census Bureau
2004-2010, 2000 Census
2011-2013, 2010 Census

1) Information includes only the City of North Royalton.

Median Value of Residential Property	Cuyahoga County Unemployment Rate	Total Assessed Property Value
\$175,000	6.6	\$900,028,570
175,000	6.6	934,832,584
175,000	9.6	978,685,100
175,000	6.3	1,090,648,882
175,000	7.4	1,088,979,763
175,000	10.2	1,086,132,797
175,000	9.7	1,044,097,670
199,200	8.6	1,051,193,170
199,200	8.2	1,058,125,920
199,200	8.0	1,071,484,097

North Royalton City School District
Principal Employers
December 31, 2011 and December 31, 2005 (1)

2011			
Employer	City	Nature of Business or Activity	Number of Employees
North Royalton City School District	North Royalton	Public Education	566
City of North Royalton	North Royalton	Government	230
Riser Foods Company	North Royalton	Grocery Store	180
Northeast Care Center Inc.	North Royalton	Residential/Habilitative Service for Disability	170
Commercial Drivers	North Royalton	Transportation	135
Diplomate Care	North Royalton	Nursing Home	100
Valley Tool & Die Inc.	North Royalton	Machine Fasteners	75
Royal Wire Products Inc.	North Royalton	Wire Products	65
Seneca Tape and Label, Inc.	North Royalton	Tape and Label Services	40
Krenz Krist	North Royalton	Metal Fabricatives	35
Total			<u>1,596</u>
Total Employment within the School District			<u>n/a</u>

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

Source: City of North Royalton, Ohio

(1) Information prior to 2005 is not available, and 2011 is the most current information available.

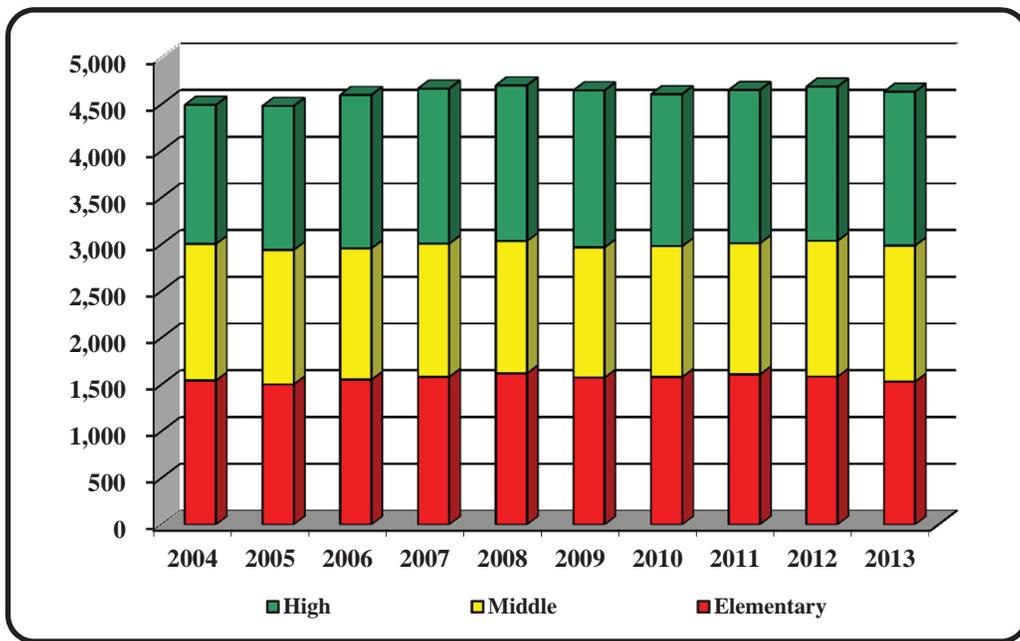
n/a - Information not available

North Royalton City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools (1)	Middle School	High School	Total
2004	1,543	1,460	1,488	4,491
2005	1,501	1,438	1,541	4,480
2006	1,551	1,404	1,644	4,599
2007	1,581	1,425	1,660	4,666
2008	1,618	1,416	1,667	4,701
2009	1,573	1,393	1,681	4,647
2010	1,580	1,399	1,628	4,607
2011	1,607	1,403	1,641	4,651
2012	1,583	1,453	1,651	4,687
2013	1,531	1,455	1,646	4,632



Source: North Royalton City School Records

(1) Enrollment includes Kindergarten students

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Albion Elementary School				
Constructed in 1955				
Total Building Square Footage	45,405	45,505	45,505	45,505
Enrollment Grades 1 - 4	396	372	365	382
Student Capacity	476	476	476	476
Regular Instruction Classrooms	20	18	18	18
Regular Instruction Teachers	20	18	18	18
Special Instruction Classrooms	3	3	3	3
Special Instruction Teachers	3	3	3	3
Royal View Elementary School				
Constructed in 1965				
Total Building Square Footage	48,460	48,460	48,460	48,460
Enrollment Grades 1 - 4	481	439	420	439
Student Capacity	525	525	525	525
Regular Instruction Classrooms	24	24	24	25
Regular Instruction Teachers	24	24	24	25
Special Instruction Classrooms	2	2	3	3
Special Instruction Teachers	2	2	3	3
Valley Vista Elementary School				
Constructed in 1959				
Total Building Square Footage	42,536	42,536	42,536	42,536
Enrollment Grades 1 - 4	338	380	403	430
Student Capacity	426	426	426	426
Regular Instruction Classrooms	18	19	18	18
Regular Instruction Teachers	18	19	18	18
Special Instruction Classrooms	2	2	2	2
Special Instruction Teachers	2	2	2	2
North Royalton Middle School				
Constructed in 1996				
Total Building Square Footage	242,400	242,400	242,400	242,400
Enrollment Grades 5 - 8	1,460	1,438	1,404	1,425
Student Capacity	1,300	1,300	1,300	1,300
Regular Instruction Classrooms	58	61	64	64
Regular Instruction Teachers	58	61	64	64
Special Instruction Classrooms	11	11	10	10
Special Instruction Teachers	11	11	10	10
High School				
Constructed in 1950				
Total Building Square Footage	260,900	260,900	260,900	260,900
Enrollment Grades 9 - 12	1,488	1,541	1,644	1,660
Student Capacity	1,480	1,480	1,480	1,480
Regular Instruction Classrooms	61	64	64	64
Regular Instruction Teachers	61	64	64	64
Special Instruction Classrooms	8	8	9	9
Special Instruction Teachers	8	8	9	9

Source: North Royalton City School District Records

Note: Kindergarten kids in Early Childhood Center located in four buildings rented from Broadview Heights.

2008	2009	2010	2011	2012	2013
45,405	45,405	45,405	45,405	45,405	45,405
390	398	389	407	437	382
476	476	476	476	476	476
18	18	18	18	18	18
18	18	18	18	18	18
3	3	3	3	3	3
3	3	3	3	3	3
48,460	48,460	48,460	48,460	48,460	48,460
445	440	470	446	441	414
525	525	525	525	525	525
25	25	25	25	25	25
25	25	25	25	25	25
3	3	3	3	3	3
3	3	3	3	3	3
42,536	42,536	42,536	42,536	42,536	42,536
423	424	396	393	390	421
426	426	426	426	426	426
18	18	18	18	18	18
18	18	18	18	18	18
2	2	2	2	2	2
2	2	2	2	2	2
242,400	242,400	242,400	242,400	242,400	242,400
1,416	1,393	1,399	1,403	1,453	1,455
1,300	1,300	1,300	1,300	1,300	1,300
64	64	64	64	64	64
10	64	64	64	64	64
10	10	10	10	10	10
10	10	10	10	10	10
260,900	260,900	260,900	260,900	260,900	260,900
1,667	1,681	1,628	1,641	1,651	1,646
1,480	1,480	1,480	1,480	1,480	1,480
64	64	64	64	64	64
64	64	64	64	64	64
9	9	9	9	9	9
9	9	9	9	9	9

North Royalton City School District

Per Pupil Cost

Last Ten Fiscal Years

Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
2004	4,491	1.42 %	\$38,102,218	\$8,484
2005	4,480	(0.24)	41,194,900	9,195
2006	4,599	2.66	42,264,021	9,190
2007	4,666	1.46	44,943,823	9,632
2008	4,701	0.75	47,740,412	10,155
2009	4,647	(1.15)	47,624,696	10,248
2010	4,607	(0.86)	47,728,624	10,360
2011	4,651	0.96	51,961,121	11,172
2012	4,687	0.77	53,689,354	11,455
2013	4,632	(1.17)	52,088,549	11,245

(1) Debt Service totals have been excluded.

Governmental Activities		Food Service Operations	
Total Expenses (1)	Per Pupil Cost	Number of Students Receiving Free or Reduced Lunch	Percentage of Free or Reduced Lunches to Total Enrollment
\$38,249,947	\$8,517	377	8.39%
41,768,390	9,323	394	8.79
43,196,390	9,393	429	9.33
45,939,730	9,846	433	9.28
48,488,207	10,314	557	11.85
49,127,661	10,572	460	9.90
48,143,504	10,450	807	17.52
50,946,561	10,954	N/A	N/A
53,617,488	11,440	N/A	N/A
53,018,188	11,446	N/A	N/A

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

Function/Program	2004	2005	2006	2007
Regular Instruction				
Elementary Classroom Teachers	76	75	76	82
Middle School Classroom Teachers	69	72	74	74
High School Classroom Teachers	67	70	71	73
Special Instruction				
Small Group Instructors	7	6	10	10
Elementary Classroom Teachers	9	10	12	13
Gifted Education Teachers	3	3	3	3
Middle School Classroom Teachers	11	11	10	10
High School Classroom Teachers	8	8	9	9
Vocational Instruction				
High School Classroom Teachers	2	2	2	2
Pupil Support Services				
Guidance Counselors	10	10	11	11
Media Specialists	4	4	2	4
Psychologists	5	6	6	6
Speech and Language Pathologists	4	4	4	5
Administrators				
Elementary	3	3	4	4
Middle School	3	3	3	3
High School	4	4	4	5
Districtwide	5	5	5	5
Total Certificated Staff	290	296	306	319
Support Staff				
Elementary Schools	63	70	72	74
Middle School	54	52	52	53
High School	51	51	54	54
Districtwide	75	72	77	75
Total Support Staff	243	245	255	256
Total Staffing	533	541	561	575

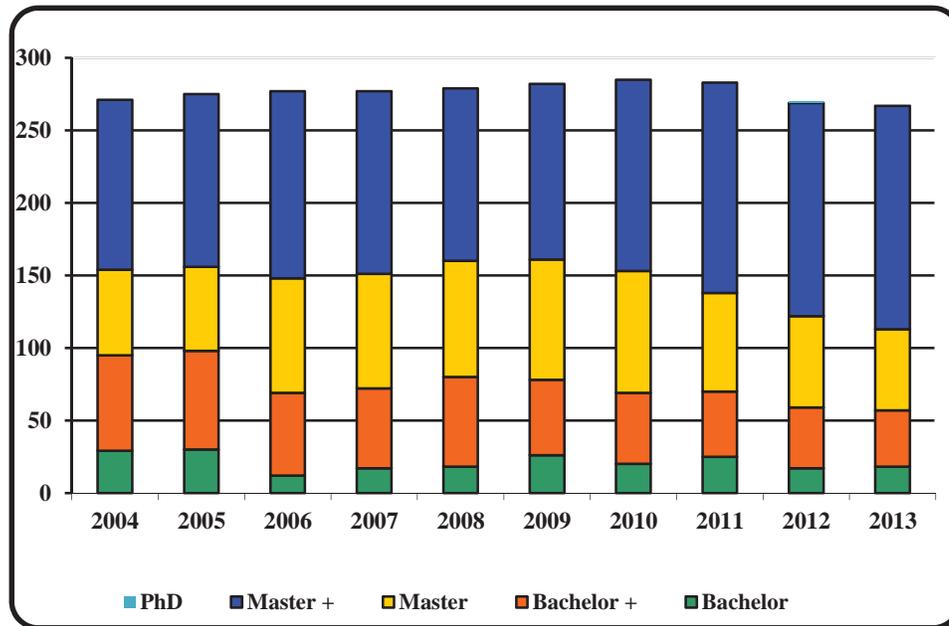
Method: Using 1.0 for each full-time employee at fiscal year end.

Source: North Royalton City School District Records

2008	2009	2010	2011	2012	2013
83	87	83	81	81	79
74	79	78	78	76	76
75	78	76	79	73	72
10	10	10	10	7	8
13	13	13	13	14	14
3	3	3	3	3	3
10	10	10	10	10	11
9	10	9	9	10	9
2	2	2	2	2	2
10	11	11	11	11	11
4	4	4	4	2	1
5	4	4	4	5	5
6	6	6	6	5	5
4	4	4	4	4	4
4	4	4	4	3	3
5	5	5	5	4	4
5	5	5	5	6	6
<u>322</u>	<u>335</u>	<u>327</u>	<u>328</u>	<u>316</u>	<u>313</u>
72	67	69	69	66	66
54	48	49	49	48	48
53	49	52	52	52	49
<u>77</u>	<u>79</u>	<u>84</u>	<u>84</u>	<u>84</u>	<u>84</u>
<u>256</u>	<u>243</u>	<u>254</u>	<u>254</u>	<u>250</u>	<u>247</u>
<u>578</u>	<u>578</u>	<u>581</u>	<u>582</u>	<u>566</u>	<u>560</u>

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

Degree	2004	2005	2006	2007
Bachelor	29	30	12	17
Bachelor +6	8	9	8	9
Bachelor +12	13	13	8	9
Bachelor +18	11	11	10	10
Bachelor +24	8	9	8	7
Bachelor +30	26	26	23	20
Master	59	58	79	79
Master +6	23	23	28	26
Master +12	45	46	45	45
Master +18	20	20	19	21
Master +24	6	7	8	6
Master +30	7	7	7	6
Master +36	4	4	10	8
Master +42	2	2	0	2
Master +48	10	10	12	12
PhD	0	0	0	0
Total	271	275	277	277



Source: School District Records

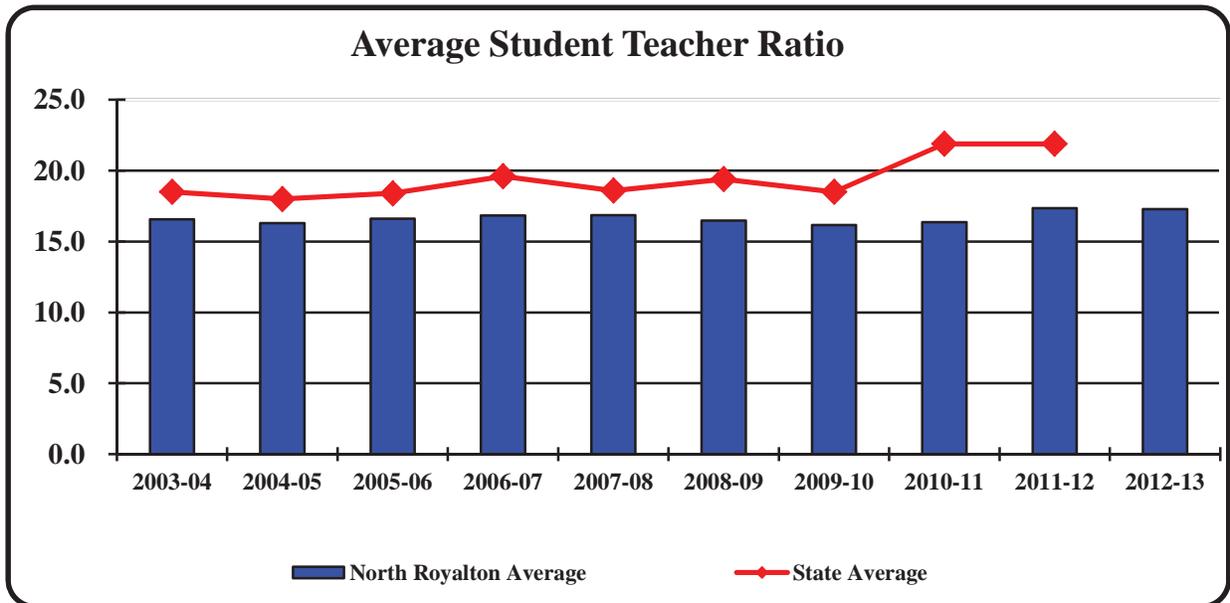
2008	2009	2010	2011	2012	2013
18	26	20	25	17	18
10	7	8	7	6	5
13	5	6	7	3	4
11	9	7	6	8	4
6	9	3	2	3	4
22	22	25	23	22	22
80	83	84	68	63	56
26	27	37	49	47	50
48	45	42	42	39	38
21	23	23	23	26	27
6	8	8	9	9	11
4	4	7	8	8	6
3	1	2	2	5	8
1	3	3	3	5	4
10	10	10	9	8	10
0	0	0	1	1	1
279	282	285	284	270	268

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

School Year	North Royalton Average	State Average
2003 - 2004	16.6	18.5
2004 - 2005	16.3	18.0
2005 - 2006	16.6	18.4
2006 - 2007	16.8	19.6
2007 - 2008	16.8	18.6
2008 - 2009	16.5	19.4
2009 - 2010	16.2	18.5
2010 - 2011	16.4	21.9
2011 - 2012	17.4	21.9
2012 - 2013	17.3	N/A

Source: Ohio Department of Education, EMIS Reports

N/A: Not Available



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Dave Yost • Auditor of State

NORTH ROYALTON CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 2, 2014**