

Mary Taylor, CPA
Auditor of State

**ROCKY RIVER CITY SCHOOL DISTRICT
LORAIN COUNTY**

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ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture					
<i>Passed Through the Ohio Department of Education.</i>					
Child Nutrition Cluster:					
National School Lunch Program	10.555	\$64,723	\$0	\$64,723	\$0
National School Lunch Program - Commodities	10.555	0	34,198	0	35,875
Special Milk Program for Children	10.556	12,541	0	12,541	0
Total Child Nutrition Cluster		<u>77,264</u>	<u>34,198</u>	<u>77,264</u>	<u>35,875</u>
Total U.S. Department of Agriculture		<u>77,264</u>	<u>34,198</u>	<u>77,264</u>	<u>35,875</u>
U.S. Department of Education					
<i>Passed Through the Ohio Department of Education.</i>					
Special Education Cluster:					
Special Education-Grants to States	84.027	787,684	0	764,747	0
Special Education-Preschool	84.173	11,511	0	10,171	0
Total Special Education Cluster		<u>799,195</u>	<u>0</u>	<u>774,918</u>	<u>0</u>
Safe and Drug-Free Schools and Communities State Grants	84.186	6,063	0	6,063	0
State Grants for Innovative Programs	84.298	11,122	0	10,334	0
English Language Acquisition Grants	84.365	17,755	0	17,893	0
Improving Teacher Quality State Grants	84.367	62,006	0	58,099	0
Total U.S. Department of Education		<u>896,141</u>	<u>0</u>	<u>867,307</u>	<u>0</u>
Office of Library Services					
<i>Passed Through the Ohio Department of Education.</i>					
Grants to States Program	45.310	23,845	0	23,845	0
Total Office of Library Services		<u>23,845</u>	<u>0</u>	<u>23,845</u>	<u>0</u>
Total Federal Assistance		<u>\$997,250</u>	<u>\$34,198</u>	<u>\$968,416</u>	<u>\$35,875</u>

The notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this statement.

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

CFDA – Catalog of Federal Domestic Assistance



Mary Taylor, CPA

Auditor of State

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

Rocky River City School District
Cuyahoga County
21600 Center Ridge Road
Rocky River, Ohio 44116-3980

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

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

We noted certain matters that we reported to the District's management in a separate letter dated December 29, 2008.

Compliance and Other Matters

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

We did note a certain noncompliance or other matter that we reported to the District's management in a separate letter dated December 29, 2008.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 29, 2008



Mary Taylor, CPA

Auditor of State

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

Rocky River City School District
Cuyahoga County
21600 Center Ridge Road
Rocky River, Ohio 44116-3980

To the Board of Education:

Compliance

We have audited the compliance of the Rocky River City School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Rocky River City School District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more than inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Federal Awards Receipts and Expenditures

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Rocky River City School District as of and for the year ended June 30, 2008, and have issued our report thereon dated December 29, 2008. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Mary Taylor, CPA
Auditor of State

December 29, 2008

**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster: IDEA-Part B – CFDA 84.027 Special Education Preschool – CFDA 84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

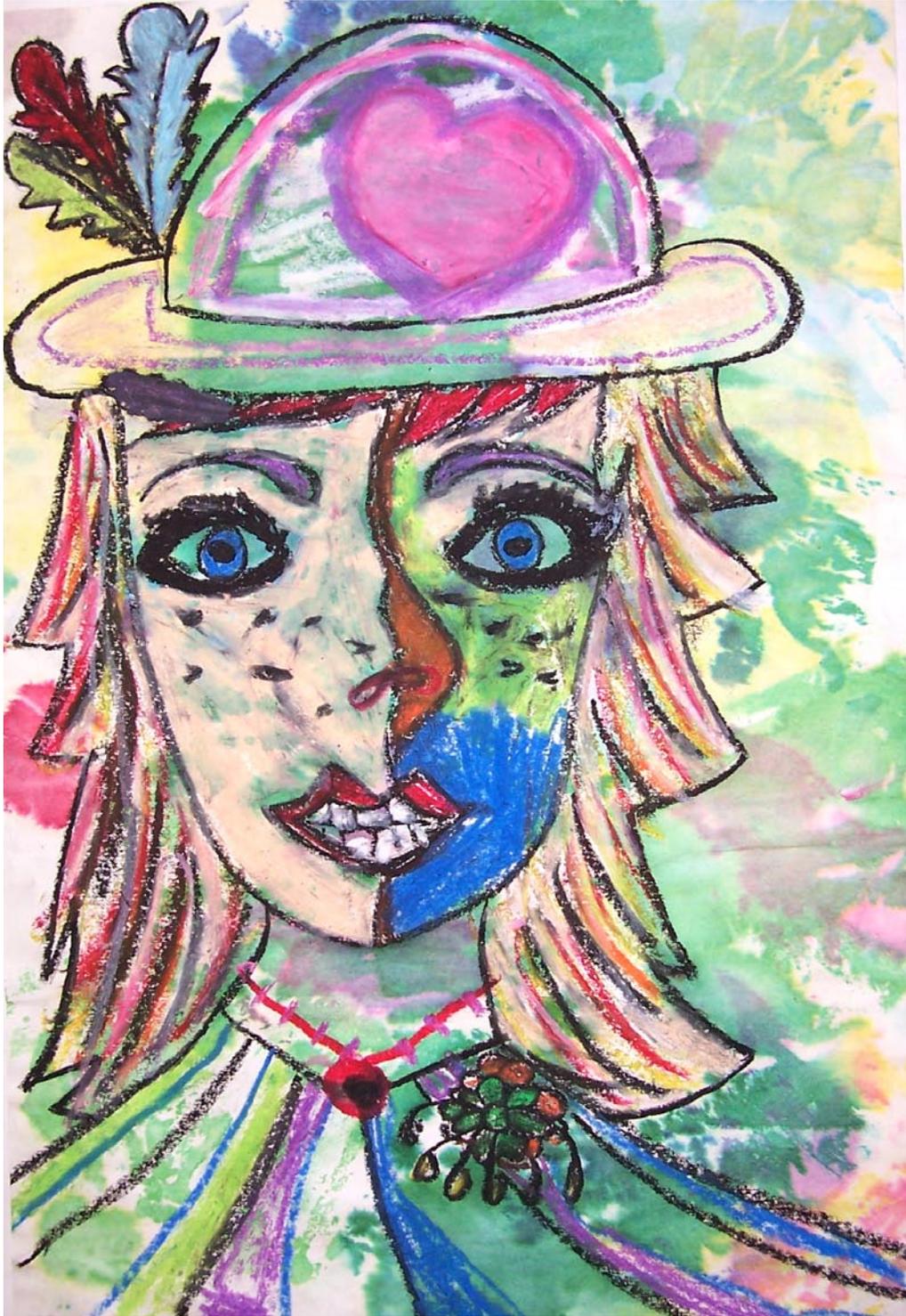
Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2008



Karen Schultz
"Watercolors"
Grade 6

Rocky River City School District
Cuyahoga County, Ohio



Laura Bodes

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2008

Prepared by
Treasurer's Office
Greg R. Markus, CPA
Treasurer



Rocky River City School District
Cuyahoga County, Ohio

Rocky River City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2008
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III. Statistical Section

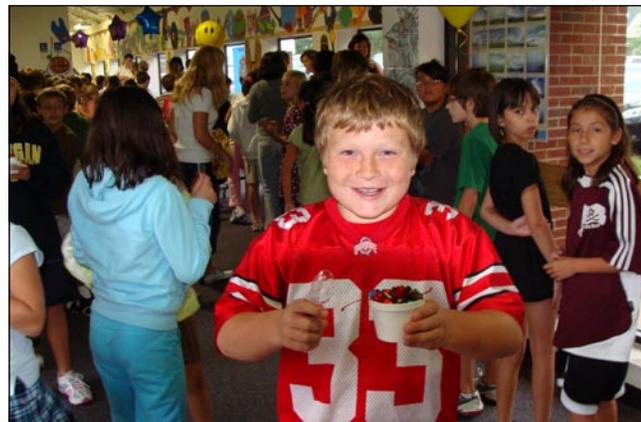
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Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2008

Introductory Section



Rocky River City School District
Cuyahoga County, Ohio



WWW.RRCS.ORG

**Educational Services Center
21600 Center Ridge Rd.
Rocky River, OH 44116**

**440-333-6000 ph
440-356-6014 fax
info@admin.rockyriver.k12.oh.us**

December 29, 2008

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Rocky River City School District (the "District") for the fiscal year ended June 30, 2008. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

The District

History¹

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

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

Current Organization

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

The District is located in an affluent suburban area west of Cleveland, Ohio and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. The property tax base is primarily residential with a significant amount of retail commercial property. The District serves 2,696 students ranging from Kindergarten through Twelfth grade. In addition, a wide range of services are provided for preschool aged children and adults.

The Reporting Entity

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

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

Demographics, Economic Condition and Outlook²

The 2000 U. S. Census data reports a population of 20,735 in the City of Rocky River with 10,359 dwelling units and over 1,250 businesses. As of July 1, 2007, the U.S. Census estimates the population for the City of Rocky River to be 19,111. The median household income is \$51,636 (year 2000) and the median income for a family was \$72,361 (year 2000). The median home value is \$188,700 (year 2000). Over the past 10 years, the average appreciation of homes in Rocky River was 5.1%. In 2005 the average sale price for a single family home was \$288,506 with 65 days on the market. As of 10/13/2008, the average sale price for a single family home was \$219,300 with an average of 79 days on the market.

The median age for residents of Rocky River is 44.3 and families (non-single residences) represent 56.1% of the population. The racial makeup of the city was 96.8% White, 0.4% African American, 0.1% Native American, 1.4% Asian, 0.01% Pacific Islander, 0.3% from other races, and 1.1% from two or more races. Hispanic or Latino of any race was 1.2% of the population.

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

²Primary sources of data used for this section are http://en.wikipedia.org/wiki/Rocky_River,_Ohio, http://realtytimes.com/rtmcrlc/Ohio-Rocky_River and <http://factfinder.census.gov>

There were 9,869 households out of which 22.4% had children under the age of 18 living with them, 47.4% were married couples living together, 6.9% had a female householder with no husband present, and 43.9% were single non-family households. 40.2% of all households were made up of individuals and 20.4% had someone living alone who was 65 years of age or older. The average household size was 2.11 and the average family size was 2.89. In the city the population was spread amongst age groupings with 22.1% under the age of 20, 3.0% from 20 to 24, 11.3% from 25 to 44, 14.6% from 35 to 44, 14.1% from 45 to 54, 10.6% from 55 – 64 and 24.3% who were 65 years of age or older.

The occupational makeup of the City is 49 percent professional/managerial, 32 percent technical/sales/clerical, 10 percent service, four percent construction/extraction/maintenance, and five percent production/transportation/material moving occupations. Of the population 25 years of age or older, over 46% have at least a bachelor's degree. Businesses within the community are predominantly retail and service oriented.

The District receives over 74 percent of its governmental fund revenues from local property tax collections. Therefore, the long-term financial health of the District is very dependent on its tax base. The total assessed valuation of the District's tax duplicate has risen in excess of 33 percent over the last ten years. The increased value in the tax duplicate is due primarily to revisions in property values made by the County Auditor every three years as well as some new construction.

The City of Rocky River is almost completely developed, so future assessed valuation increases will come primarily from property value changes. There may also be some growth from the demolition of existing commercial and residential building stock and the subsequent redevelopment of such property, as this is becoming increasingly common in fully-developed suburban areas like Rocky River. There are no major manufacturing plants located within the District's boundaries. In terms of dollar value the largest real property taxpayer owns approximately 1.7% of the total real property in the District.

Major Initiatives - Fiscal Year 2008

Each year, the District identifies a series of District Development Priorities that build upon the objectives of the mission statement and strategic goals. These priorities focus the District's financial and other resources and provide measurable benchmarks upon which to evaluate the effectiveness of our efforts. The following provides a brief overview of the key priorities addressed during the 2007-2008 school year and the District's progress in achieving each priority.

Financial

- *Communicate the District's financial planning and use of its financial resources and successfully pass a school operating levy in view of the District's five-year plan.*

Voters approved an additional 5.9 mill continuing operating levy in March of 2008, which will commence collection in January of 2009. This new levy is expected to generate an additional \$4.3 million in tax revenue annually. This levy is planned to take the District through another three year funding cycle. However, the District will need to be diligent with these resources due to the state of the national economy in general and the state economy and state school funding in particular. One such issue is the major changes caused by the State of Ohio's biennial budget bill (House Bill 66) that took effect on July 1, 2005 that significantly impacts school funding. Specifically, this bill eliminated the tangible personal property tax that, along with public utility tangible property tax back in fiscal year 2005, generated over \$1.6M, but is projected to drop to just \$400,000 by fiscal year 2012.

The State of Ohio is currently replacing this revenue based on 2004 levels, but this is only guaranteed at the 100% level through fiscal year 2012, after which this reimbursement will be phased out until it is completely eliminated by fiscal year 2018. The District has also had to deal with tax valuation decrease complaints by several residential and commercial property taxpayers and significant double-digit increases in employee health care expenses over three of the last four years. The District is also facing the prospect of significant lost/foregone revenue due to a tax abatement that was granted on commercial property located within the District boundaries, but within the City of Fairview Park corporate limits that contains the District's single largest property taxpayer. All of these factors combined along with the unknown will certainly make the next few years difficult and challenging as it relates to managing the District's budget.

During the 2008 fiscal year, through the annual State of the Schools address, the submission of the District's Five-Year Financial Forecast and required update to the Ohio Department of Education, the issuance of monthly financial reports detailing the status of the District's finances in conjunction with monthly finance committee meetings and the continued issuance of a Comprehensive Annual Financial Report (CAFR), the District has communicated its financial results and future plans to residents and all other stakeholders of the Rocky River City School District.

- *Cooperate with the cities that the District is located in with economic development issues while protecting the District's property tax base.*

The District is significantly dependent upon local property taxes. The city of Rocky River encouraged development of residential property in the limited areas available as well as commercial development. These factors added approximately \$20 million of new construction market value to the tax base as of January 1, 2007 (effective for taxes paid starting January 1, 2008). The District retains the services of legal counsel experienced in the area of property taxation to represent the District's interest with regard to County Board of Revision and Ohio Board of Tax Appeals cases.

- *Protect the interests of the District from the results of any proposed legislative funding changes and communicate these issues effectively to the community.*

The Board of Education has taken a leadership role in the Westshore Boards of Education, a working group of Districts on the west side of Cleveland. This group works with citizens and legislators to protect member districts from adverse legislation and rule making. The District is also a member of the Alliance for Adequate School Funding, which is a group of over 50 similar Districts within the State of Ohio who also work with legislators on behalf of member districts. To communicate these issues and the work being done by the Board and District Administration, the District undertook several methods to do this, including reporting information at Board Meetings and making summaries of these reports available on the District's web site; providing press releases and granting interviews to local newspapers circulated throughout the District; and presenting such information as part of the Superintendent's annual State of the Schools presentation.

Educational

- *Provide a caring, personalized environment where learners excel*

The State of Ohio measures District's achievement through a state "Report Card" measuring student learning at the 3rd through 8th grade and 10th grade levels. The state has 30 standards upon which they rate school districts. The Rocky River City School District achieved a passing score in 30 of 30 standards for the 2007-08 school year, therefore earning an "excellent with distinction" rating. Only 67 out of the 610 school districts earned a perfect 30 out of 30 score and only 74 of the 610 public school districts in Ohio achieved this "excellent with distinction" rating. School faculty and administrators work diligently to prepare students for success with these tests while assuring students experience success in all areas of instruction.

The District had three National Merit Semi-Finalists and five National Merit Commended Scholars named for the 2007-08 school year. Of the three Merit Semi-Finalists, all were named as finalists. The District also had a student who scored a 36 on the ACT, the highest possible score for this test, during the 2007-2008 school year which resulted in her being one of only 24 students in the entire State of Ohio to accomplish this feat.

The District also successfully implemented a new state management software program throughout the District which will enable the District's staff to more effectively and efficiently report data to the State Department of Education, which will in turn be reported to the public in a more comprehensive manner through the local state report card.

Goals for 2009

Financial

- To effectively use District resources to assure the highest quality educational program while attempting to meet the District's three year financial plan. This would specifically include working towards successfully managing funds that will be generated from the additional 5.9 mill property tax levy that was passed in March of 2009 to support the District's programming by providing financial stability for the next three years as planned.
- To continue to educate the electorate of the District on the District's financial situation and its impact on the future prosperity and financial stability of the District
- To receive the GFOA Certificate of Achievement for Excellence in Financial Reporting for this fiscal year 2008 CAFR.
- To continue to enhance the District's budget and financial planning information for citizens; to communicate the District's dependence on local taxpayer support and current issues with the State of Ohio's school financing structure based on the House Bill 66 legislation that became effective on July 1, 2005.
- To continue to assure the District's property tax base remains strong and stable by working thorough economic issues with city government, the business community and individual property owners.

- To further progress in the process of updating the District’s Master Plan for facilities and to develop a proposed financing plan for any maintenance, improvements and enhancements called for as a result of this process.

Focus Areas for District Administrators

- **Accountability**

Utilize student academic data and collaboration practices when making decisions that will foster district and community support for existing and proposed programs.

- **Communication**

Develop a communication program that continuously updates faculty, staff, students, and community members about the accomplishments of the district and encourages dialogue related to the needs of the district.

- **Curriculum**

Align and enhance district curriculum to ensure all students are challenged to reach their personal goals and academic potential as reflected on achievement tests and the State of Ohio District Report Card.

- **Development of Responsible Citizens**

Foster school building climates that support responsible and accountable behavior that will enhance respect for individuals, school, and community.

- **Financial**

Develop, monitor and adjust short-term and long-term financial projections and expenditures focusing on the use of general funds to ensure a balanced budget.

- **Professional Growth**

Support professional development opportunities for all faculty and staff in an effort to promote best practices in education and create a community of lifelong learners in the Rocky River City School District.

- **Technology**

Increase the use of technology in all academic disciplines and departments throughout the district in an effort to improve efficiency and prepare students for the future. Streamline purchases and complement existing district resources.

Superintendent's Individual Goals

- Work with the information provided by the selected construction management firm that professionally reviewed and reported on all district facilities in order to update the District's master facilities plan.
- Work with the Board of Education to identify and engage a professional educational facilities planner for 2008-2009 and develop a financing plan to fund any recommended improvements in a prudent and effective manner.
- Develop positive and supportive community relations and communications with students, parents, faculty, staff, community members, Board of Education members, and local officials.
- Initiate and implement a new District webpage to disseminate information to the District's parents and students, prospective parents and students, staff and members of the general public.
- Continue to enhance the use of technology to bring better efficiency and effectiveness to board meeting documentation and communications and internal and external financial transaction processing (e.g. purchase order and fee payment processing).
- Continue to enhance the use of NEOLA on-line policies and forms for internal use.
- Design State of the Schools meetings to communicate district information with all community members.
- Initiate the development for a new District Strategic Plan process.

Prospects for the Future

The funding structure of public education in Ohio poses a challenge to Districts. There is very little in the current state funding structure which allows Districts to receive additional revenues relative to inflationary pressures. Boards of education throughout Ohio must put issues on the ballot for voter approval in order to receive significant additional revenues. The District just passed a 5.9 mill operating levy in March 2008. Collection of the new levy will begin in January 2009. The additional revenue from this levy, about \$4.3 million annually, is planned to stabilize the District's local funding for three years. Ohio law requires once a school levy is passed, that levy may not generate additional tax revenue as a result of reappraisal or reassessment (i.e. inflationary growth). Consequently, tax levies, if approved by voters, provide essentially a fixed source of revenue and provide no inflationary growth on those voted mills going forward.

The Board of Education has followed through on its promise to the voters of the District by not asking for an additional tax levy until 2008. This levy should allow the District to make up lost ground in certain areas that have been cut back due to the financial difficulties outlined previously and enable the District's finances to be stabilized for the next three years. Of course the environment that school districts operate in may cause this to be difficult task, but the Board of Education and Administration are committed to meeting this and other challenges that may present themselves in order to maintain and improve upon the quality programming afforded by the District currently.

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

- A change in the Districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to Districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case in December 2003. Any changes made to state funding subsequent to this date have not had any appreciable impact on the District's finances and are not expected to do so in the near future.

In June 2005, the State Legislature made landmark changes to the State's taxing structure with the passage of House Bill 66 to take effect July 1, 2005. The most significant tax law changes as a result of this bill included the following:

Introduction of the new commercial activity tax (CAT), an annual business privilege tax measured by a business's gross receipt. The amount of taxable gross receipts determines whether or how the CAT applies. Businesses with annual gross receipts of \$150,000 or less are not subject to the CAT; those with receipts from \$150,001 - \$1,000,000 pay a minimum \$150 tax; receipts exceeding one million dollars -- when the tax is fully phased in -- will be taxed at a rate of 0.26 percent (tax rate for the first tax period from July 1, 2005 to December 31, 2005 is only 0.06 percent).

Phase-out over five years of the corporation franchise tax at the rate of 20 percent annually beginning in tax year 2006.

Phase-out of the tangible personal property (TPP) tax on most businesses inventory, manufacturing machinery and equipment, and furniture and fixtures over four years at about 25 percent annually beginning in tax year 2006. Most new manufacturing machinery and equipment that would have been first taxable in tax year 2006 and thereafter will be subject to no TPP tax. Ohio School Districts will be held "harmless" for lost revenue through tax year 2009 by the State. Reimbursements will then be phased out through tax year 2018.

The individual income tax rate cut for all tax brackets of 4.2 percent for tax year 2005 and an additional 4.2 percent (from 2004 rates) each year through 2009 for a total cut of 21 percent.

The state sales tax rate cut from 6 to 5.5 percent. The vendor discount of .9 percent remains for timely filed and paid sales tax returns.

A cigarette excise tax increase of \$.70 to a total of \$1.25 per pack of 20 cigarettes. Cigarette wholesalers and retailers must pay the additional 70 cents per pack on cigarettes that were previously taxed but still in inventory at the end of business June 30th.

Elimination of the ten percent property tax rollback on most commercial and industrial real property. The rollback remains for residential and agricultural real property.

Ohio's additional estate tax (sponge tax) is eliminated. The Ohio basic estate tax remains in effect.

The District is currently unable to determine what long-term effects, if any, this new taxing structure will have on future state school funding in general and its specific state funding in particular.

As a result, all of the District's financial abilities will be called upon to meet the challenges the future will bring. It is imperative that the District's Board and management team continue to carefully and prudently plan in order to provide the resources required to meet students' needs over the next several years.

Financial Information

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

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

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

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

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

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations to date.

In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

As an additional safeguard, all employees are covered by a blanket bond, and certain individuals in policy making roles are covered by a separate, higher limit bond.

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

Financial Reporting

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

Government-wide financial statements: These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

Fund financial statements: These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

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

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion is presented in the financial section of this report and provides an assessment of the District finances for fiscal year 2008. This transmittal letter is intended to be read in conjunction with the District's MD&A.

Independent Audit

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. Independent auditor Mary Taylor, CPA, Auditor of State, was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2008. The opinion appears at the beginning of the financial section of this report.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the Rocky River City School District for its comprehensive annual financial report (CAFR) for the year ended June 30, 2007.

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

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

Acknowledgments

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

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

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

Respectfully Submitted,



Greg R. Markus, CPA
Treasurer/CFO



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

Rocky River City School District

Principal Officials

June 30, 2008

Board of Education

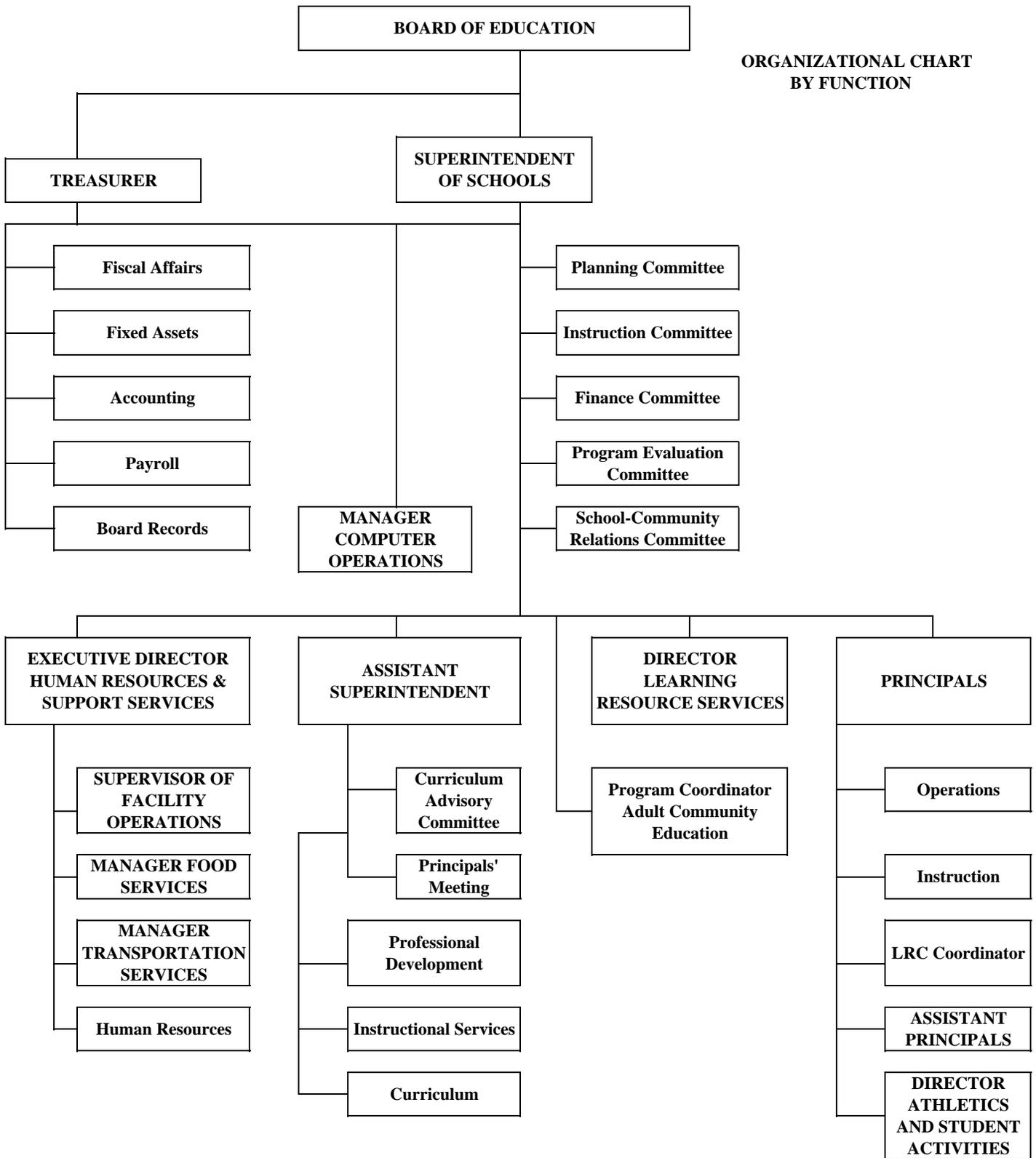
Scott E. Swartz President
Jay Milano Vice-President
Kathleen Goepfert Member
Jean A. Rounds Member
James D. Schieda Member

Administration

Michael G. Shoaf, Ed.D Superintendent
Cathy E. Dietlin, Ph.D Assistant Superintendent
Ted Blank Executive Director of Human Resources and Support Services
Greg R. Markus, CPA Treasurer



ORGANIZATIONAL CHART BY FUNCTION



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Rocky River City
School District

Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2008

Financial Section



Rocky River City School District
Cuyahoga County, Ohio

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Rocky River City School District
Cuyahoga County
21600 Center Ridge Road
Rocky River, Ohio 44116-3980

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio, as of June 30, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2008, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

December 29, 2008

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(UNAUDITED)**

The discussion and analysis of Rocky River City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2008 are as follows:

Overall:

Total net assets decreased by \$.2 million. Total capital assets, net decreased from \$27.3 million in 2007 to \$25.6 million in 2008. This occurred as depreciation expenses more than offset new capital assets.

The District's outstanding long-term debt decreased to \$22.6 million from \$24.4 million in 2007.

Governmental Activities:

Total net assets decreased \$.3 million from a balance of \$7.8 million at June 30, 2007 to \$7.5 million at June 30, 2008.

Total revenues increased \$.2 million primarily due to a decrease property tax revenue offset by and increase in grants and entitlements. The revenue increase is further explained on page 21.

Total expenses increased \$1.9 million or 5.79 percent, primarily in support services.

Program revenue, revenue from specific fees and grants, increased to 9.59 percent of all revenue from 9.36 percent in 2007. Ninety percent of revenues come from general revenue, primarily property taxes.

Business-Type Activities:

Total assets increased by \$46,341 and total liabilities increased by \$4,904. As a result total net assets increased by \$41,437.

Total revenue for fiscal 2008 was \$932,719 and total expenses were \$891,282 resulting in an increase to net assets of \$41,437.

Using this Comprehensive Annual Financial Report (CAFR)

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(UNAUDITED)**

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

Reporting the District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(UNAUDITED)**

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

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

The District as a Whole

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

Table 1 provides a summary of the District's Governmental Activities and Business-Type Activities net assets for 2008 compared to the two prior years. The net assets for governmental activities reported for fiscal 2006 were restated.

TABLE 1
Net Assets
(In millions)

	Governmental Activities			Business-Type Activities			Totals		
	2008	2007	Restated 2006	2008	2007	2006	2008	2007	Restated 2006
Assets									
Current and Other Assets	\$ 32.2	\$ 31.5	\$ 30.2	\$ 0.2	\$ 0.1	\$ 0.2	\$ 32.4	\$ 31.6	\$ 30.4
Capital Assets, Net	25.3	27.0	28.3	0.3	0.3	0.3	25.6	27.3	28.6
<i>Total Assets</i>	<u>57.5</u>	<u>58.5</u>	<u>58.5</u>	<u>0.5</u>	<u>0.4</u>	<u>0.5</u>	<u>58.0</u>	<u>58.9</u>	<u>59.0</u>
Liabilities									
Long-Term Liabilities	(22.5)	(24.3)	(26.5)	(0.1)	(0.1)	(0.1)	(22.6)	(24.4)	(26.6)
Other Liabilities	(27.5)	(26.4)	(25.6)	-	-	-	(27.5)	(26.4)	(25.6)
<i>Total Liabilities</i>	<u>(50.0)</u>	<u>(50.7)</u>	<u>(52.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(0.1)</u>	<u>(50.1)</u>	<u>(50.8)</u>	<u>(52.2)</u>
Net Assets									
Invested in Capital Assets									
Net of Related Debt	8.7	8.4	7.6	0.3	0.3	0.3	9.0	8.7	7.9
Restricted	4.9	4.2	3.5	-	-	-	4.9	4.2	3.5
Unrestricted (Deficit)	(6.1)	(4.8)	(4.7)	0.1	-	0.1	(6.0)	(4.8)	(4.6)
<i>Total Net Assets</i>	<u>\$ 7.5</u>	<u>\$ 7.8</u>	<u>\$ 6.4</u>	<u>\$ 0.4</u>	<u>\$ 0.3</u>	<u>\$ 0.4</u>	<u>\$ 7.9</u>	<u>\$ 8.1</u>	<u>\$ 6.8</u>

Total Assets decreased by \$.9 million. Current assets increased \$.8 million and capital assets decreased by \$1.7 million as depreciation expense more than offset capital additions.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(UNAUDITED)**

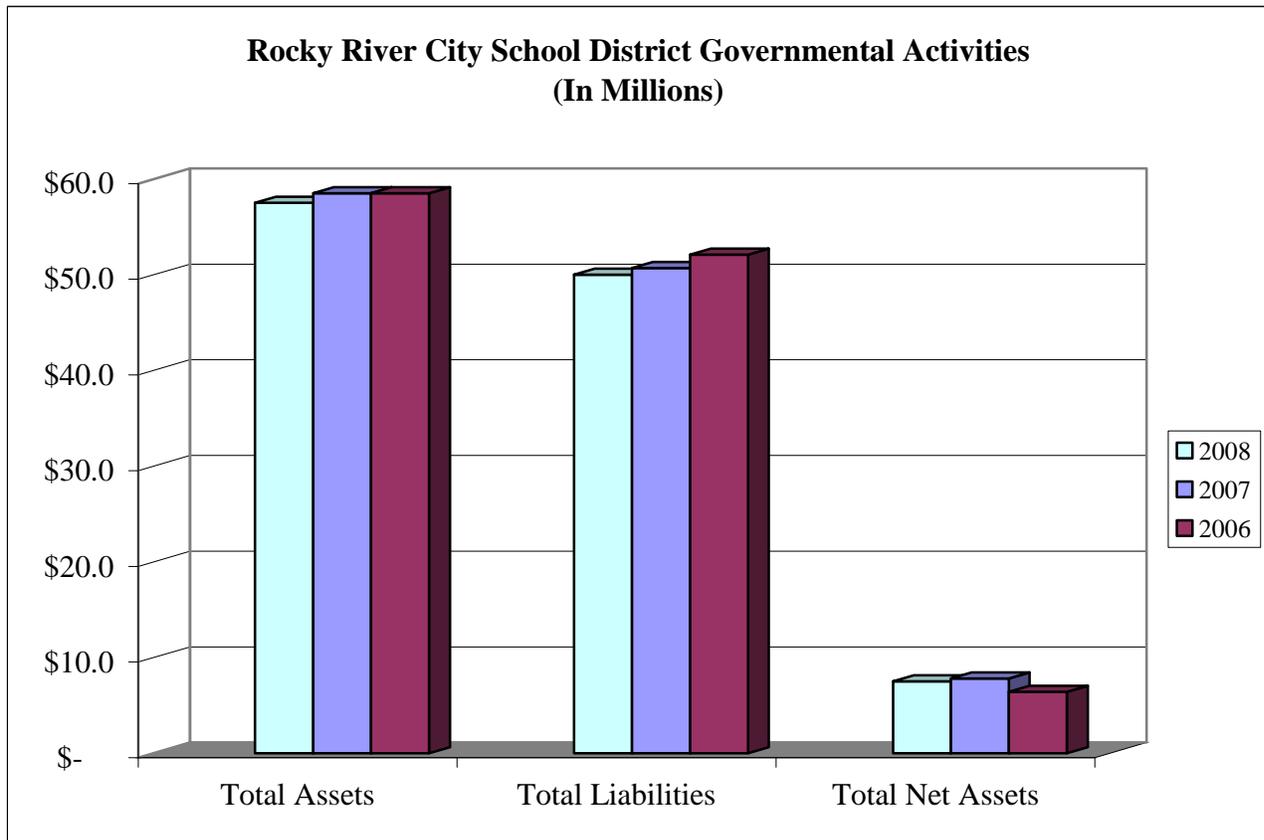
Total Liabilities decreased by \$.7 million. Long-term liabilities decreased \$1.8 million and other liabilities increased by \$1.1 million due to increased accrued wages and unearned revenue.

The negative unrestricted portion of net assets of \$6.1 million was an increase of \$1.3 million from 2007.

Graph 1 below shows the District's governmental activities assets, liabilities and net assets for fiscal year 2008, 2007 and 2006.

Graph 1
Net Assets Governmental Activities
(In millions)

	2008	2007	2006
Total Assets	\$57.5	\$58.5	\$58.5
Total Liabilities	50.0	50.7	52.1
Total Net Assets	\$7.5	\$7.8	\$6.4



Governmental Activities

The District's assets decreased by \$1.0 million, and total liabilities decreased by \$.7 million. As a result, net assets increased \$.3 million at the end of fiscal year 2008.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(UNAUDITED)**

Table 2 below shows the changes in governmental and business-type activities net assets for fiscal year 2008, 2007 and 2006. Certain amounts for 2006 have been restated.

Table 2
Changes in Net Assets
(In millions)

	Governmental Activities			Business-Type Activities			Total		
	2008	2007	Restated	2008	2007	2006	2008	2007	Restated
			2006						2006
Revenues									
Program Revenues:									
Charges for Services and Sales	\$0.8	\$0.8	\$0.6	\$0.6	\$0.6	\$0.7	\$1.4	\$1.4	\$1.3
Operating Grants and Contributions	2.4	2.4	2.4	0.1	0.1	0.1	2.5	2.5	2.5
Capital Grants and Contributions	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0
<i>Total Program Revenues</i>	<u>3.3</u>	<u>3.2</u>	<u>3.0</u>	<u>0.7</u>	<u>0.7</u>	<u>0.8</u>	<u>4.0</u>	<u>3.9</u>	<u>3.8</u>
General Revenues:									
Property Taxes	25.6	25.7	24.4	0.0	0.0	0.0	25.6	25.7	24.4
Grants and Entitlements	5.1	4.6	4.4	0.0	0.0	0.0	5.1	4.6	4.4
Other	0.4	0.7	0.4	0.2	0.1	0.0	0.6	0.8	0.4
<i>Total General Revenues</i>	<u>31.1</u>	<u>31.0</u>	<u>29.2</u>	<u>0.2</u>	<u>0.1</u>	<u>0.0</u>	<u>31.3</u>	<u>31.1</u>	<u>29.2</u>
<i>Total Revenues</i>	<u>34.4</u>	<u>34.2</u>	<u>32.2</u>	<u>0.9</u>	<u>0.8</u>	<u>0.8</u>	<u>35.3</u>	<u>35.0</u>	<u>33.0</u>
Program Expenses									
Instruction	18.6	18.0	17.1	0.0	0.0	0.0	18.6	18.0	17.1
Support Services:									
Pupils and Instructional Staff	2.8	2.6	2.6	0.0	0.0	0.0	2.8	2.6	2.6
Board of Education, Administration, Fiscal and Business	3.5	2.6	2.7	0.0	0.0	0.0	3.5	2.6	2.7
Operation and Maintenance of Plant	3.5	3.2	3.4	0.0	0.0	0.0	3.5	3.2	3.4
Pupil Transportation	1.6	1.5	1.3	0.0	0.0	0.0	1.6	1.5	1.3
Central	0.7	0.9	0.7	0.0	0.0	0.0	0.7	0.9	0.7
Extracurricular Activities	1.2	1.1	1.0	0.0	0.0	0.0	1.2	1.1	1.0
Operation of									
Non-Instructional Services	1.6	1.6	1.3	0.0	0.0	0.0	1.6	1.6	1.3
Interest and Fiscal Charges	1.2	1.3	1.3	0.0	0.0	0.0	1.2	1.3	1.3
Food Service	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.5
Uniform School Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community Programs	0.0	0.0	0.0	0.3	0.4	0.3	0.3	0.4	0.3
<i>Total Expenses</i>	<u>34.7</u>	<u>32.8</u>	<u>31.4</u>	<u>0.8</u>	<u>0.9</u>	<u>0.8</u>	<u>35.5</u>	<u>33.7</u>	<u>32.2</u>
<i>Increase (Decrease) in Net Assets</i>	(0.3)	1.4	0.8	0.1	(0.1)	0.0	(0.2)	1.3	0.8
<i>Net Assets July 1</i>	<u>7.8</u>	<u>6.4</u>	<u>5.6</u>	<u>0.3</u>	<u>0.4</u>	<u>0.4</u>	<u>8.1</u>	<u>6.8</u>	<u>6.0</u>
<i>Net Assets June 30</i>	<u>\$7.5</u>	<u>\$7.8</u>	<u>\$6.4</u>	<u>\$0.4</u>	<u>\$0.3</u>	<u>\$0.4</u>	<u>\$7.9</u>	<u>\$8.1</u>	<u>\$6.8</u>

Total revenue for *governmental activities* increased \$0.2 million. This was primarily due to the District receiving more unrestricted grant and entitlement funding in fiscal year 2008 versus 2007. In addition, tax revenue remained relatively consistent as the phase-out of personal property tax revenue was offset by reimbursements from the State of Ohio for the lost revenue. Total expenses for *governmental activities* increased \$1.9 million. Support services expenses increased \$1.3 million.

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

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FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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Instruction expenses increased \$.6 million primarily due to normal and customary wage and benefit increases coupled with increasing healthcare costs. This area accounts for 53.60 percent of District's governmental activities expenses for 2008.

Support services expenses increased \$1.3 million primarily due to an increase in Board of Education, Administration, Fiscal and Business program expenses. In addition, the District saw an increase in Operation and Maintenance of Plant expenses due to increased fuel and utility expenses coupled with increased repair costs. Support services account for 34.87 percent of District's governmental activities expenses for 2008.

Program revenue support for governmental activities increased \$.1 million. The percent of program revenue support stayed the same as in 2007. The vast majority of revenue supporting governmental activities, over 90 percent, continues to be general revenue. Over 74 percent of total revenue, \$25.6 million for 2008 were property taxes paid by the residents in the District. Only \$5.1 million (14.83 percent of total revenue) came from unrestricted state or federal sources (general revenue source).

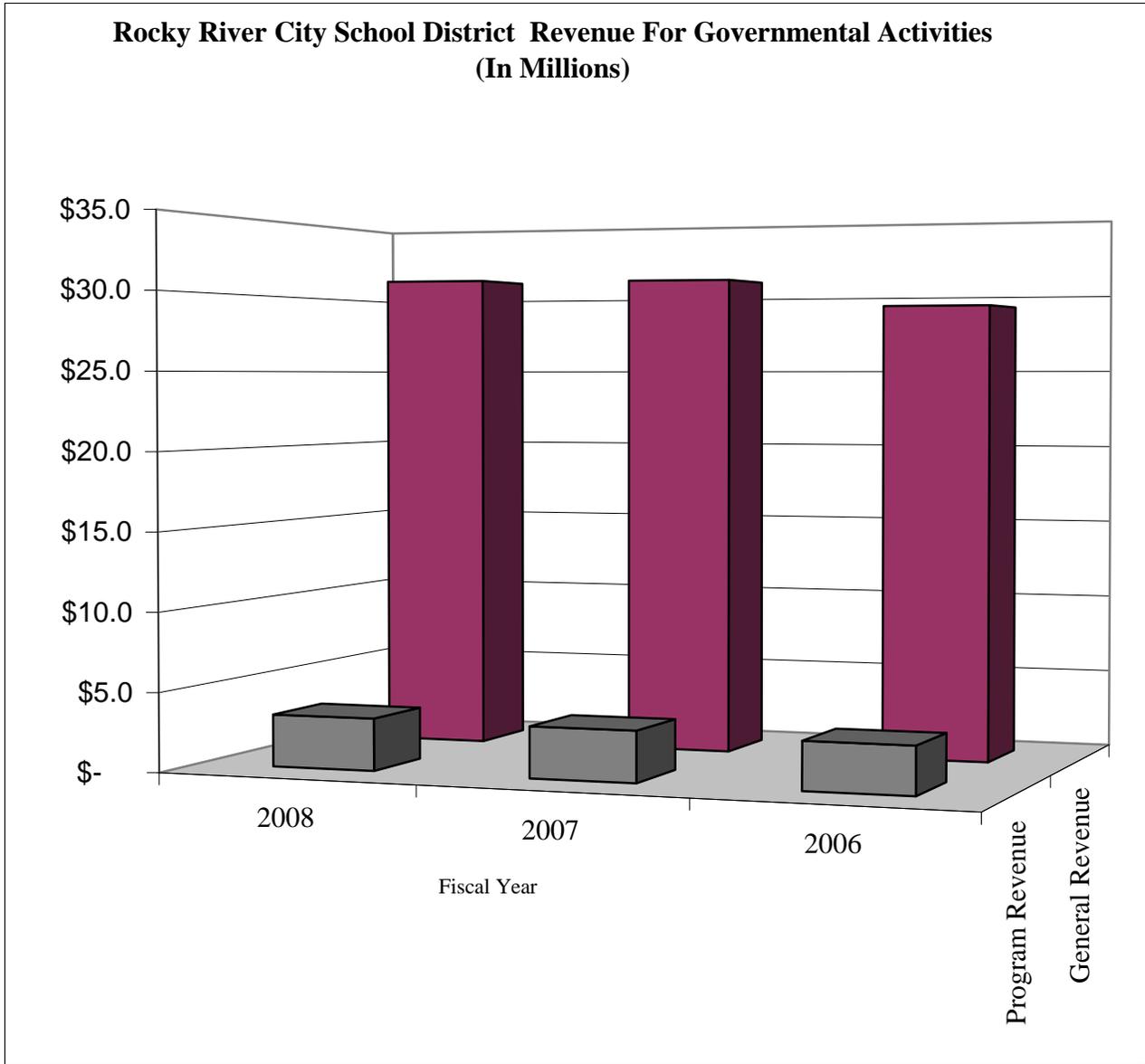
Graph 2 below shows a comparison of program revenues versus general revenue for the governmental activities for fiscal year 2008, 2007 and 2006.

Graph 2
Revenues for Governmental Activities

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Program Revenue	\$3.3	\$3.2	\$3.0
General Revenue	31.1	31.0	29.2

**ROCKY RIVER CITY SCHOOL DISTRICT
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The District's property taxes decreased \$.1 million in 2008. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 74.41 percent of revenues for governmental activities for District in fiscal year 2008.

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

Table 3 below shows the governmental activities total cost of services and net cost of services for fiscal year 2008, 2007 and 2006. Certain amounts for 2006 were restated.

Table 3
Governmental Activities
(In millions)

	2008		2007		Restated 2006	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	18.6	17.7	18.0	17.2	17.1	16.3
Support Services:						
Pupils and Instructional Staff	2.8	2.6	2.6	2.4	2.6	2.4
Board of Education, Administration, Fiscal and Business	3.5	3.3	2.6	2.6	2.7	2.7
Operation and Maintenance of Plant	3.5	3.4	3.2	3.0	3.4	3.1
Pupil Transportation	1.6	1.4	1.5	1.4	1.3	1.3
Central	0.7	0.7	0.9	0.9	0.7	0.7
Extracurricular Activities	1.2	0.8	1.1	0.8	1.0	0.8
Operation of Non-Instructional Services	1.6	0.0	1.6	0.0	1.3	(0.2)
Interest and Fiscal Charges	1.2	1.2	1.3	1.3	1.3	1.3
Total	\$34.7	\$31.1	\$32.8	\$29.6	\$31.4	\$28.4

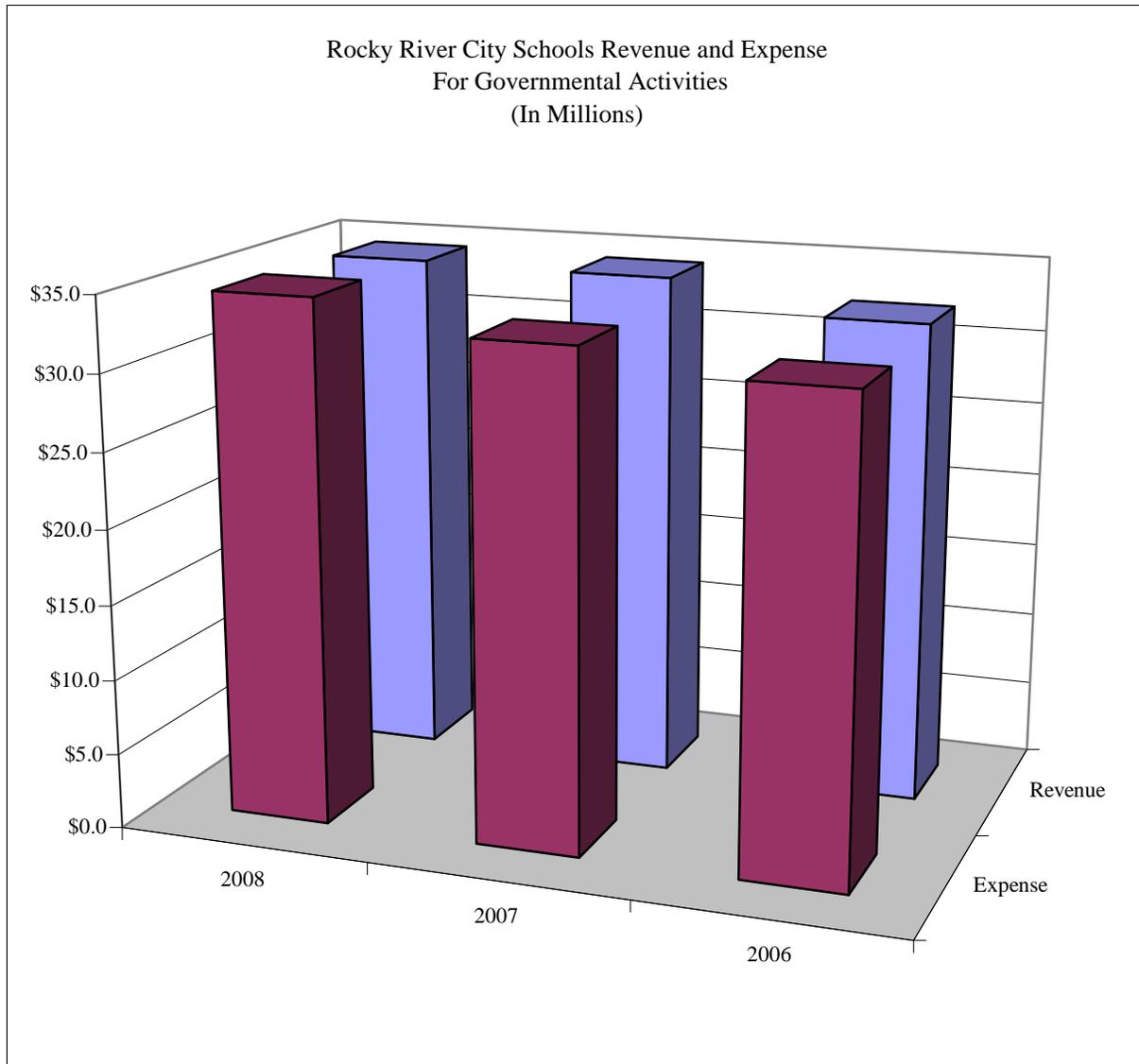
Graph 3 below shows the governmental activities revenues and expenses for fiscal year 2008, 2007 and 2006. Expenses for 2006 were restated.

Graph 3
Revenue and Expense for Governmental Activities

	2008	2007	Restated 2006
Revenue	\$34.4	\$34.2	\$32.2
Expense	34.7	32.8	31.4

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Program revenue for governmental activities in 2008 was \$3.3 million or 9.59 percent of all revenue. For 2007, program revenue was \$3.2 million, or 9.36 percent of all revenue. The largest expense area was instruction, comprising \$18.6 million, 53.60 percent of all governmental activity expenses.

Business-Type Activities

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

Total assets for business-type activities increased \$46,341, primarily in capital assets. Total liabilities also increased by about \$4,904. While accrued wages increased by \$2,549, long-term liabilities increased by \$3,114. As a result, total net assets increased by \$41,437.

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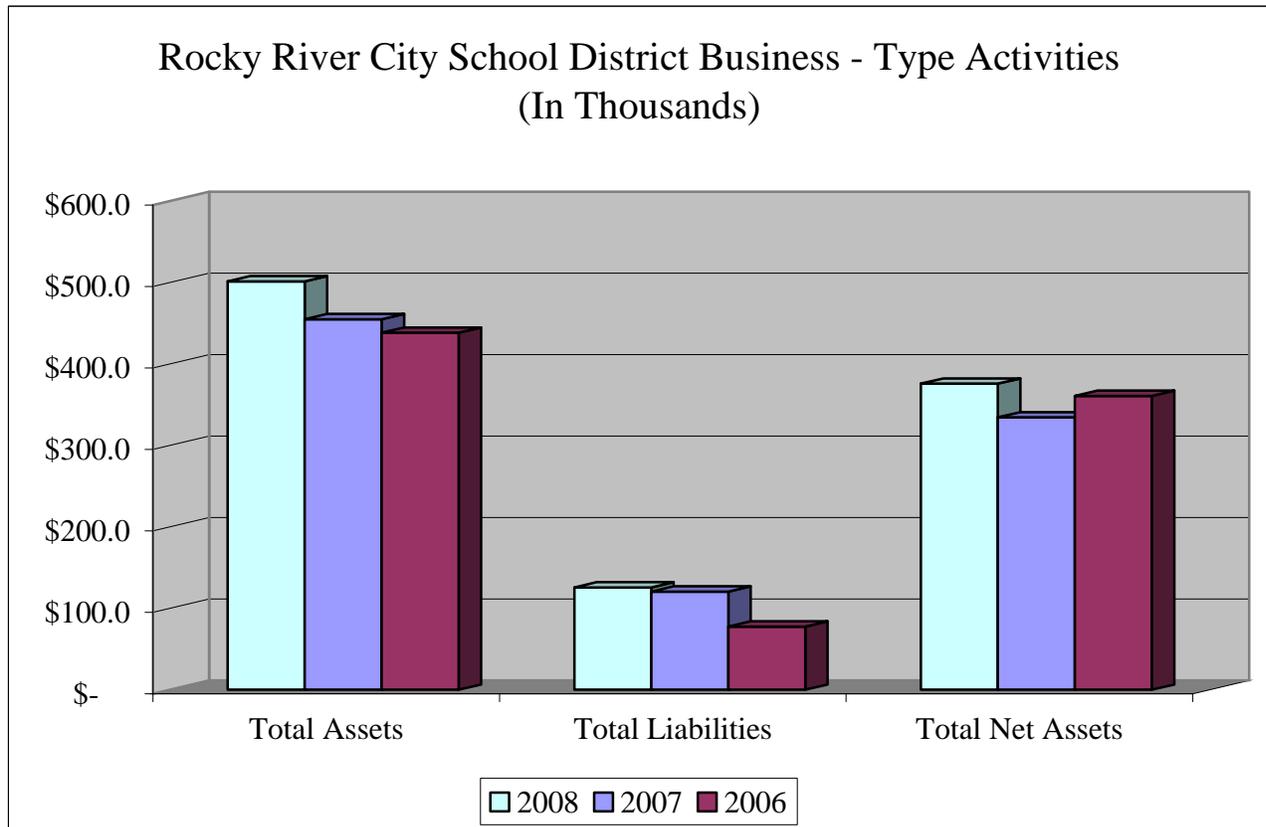
Most program expenses for business-type activities are supported by program revenue. Of the \$932,719 in revenue for 2008, 79.62 percent was program revenue, primarily charges for services. On an individual program basis, program revenue was over (under) program expenses as follows:

	In Thousands		
	2008	2007	2006
Food Service	(\$42.0)	(\$25.0)	\$22.7
Uniform School Supplies	(2.0)	(2.0)	4.2
Community Programs	(104.0)	(103.1)	(36.5)

Graph 4 below shows the business-type activities assets, liabilities and net assets for fiscal year 2008, 2007 and 2006.

Graph 4
Net Assets Business-Type Activities
(In thousands)

	2008	2007	2006
Total Assets	\$501.3	\$454.9	\$438.3
Total Liabilities	125.5	120.5	77.7
Total Net Assets	\$375.8	\$334.4	\$360.6



**ROCKY RIVER CITY SCHOOL DISTRICT
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The District's Governmental Funds

The District's major governmental funds are reported on pages 38 and 40. All governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$34.3 million and expenditures of \$35.1 million. The net change in fund balance for the year was most significant in the general fund. The general fund balance decreased by \$1.1 million primarily due to the increase in total expenditures.

General Fund Budgeting Highlights

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

During the course of fiscal 2008, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, budget basis revenue was \$27.5 million, slightly below original budget estimates of \$27.8 million. This difference was primarily due to lower than anticipated property tax revenue.

Total expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$28.3 million. Actual expenditures and other financing uses were about the same as the District's original budget and the District's final budget. The actual expenditures and other uses were less than the final budgeted amounts primarily due to less than anticipated spending on instruction and support services. On a budget basis, actual expenditures and other financing uses exceeded revenues and other financing sources by \$.8 million. Support service expenditures were \$.2 million greater than in the original budget.

The general fund budgetary statement can be found on page 42.

**ROCKY RIVER CITY SCHOOL DISTRICT
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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Capital Assets and Debt Administration

Capital Assets

Table 4 below reports the District's capital assets, net of accumulated depreciation, for fiscal year 2008, 2007 and 2006.

Table 4
Capital Assets
(In millions)

	Governmental Activities			Business Type Activities			Totals		
	2008	2007	2006	2008	2007	2006	2008	2007	2006
Land	\$0.7	\$0.7	\$0.7	\$0.1	\$0.1	\$0.1	\$0.8	\$0.8	\$0.8
Land Improvements	1.3	1.6	1.7	0.0	0.0	0.0	1.3	1.6	1.7
Buildings and Improvements	21.9	23.6	24.9	0.2	0.2	0.2	22.1	23.8	25.1
Furniture and Equipment	0.8	0.8	0.6	0.0	0.0	0.0	0.8	0.8	0.6
Vehicles	0.6	0.3	0.4	0.0	0.0	0.0	0.6	0.3	0.4
<i>Total</i>	<u>\$25.3</u>	<u>\$27.0</u>	<u>\$28.3</u>	<u>\$0.3</u>	<u>\$0.3</u>	<u>\$0.3</u>	<u>\$25.6</u>	<u>\$27.3</u>	<u>\$28.6</u>

At the end of fiscal 2008, the District had \$25.6 million in total capital assets. This is the value of land, land improvements, buildings and improvements, furniture and equipment and vehicles after depreciation is taken off their value. Of this total, \$25.3 million was in governmental activities. The largest component of these capital assets is buildings and improvements.

Total capital assets decreased from \$27.3 million in 2007 to \$25.6 million for 2008. This decrease was the result of capital acquisitions not fully offsetting depreciation expense.

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

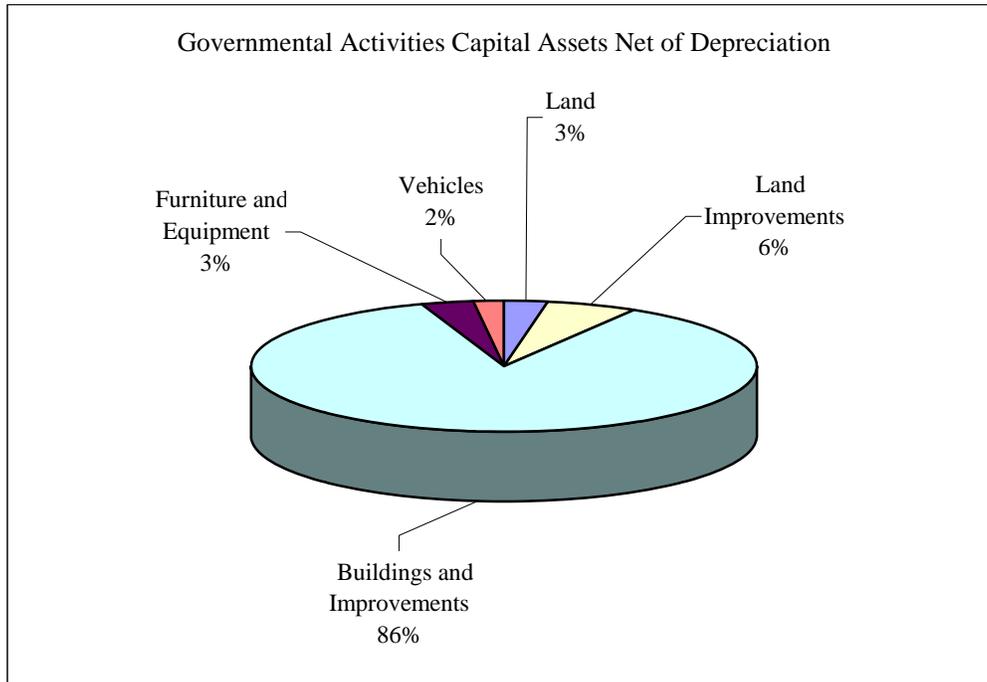
**ROCKY RIVER CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Graph 5 below shows the governmental activities capital assets by category and the percentage to total assets for each category for capital assets, net at June 30, 2008

Graph 5
Total Governmental Activities Capital Assets
(In millions)

	June 30, 2008
Land	\$0.7
Land Improvements	1.3
Building and Improvements	21.9
Furniture and Equipment	0.8
Vehicles	0.6
Total	\$25.3



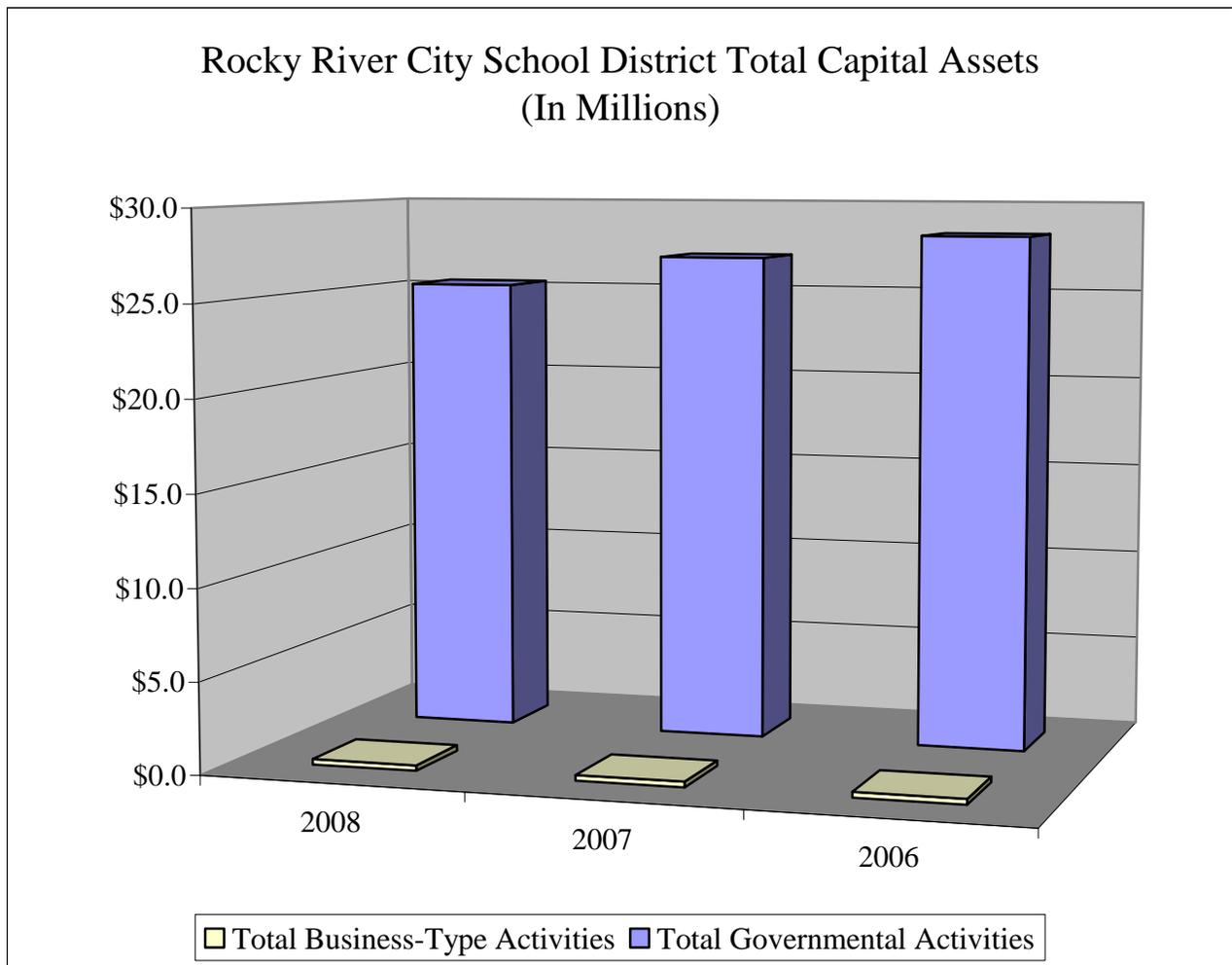
**ROCKY RIVER CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Graph 6 below shows a comparison of governmental activities versus business-type activities capital assets, net for fiscal year 2008, 2007 and 2006.

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

	2008	2007	2006
Total Governmental Activities	\$25.3	\$27.0	\$28.3
Total Business-Type Activities	0.3	0.3	0.3



**ROCKY RIVER CITY SCHOOL DISTRICT
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Debt

At June 30, 2008 the District had \$18.3 million in bonds outstanding. Table 5 below summarizes the District's bonds outstanding at June 30, 2008, 2007 and 2006.

Table 5
Outstanding Debt at Year End
(In millions)

	Governmental Activities		
	2008	2007	2006
School Building General Obligation Bonds	\$15.1	\$16.2	\$17.3
School Building Refunding Bonds	3.2	3.9	4.6
<i>Total</i>	<u>\$18.3</u>	<u>\$20.1</u>	<u>\$21.9</u>

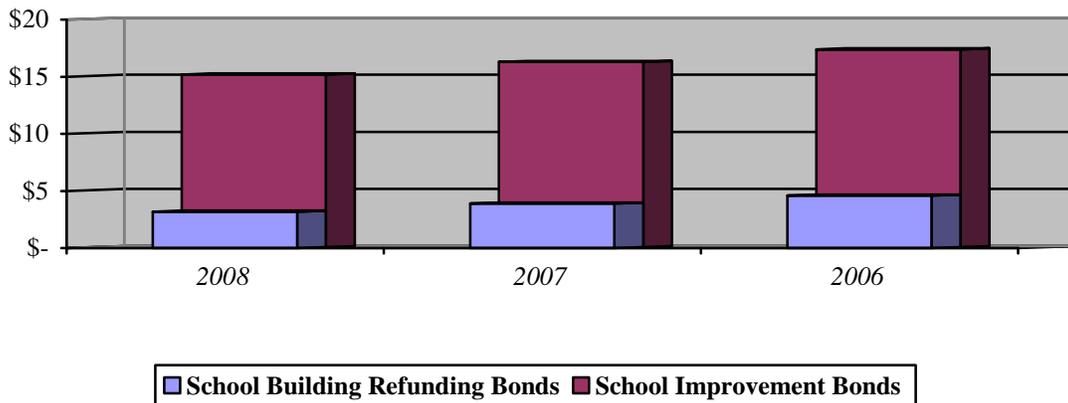
The School Building Improvement Bonds were issued following passage of the bond issue in November 1997. The bonds were issued in February 1998 in the amount of \$24.5 million. The proceeds of the issue funded the construction of the new middle school and renovations of the other facilities in the District.

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

For additional information on debt, see Note 10 to the basic financial statements. Graph 7 below shows the District's debt outstanding at June 30, 2008, 2007 and 2006.

Graph 7
Outstanding Debt at Year End

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



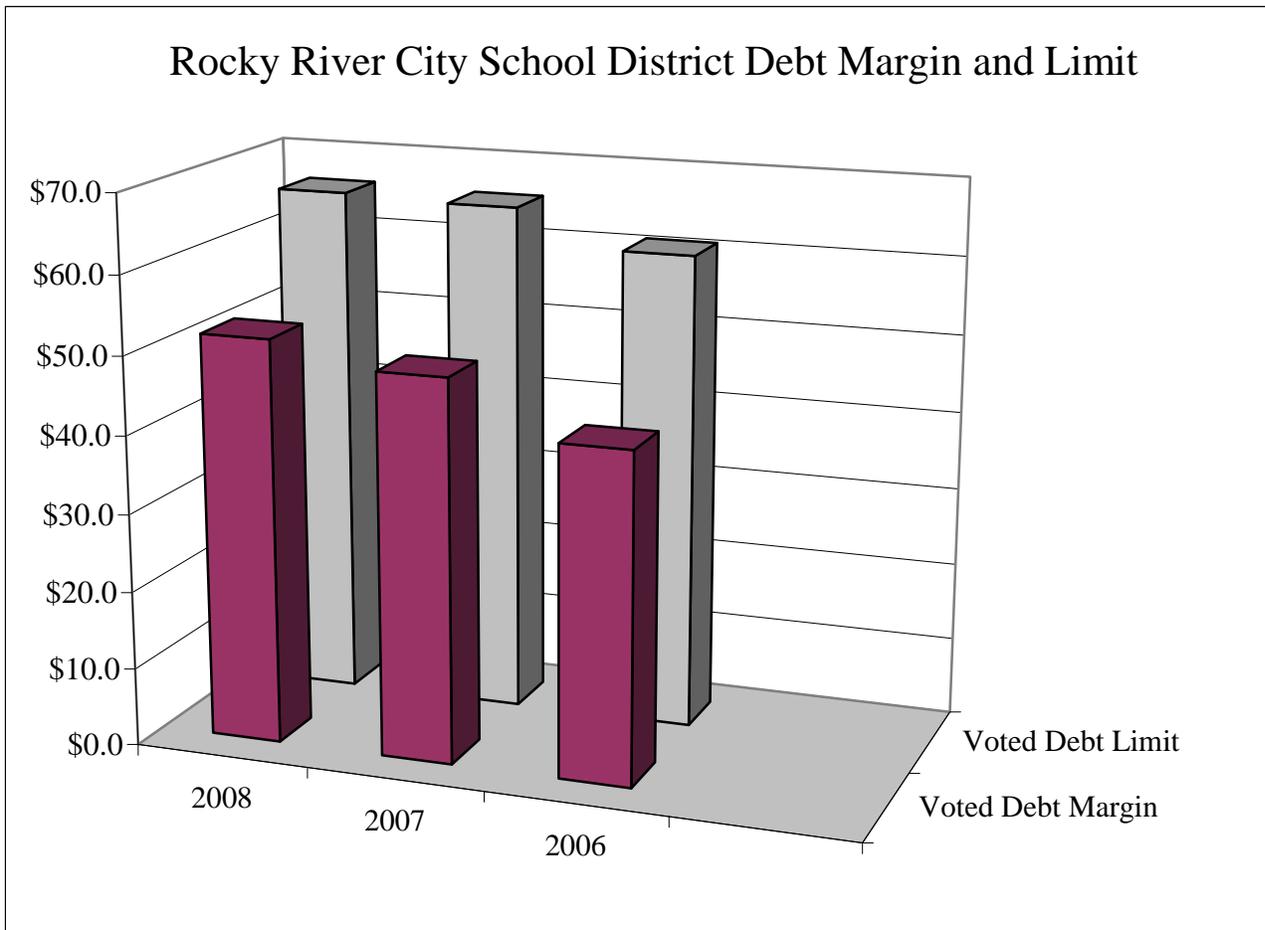
**ROCKY RIVER CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)**

Graph 8 below shows the District's legal debt limit and debt margin at June 30, 2008, 2007 and 2006.

**Graph 8
Debt Limit and Margin**

	2008	2007	2006
Voted Debt Limit	\$66.1	\$65.6	\$61.0
Voted Debt Margin	51.9	48.9	42.2



District Outlook

The Rocky River City School District is currently experiencing as rough and challenging a time financially as it has experienced since the early 1990's. As the preceding information shows, the District heavily depends on its property taxpayers. With the passage of a 4.9 mill operating levy in May of 2005 (with collection beginning in January of 2006), the District is currently in the third year of a three year levy cycle that was planned to enable the District to continue its currently excellent education program level.

**ROCKY RIVER CITY SCHOOL DISTRICT
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However, with the continued financial pressures of personnel needs to continue the level of services offered to our students, employee healthcare costs, facilities needs, the continued erosion of the commercial tax base through state tax law changes detrimental to schools (e.g. the "phase out" of the personal property tax) as well as commercial and residential reductions in property values leading to significant lost revenues and an increase in the amount of delinquent taxes due to the housing market and general economic downturn over the past year, this goal proved to be much more difficult to achieve than originally thought. A once healthy General Fund cash balance was brought down to a dangerously low level at the end of fiscal year 2005 and did not significantly improve by the end of fiscal years 2006 and 2007. The District continued operating with a dangerously low General Fund cash balance during fiscal year 2008 as well. This does not leave any "safety net" for the District in the case of less-than-expected revenues and/or higher-than-expected costs going forward.

In March of 2008, the District was successful in passing a new 5.9 mill operating levy for a continuing period of time. This new levy is expected to generate approximately \$4.3 million per year with collection starting in January 2009. While the District was successful in increasing its annual tax revenue base by this amount, this increase is a one-time increase. State law fixes the amount of this increase, forcing it to remain nearly constant as time moves forward. Thus, management must diligently plan expenses, staying carefully within the District's available revenue streams.

To this end, the District continued some of the steps during fiscal year 2008 that were started in fiscal year 2006 to stabilize the District's finances for the current fiscal year as well as for fiscal year 2009 in order to minimize reductions to the District's educational and related programs. Employee negotiations that were completed by May of 2008 became effective for fiscal year 2009 salaries for a three year period that resulted in an average 2.5% annual base salary increase over the previous year's salary schedules for the next three fiscal years. This 2.5% average increase was also extended to the salaries of all non-bargaining employees, which includes administrators and certain non-teaching personnel. This increase compared very favorably to the almost 3% annual increases that were agreed to by many other Districts throughout the local area.

Additionally, the District's management was successful in negotiating meaningful cost sharing and cost controls over the District's employee group medical insurance plan that actually lowered the District's projected premium for fiscal year 2009 by over \$400,000. This will enable the District's plan to be much more competitive in the open market upon renewal time than it had been previously. The District also reduced projected salary costs by hiring in certificated staff replacements at a lower placement on the teacher salary schedule wherever possible. District management held, wherever possible, to reductions in fiscal year 2008 non-personnel spending levels that were instituted in fiscal year 2006 at an amount of 10 – 20% over previous levels.

As promised to the voters of the District during March levy campaign, the District will include appropriations starting in fiscal year 2009 to bring back items such as new textbooks, classroom supplies, technology purchasing and the like that were drastically cut over the last several years due to our financial condition. One of the major points of focus of the next three-year levy cycle will be the upgrading of the District's student and staff technology, which was a cornerstone of the levy campaign. These items have been addressed in the District's financial plan for fiscal years 2009 – 2011. This will all have to be done while dealing with the economic conditions and other factors outlined above, so the District's management will need to be flexible and creative in managing the District's limited resources to make this happen.

**ROCKY RIVER CITY SCHOOL DISTRICT
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Educationally, the District continues to perform among the highest level as determined by the State of Ohio, which is measured by an objectively defined set of proficiency criteria. The District's most recent state report card shows its students having met or exceeded the minimum requirements on 30 out of 30 objective performance indicators as mandated by the State of Ohio, therefore receiving an "Excellent with Distinction" designation from the State.

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

- A change in the Districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to Districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case in December 2003. Any changes made to state funding subsequent to this date have not had any appreciable impact on the District's finances and are not expected to do so in the near future.

In June 2005, the State Legislature made landmark changes to the State's taxing structure with the passage of House Bill 66 to take effect July 1, 2005. Of the many changes to Ohio's taxing structure, one of the most significant changes was the phase-out of the tangible personal property (TPP) tax on most businesses inventory, manufacturing machinery and equipment, and furniture and fixtures over four years at about 25 percent annually beginning in tax year 2006. Most new manufacturing machinery and equipment that would have been first taxable in tax year 2006 and thereafter will be subject to no TPP tax. Ohio School Districts will be "held harmless" for lost revenue through tax year 2010 by the State. Reimbursements will then be phased out through tax year 2017. The District began receiving these "hold harmless" payments in May of 2006. The District is currently unable to determine what long-term effects, if any, this new taxing structure contained in House Bill 66 will have on future state school funding in general and its specific state funding in particular.

Further, due to the economic slowdown over the last year, the State of Ohio has had to institute funding cuts to many areas, including education. While to date there have not been any meaningful reductions to any of our state funding, this is a distinct possibility as the economic conditions around the country, and especially in Ohio, continue to deteriorate.

Contacting the District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, investors, creditors and the general public with an overview of the District's finances and to show accountability for the money it receives. If you have any questions about this report or would like additional financial information about the District, please contact Greg R. Markus, CPA, Treasurer/CFO at the Rocky River City School District, 21600 Center Ridge Road, Rocky River, Ohio, 44116-3980 or by email at Greg_Markus@admin.rockyriver.k12.oh.us . You may also visit the District's website at www.rccs.org.

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

STATEMENT OF NET ASSETS
JUNE 30, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents. . .	\$ 3,978,990	\$ 144,513	\$ 4,123,503
Receivables:			
Taxes	27,923,066	-	27,923,066
Accounts	86,540	-	86,540
Intergovernmental	205,713	-	205,713
Accrued interest	642	110	752
Internal balances	1,906	(1,906)	-
Materials and supplies inventory.	58,109	1,835	59,944
Inventory held for resale	-	15,099	15,099
Capital assets:			
Land	722,230	48,591	770,821
Depreciable capital assets, net.	24,552,762	293,057	24,845,819
Total capital assets, net	<u>25,274,992</u>	<u>341,648</u>	<u>25,616,640</u>
Total assets.	<u>57,529,958</u>	<u>501,299</u>	<u>58,031,257</u>
Liabilities:			
Accounts payable.	126,930	2,409	129,339
Accrued wages and benefits	2,762,953	14,353	2,777,306
Pension obligation payable.	690,391	12,883	703,274
Intergovernmental payable	495,413	1,429	496,842
Unearned revenue	23,314,851	-	23,314,851
Accrued interest payable	99,035	-	99,035
Note payable	78,800	-	78,800
Long-term liabilities:			
Due within one year.	3,263,554	6,821	3,270,375
Due within more than one year	19,205,359	87,556	19,292,915
Total liabilities	<u>50,037,286</u>	<u>125,451</u>	<u>50,162,737</u>
Net Assets:			
Invested in capital assets, net of related debt.	8,737,992	341,648	9,079,640
Restricted for:			
Capital projects	167,265	-	167,265
Debt service.	4,156,438	-	4,156,438
Locally funded programs	13,042	-	13,042
State funded programs	182,298	-	182,298
Federally funded programs	30,965	-	30,965
Student activities	23,756	-	23,756
Other purposes	354,748	-	354,748
Unrestricted (deficit)	<u>(6,173,832)</u>	<u>34,200</u>	<u>(6,139,632)</u>
Total net assets	<u>\$ 7,492,672</u>	<u>\$ 375,848</u>	<u>\$ 7,868,520</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Instruction:				
Regular	\$ 14,272,906	\$ 201,032	\$ 121,565	\$ 19,188
Special	3,884,987	-	581,242	-
Vocational	443,201	-	-	-
Other	28,836	-	-	-
Support services:				
Pupil.	2,001,434	37,392	123,347	-
Instructional staff	803,996	-	52,438	-
Board of education	36,505	3,683	-	-
Administration.	2,230,446	2,103	-	-
Fiscal.	765,655	911	-	-
Business.	472,923	5,468	-	-
Operations and maintenance	3,515,979	120,793	-	-
Pupil transportation.	1,579,159	95,793	617	87,131
Central	710,439	1,006	9,410	-
Operation of non-instructional services	1,589,312	-	1,583,365	-
Extracurricular activities.	1,160,128	312,012	7,457	-
Interest and fiscal charges	1,229,402	-	-	-
Total governmental activities	<u>34,725,308</u>	<u>780,193</u>	<u>2,479,441</u>	<u>106,319</u>
Business-type activities:				
Food service.	520,334	364,937	112,969	-
Uniform school supplies.	26,144	24,096	-	-
Community programs.	344,804	240,631	-	-
Total business-type activities	<u>891,282</u>	<u>629,664</u>	<u>112,969</u>	<u>-</u>
Totals	<u>\$ 35,616,590</u>	<u>\$ 1,409,857</u>	<u>\$ 2,592,410</u>	<u>\$ 106,319</u>

General Revenues:

Property taxes levied for:

 General purposes

 Debt service.

Grants and entitlements not restricted
to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net assets

Net assets at beginning of year

Net assets at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Assets**

Governmental Activities	Business-Type Activities	Total
\$ (13,931,121)	\$ -	\$ (13,931,121)
(3,303,745)	-	(3,303,745)
(443,201)	-	(443,201)
(28,836)	-	(28,836)
(1,840,695)	-	(1,840,695)
(751,558)	-	(751,558)
(32,822)	-	(32,822)
(2,228,343)	-	(2,228,343)
(764,744)	-	(764,744)
(467,455)	-	(467,455)
(3,395,186)	-	(3,395,186)
(1,395,618)	-	(1,395,618)
(700,023)	-	(700,023)
(5,947)	-	(5,947)
(840,659)	-	(840,659)
(1,229,402)	-	(1,229,402)
(31,359,355)	-	(31,359,355)
-	(42,428)	(42,428)
-	(2,048)	(2,048)
-	(104,173)	(104,173)
-	(148,649)	(148,649)
(31,359,355)	(148,649)	(31,508,004)
22,319,494	-	22,319,494
3,305,489	-	3,305,489
5,102,939	-	5,102,939
289,371	4,663	294,034
56,295	185,423	241,718
31,073,588	190,086	31,263,674
(285,767)	41,437	(244,330)
7,778,439	334,411	8,112,850
\$ 7,492,672	\$ 375,848	\$ 7,868,520

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and cash equivalents	\$ -	\$ 3,084,373	\$ 248,335	\$ 372,443	\$ 3,705,151
Receivables:					
Taxes	24,788,748	3,134,318	-	-	27,923,066
Accounts	86,540	-	-	-	86,540
Intergovernmental	190,000	-	-	15,713	205,713
Accrued interest	242	-	222	178	642
Interfund loans	-	540,000	-	-	540,000
Due from other funds	1,906	-	-	-	1,906
Materials and supplies inventory	58,109	-	-	-	58,109
Restricted assets:					
Equity in pooled cash and cash equivalents	272,605	-	-	-	272,605
Total assets	\$ 25,398,150	\$ 6,758,691	\$ 248,557	\$ 388,334	\$ 32,793,732
Liabilities:					
Accounts payable	\$ 75,941	\$ -	\$ 2,456	\$ 48,533	\$ 126,930
Accrued wages and benefits	2,755,571	-	-	7,382	2,762,953
Compensated absences payable	820,588	-	-	-	820,588
Pension obligation payable	689,045	-	-	1,346	690,391
Intergovernmental payable	489,206	340	-	5,867	495,413
Interfund loan payable	-	-	-	540,000	540,000
Accrued interest payable	-	-	36	-	36
Notes payable	-	-	78,800	-	78,800
Deferred revenue	1,427,013	184,903	190	13,727	1,625,833
Unearned revenue	20,811,937	2,502,914	-	-	23,314,851
Total liabilities	27,069,301	2,688,157	81,482	616,855	30,455,795
Fund Balances:					
Reserved for encumbrances	224,320	-	53,279	65,445	343,044
Reserved for property tax unavailable for appropriation	2,798,621	445,406	-	-	3,244,027
Reserved for debt service	-	3,625,128	-	-	3,625,128
Reserved for textbooks/instructional materials	343,553	-	-	-	343,553
Reserved for unclaimed monies	11,195	-	-	-	11,195
Unreserved, undesignated (deficit), reported in:					
General fund	(5,048,840)	-	-	-	(5,048,840)
Special revenue funds	-	-	-	245,941	245,941
Capital projects funds	-	-	113,796	(539,907)	(426,111)
Total fund balances (deficit)	(1,671,151)	4,070,534	167,075	(228,521)	2,337,937
Total liabilities and fund balances	\$ 25,398,150	\$ 6,758,691	\$ 248,557	\$ 388,334	\$ 32,793,732

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2008

Total governmental fund balances		\$ 2,337,937
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		25,274,992
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes	\$ 1,346,708	
Interest	551	
Intergovernmental	13,574	
Rental	265,000	
Total		1,625,833
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		1,234
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(18,314,079)	
Compensated absences	(3,285,174)	
Capital lease obligation	(49,072)	
Accrued interest payable	(98,999)	
Total		(21,747,324)
Net assets of governmental activities		\$ 7,492,672

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
From local sources:					
Taxes	\$ 22,155,825	\$ 3,263,177	\$ -	\$ -	\$ 25,419,002
Tuition	89,613	-	-	-	89,613
Transportation	2,340	-	-	-	2,340
Earnings on investments.	289,703	-	57	2,168	291,928
Extracurricular.	-	-	-	209,092	209,092
Classroom materials and fees	23,026	-	-	-	23,026
Contributions and donations.	1,500	-	-	94,191	95,691
Rentals.	99,691	-	134,293	40,000	273,984
Other local revenues.	141,351	-	-	138,158	279,509
Intergovernmental - State	4,777,655	412,415	-	1,469,116	6,659,186
Intergovernmental - Federal.	-	-	-	918,098	918,098
Total revenue	<u>27,580,704</u>	<u>3,675,592</u>	<u>134,350</u>	<u>2,870,823</u>	<u>34,261,469</u>
Expenditures:					
Current:					
Instruction:					
Regular	13,170,607	-	5,340	150,276	13,326,223
Special.	3,158,345	-	-	556,931	3,715,276
Vocational.	413,149	-	-	-	413,149
Other	26,948	-	-	-	26,948
Support Services:					
Pupil.	1,682,413	-	-	190,910	1,873,323
Instructional staff	808,276	-	-	53,332	861,608
Board of education	32,437	-	6,062	-	38,499
Administration.	2,050,106	-	3,461	-	2,053,567
Fiscal	667,555	45,266	1,500	-	714,321
Business	441,682	-	9,000	-	450,682
Operations and maintenance.	3,261,429	-	67,673	-	3,329,102
Pupil transportation	1,458,082	-	87,812	299,378	1,845,272
Central.	651,612	-	1,656	10,938	664,206
Operation of non-instructional services	3,210	-	-	1,572,964	1,576,174
Extracurricular activities.	756,563	-	3,869	349,722	1,110,154
Facilities acquisition and construction	-	-	34,638	-	34,638
Debt service:					
Principal retirement	47,469	2,145,000	-	-	2,192,469
Interest and fiscal charges	2,840	886,453	36	-	889,329
Total expenditures	<u>28,632,723</u>	<u>3,076,719</u>	<u>221,047</u>	<u>3,184,451</u>	<u>35,114,940</u>
Net change in fund balances	(1,052,019)	598,873	(86,697)	(313,628)	(853,471)
Fund balances (deficit) at beginning of year					
	(619,132)	3,471,661	253,772	85,107	3,191,408
Fund balances (deficit) at end of year	<u>\$ (1,671,151)</u>	<u>\$ 4,070,534</u>	<u>\$ 167,075</u>	<u>\$ (228,521)</u>	<u>\$ 2,337,937</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds \$ (853,471)

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

Governmental funds report capital outlays as expenditures.

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

Capital asset additions	\$ 656,267	
Current year depreciation	(2,280,466)	
Total	(1,624,199)	(1,624,199)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets. (107,501)

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

Decrease in accrued interest payable	3,503	
Accretion of interest on "capital appreciation" bonds	(343,576)	
Total	(340,073)	(340,073)

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

Taxes	205,981	
Interest	(236)	
Rentals	(41,076)	
Intergovernmental	13,403	
Total	178,072	178,072

Repayment of bonds and capital lease obligations are expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were:

Bonds	2,145,000	
Capital lease	47,469	
Total	2,192,469	2,192,469

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. (2,703)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 271,639

Change in net assets of governmental activities \$ (285,767)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Taxes	\$ 22,722,649	\$ 22,447,546	\$ 22,017,562	\$ (429,984)
Tuition	81,978	81,978	89,613	7,635
Transportation.	-	-	2,340	2,340
Earnings on investments.	275,000	275,000	317,352	42,352
Classroom materials and fees	17,000	17,000	23,026	6,026
Contributions and donations.	500	500	1,500	1,000
Rentals.	60,200	85,135	128,992	43,857
Other local revenues.	96,000	96,000	85,159	(10,841)
Intergovernmental - State	4,547,363	4,547,363	4,777,655	230,292
Total revenue	<u>27,800,690</u>	<u>27,550,522</u>	<u>27,443,199</u>	<u>(107,323)</u>
Expenditures:				
Current:				
Instruction:				
Regular	13,107,556	12,969,810	12,969,497	313
Special.	3,199,599	3,159,497	3,147,412	12,085
Vocational.	455,235	395,152	395,151	1
Other	25,573	26,470	26,469	1
Support Services:				
Pupil.	1,601,338	1,601,540	1,601,538	2
Instructional staff	693,858	740,546	740,239	307
Board of education	29,654	44,456	43,111	1,345
Administration.	1,611,018	2,002,031	1,999,868	2,163
Fiscal	1,082,016	676,259	671,622	4,637
Business	396,616	452,026	435,209	16,817
Operations and maintenance.	3,208,221	3,303,809	3,288,279	15,530
Pupil transportation	1,265,812	1,439,757	1,439,755	2
Central.	804,401	722,789	716,700	6,089
Operation of non-instructional services	-	3,177	3,177	-
Extracurricular activities.	794,495	765,589	763,246	2,343
Debt service:				
Principal retirement	40,000	40,000	40,000	-
Total expenditures	<u>28,315,392</u>	<u>28,342,908</u>	<u>28,281,273</u>	<u>61,635</u>
Excess of revenues over (under) expenditures.	<u>(514,702)</u>	<u>(792,386)</u>	<u>(838,074)</u>	<u>(45,688)</u>
Other financing sources (uses):				
Refund of prior year expenditure	9,106	9,106	45,363	36,257
Refund of prior year receipts	(500)	(500)	-	500
Proceeds from sale of capital assets	-	-	8,994	8,994
Advances in	4,027	4,027	4,027	-
Transfers out	(2,580)	-	-	-
Total other financing sources (uses)	<u>10,053</u>	<u>12,633</u>	<u>58,384</u>	<u>45,751</u>
Net change in fund balance	(504,649)	(779,753)	(779,690)	63
Fund balance at beginning of year	404,874	404,874	404,874	-
Prior year encumbrances appropriated	386,573	386,573	386,573	-
Fund balance at end of year	<u>\$ 286,798</u>	<u>\$ 11,694</u>	<u>\$ 11,757</u>	<u>\$ 63</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Nonmajor Enterprise Funds	Total	
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	\$ 122,120	\$ 22,393	\$ 144,513	\$ 1,234
Receivables:				
Accrued interest	110	-	110	-
Inventory held for resale.	7,309	7,790	15,099	-
Materials and supplies inventory	1,835	-	1,835	-
Total current assets	<u>131,374</u>	<u>30,183</u>	<u>161,557</u>	<u>1,234</u>
Noncurrent assets:				
Land	-	48,591	48,591	-
Depreciable capital assets, net.	102,173	190,884	293,057	-
Total noncurrent assets	<u>102,173</u>	<u>239,475</u>	<u>341,648</u>	<u>-</u>
Total assets	<u>233,547</u>	<u>269,658</u>	<u>503,205</u>	<u>1,234</u>
Liabilities:				
Accounts payable.	45	2,364	2,409	-
Accrued wages and benefits	12,815	1,538	14,353	-
Compensated absences.	6,821	-	6,821	-
Pension obligation payable.	10,728	2,155	12,883	-
Due to other funds	-	1,906	1,906	-
Intergovernmental payable	1,286	143	1,429	-
Total current liabilities	<u>31,695</u>	<u>8,106</u>	<u>39,801</u>	<u>-</u>
Long-term liabilities:				
Compensated absences payable.	75,868	11,688	87,556	-
Total liabilities	<u>107,563</u>	<u>19,794</u>	<u>127,357</u>	<u>-</u>
Net assets:				
Invested in capital assets	102,173	239,475	341,648	-
Unrestricted.	23,811	10,389	34,200	1,234
Total net assets	<u>\$ 125,984</u>	<u>\$ 249,864</u>	<u>\$ 375,848</u>	<u>\$ 1,234</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	Food Service	Nonmajor Enterprise Funds	Total	
Operating revenues:				
Tuition and fees.	\$ -	\$ 264,727	\$ 264,727	\$ -
Sales/charges for services.	364,937	-	364,937	80,293
Other	-	80,278	80,278	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating revenues	364,937	345,005	709,942	80,293
	<hr/>	<hr/>	<hr/>	<hr/>
Operating expenses:				
Personal services.	208,413	33,495	241,908	-
Purchased services.	5,918	119,230	125,148	82,996
Materials and supplies	26,728	137,325	164,053	-
Cost of sales	229,940	26,144	256,084	-
Depreciation	49,335	16,055	65,390	-
Other.	-	38,699	38,699	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expenses.	520,334	370,948	891,282	82,996
	<hr/>	<hr/>	<hr/>	<hr/>
Operating income (loss)	(155,397)	(25,943)	(181,340)	(2,703)
	<hr/>	<hr/>	<hr/>	<hr/>
Nonoperating revenues:				
Federal donated commodities	34,198	-	34,198	-
Interest revenue	4,663	-	4,663	-
Gain on disposal of capital assets	-	1,513	1,513	-
Other nonoperating revenue.	103,632	-	103,632	-
Grants and subsidies	78,771	-	78,771	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total nonoperating revenues.	221,264	1,513	222,777	-
	<hr/>	<hr/>	<hr/>	<hr/>
Change in net assets	65,867	(24,430)	41,437	(2,703)
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at beginning of year.	60,117	274,294	334,411	3,937
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at end of year	<u>\$ 125,984</u>	<u>\$ 249,864</u>	<u>\$ 375,848</u>	<u>\$ 1,234</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Food Service	Nonmajor Enterprise Funds	Total	
Cash flows from operating activities:				
Cash received from tuition and fees	\$ -	\$ 264,727	\$ 264,727	\$ -
Cash received from sales/charges for services.	364,937	-	364,937	80,293
Cash received from other operations.	-	80,278	80,278	-
Cash payments for personal services.	(203,164)	(34,177)	(237,341)	(80,546)
Cash payments for purchased services.	(5,918)	(120,384)	(126,302)	(2,450)
Cash payments for materials and supplies	(23,078)	(136,270)	(159,348)	-
Cash payments for cost of goods sold	(197,120)	(27,407)	(224,527)	-
Cash payments for other expenses	-	(36,397)	(36,397)	-
Net cash used in operating activities	(64,343)	(9,630)	(73,973)	(2,703)
Cash flows from noncapital financing activities:				
Cash received from grants and subsidies	78,771	-	78,771	-
Cash received from other nonoperating activities	103,632	-	103,632	-
Net cash provided by noncapital financing activities	182,403	-	182,403	-
Cash flows from capital and related financing activities:				
Gain on sale of capital assets.	-	1,513	1,513	-
Acquisition of capital assets	(112,012)	-	(112,012)	-
Net cash used in capital and related financing activities	(112,012)	1,513	(110,499)	-
Cash flows from investing activities:				
Interest received.	4,553	-	4,553	-
Net cash provided by investing activities	4,553	-	4,553	-
Net increase (decrease) in cash and cash equivalents	10,601	(8,117)	2,484	(2,703)
Cash and cash equivalents at beginning of year	111,519	30,510	142,029	3,937
Cash and cash equivalents at end of year.	\$ 122,120	\$ 22,393	\$ 144,513	\$ 1,234

(Continued)

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Food Service</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
Reconciliation of operating loss to net cash used in operating activities:				
Operating income (loss)	\$ (155,397)	\$ (25,943)	\$ (181,340)	\$ (2,703)
Adjustments:				
Depreciation	49,335	16,055	65,390	-
Federal donated commodities	34,198	-	34,198	-
Changes in assets and liabilities:				
Decrease in materials and supplies inventory	610	-	610	-
(Increase) decrease in inventory held for resale	1,622	(1,263)	359	-
Increase in accounts payable	40	297	337	-
Increase (decrease) in accrued wages and benefits	2,871	(322)	2,549	-
Increase (decrease) in intergovernmental payable	496	(28)	468	-
Increase in compensated absences payable	2,371	743	3,114	-
(Decrease) in pension obligation payable	(489)	(1,075)	(1,564)	-
Increase in due to other funds	-	1,906	1,906	-
Net cash used in operating activities	<u>\$ (64,343)</u>	<u>\$ (9,630)</u>	<u>\$ (73,973)</u>	<u>\$ (2,703)</u>

Noncash Transactions:

The District received \$34,198 in federal donated commodities during fiscal year 2008.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	Private-Purpose Trust	
	Scholarship	Agency
Assets:		
Equity in pooled cash and cash equivalents	\$ 79,095	\$ 118,247
Receivables:		
Accrued interest	71	106
Accounts	-	235
	79,166	118,588
Total assets	79,166	\$ 118,588
Liabilities:		
Accounts payable	4,539	\$ 270
Due to students	-	118,318
	4,539	118,588
Total liabilities	4,539	\$ 118,588
Net Assets:		
Held in trust for scholarships	74,627	
Total net assets	\$ 74,627	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Private-Purpose Trust
	Scholarship
Additions:	
Interest	\$ 550
Gifts and contributions.	59,272
	59,822
Total additions.	59,822
Deductions:	
Scholarships awarded	47,042
	12,780
Change in net assets	12,780
Net assets at beginning of year	61,847
Net assets at end of year	\$ 74,627

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District is located in a suburban area west of Cleveland, Ohio. It is located in Cuyahoga County, and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. It is staffed by 195 certificated, 146 non-certificated, and 16 administrative personnel who provide services to 2,686 students and other community members. The District currently operates a primary school, an intermediate school, a middle school and a high school. The District ranks as the 184th largest by enrollment among the 896 public school districts and community schools in the State of Ohio.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The District has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The District has elected not to apply these FASB Statements and Interpretations. The most significant of the District's accounting policies are described below.

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". When applying GASB Statement No. 14, management has considered all potential component units. Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the debt, the issuance of debt, or the levying of taxes. Based upon the application of these criteria, the District has no component units. The financial statements of the reporting entity include only those of the District (the primary government).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

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

RELATED ORGANIZATION

Rocky River Public Library

The Rocky River Public Library (the "Library") is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. The Library did not receive any funding from the District during fiscal year 2008. Financial information can be obtained from the Rocky River Public Library, Gary Hawkinson Clerk/Treasurer, at 1600 Hampton, Rocky River, Ohio 44116.

JOINTLY GOVERNED ORGANIZATIONS

Lakeshore Northeast Ohio Computer Association

The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau owned and operated by thirty-four public school districts and community schools. The primary function of LNOCA is to provide data services to the member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Board of Education serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. Rocky River City School District paid \$89,784 to LNOCA during fiscal year 2008. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valleyview, OH 44125.

Ohio Schools Council Association

The Ohio Schools Council Association (the "Council") is a jointly governed organization comprised of one hundred and nine member districts. The mission of the Council is to identify, plan and provide services to member districts that can be more effectively achieved by cooperative endeavors of member districts than by an individual district operating on its own. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2008, the District paid \$2,810 to the Council for membership and other services. Financial information can be obtained by contacting David Cottrell, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

The District participates in the Council's Energy for Education Program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for an extended period of time. The current, three year contract expires in December 2008. The participants make monthly payments based upon estimated usage. At the end of each fiscal year, these estimated payments are compared to actual usage for the year and additional billings are made or refunds are issued accordingly.

In April 2005, the Energy Acquisition Corporation II, a non-profit corporation with a self-appointing board, issued \$246 million in bonds and used the proceeds to prepay for the estimated electric energy costs for 249 entities from Cleveland Electric Illuminating, Ohio Edison and Toledo Edison. The participating school districts are not obligated in any manner for this debt.

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

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

INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Program

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

B. Fund Accounting

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

GOVERNMENTAL FUNDS

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

The following are the District's major governmental funds:

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

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

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

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds; and (b) for grants and other resources whose use is restricted to a particular purpose.

PROPRIETARY FUNDS

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. Proprietary funds consist of enterprise funds and internal service funds.

Enterprise Funds - The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The following is the District's only major enterprise fund:

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

Other enterprise funds of the District are used to account for uniform school supplies and community programs. These funds are nonmajor funds whose activity has been aggregated and presented in a single column in the financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

Internal Service Fund - The internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District is used to account for employee health benefits self-insurance, which provides medical, prescription drug and dental benefits to employees.

FIDUCIARY FUNDS

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

C. Basis of Presentation and Measurement Focus

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. 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 on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

Private-purpose trust funds are reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

D. Basis of Accounting

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2008 are recorded as deferred revenue.

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair values of donated commodities received during the year are reported in the financial statements as an expense with a like amount reported as federal donated commodities revenue.

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

E. Budgetary Process

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2008, investments were limited to repurchase agreements, nonnegotiable certificates of deposit and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit and repurchase agreements, are reported at cost.

The District has invested funds in STAR Ohio during fiscal 2008. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2008.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal 2008 amounted to \$289,703 which includes \$258,114 assigned from other District funds.

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

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

G. Inventory

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

On fund financial statements, inventories of governmental funds are stated at cost while purchased inventories of proprietary funds are stated at the lower of cost or market and donated commodities are reported at their entitlement value. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used. Inventories for both governmental and proprietary funds are accounted for using the consumption method.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

H. Capital Assets

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

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

All reported capital assets except land 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>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	30 years	30 years
Building/ improvements	10-30 years	30 years
Furniture/equipment	5-10 years	5-10 years
Vehicles	10 years	N/A

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable" and "interfund loans payable." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. At fiscal year-end, the District had \$540,000 in interfund loans receivable/payable related internal borrowings (manuscript bonds) between governmental funds (see Note 5).

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

J. Compensated Absences

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

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

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2008, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds 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, compensated absences and future retirement obligations that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and notes are recognized as a liability in the fund financial statements when due.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

L. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. Under Ohio law, unclaimed monies must be held for five years before it becomes available for appropriation. Money not yet held for the five year period is presented as reserved.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes consist of monies restricted for unclaimed monies and textbook/instructional supplies.

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

N. Non-public Schools

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

O. Estimates

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

P. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The District's restricted assets at June 30, 2008 consist of monies restricted by State Statute for textbooks/instructional materials. See Note 18 for additional information regarding set-asides.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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

Q. Operating Revenues and Expenses

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2008.

S. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Transfers between governmental funds are eliminated for reporting of governmental activities on the government-wide financial statements.

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2008, the District has implemented GASB Statement No. 45, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues" and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 establishes uniform standards of financial reporting for other postemployment benefits and increases the usefulness and improves the faithfulness of representations in the financial reports. The implementation of GASB Statement No. 45 did not have an effect on the financial statements of the District; however, certain disclosures related to postemployment benefits (see Note 14) have been modified to conform to the new reporting requirements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 48 establishes criteria to ascertain whether certain transactions should be regarded as sales or as collateralized borrowings, as well as disclosure requirements for future revenues that are pledged and sold. The implementation of GASB Statement No. 48 did not have an effect on the financial statements of the District.

GASB Statement No. 50 establishes standards that more closely align the financial reporting requirements for pensions with those of other postemployment benefits. The implementation of GASB Statement No. 50 did not have an effect on the financial statements of the District.

B. Deficit Fund Balance

Fund balances at June 30, 2008 included the following individual fund deficits:

<u>Major Funds</u>	<u>Deficit</u>
General	\$ 1,671,151
<u>Nonmajor Funds</u>	
Building	538,453
Entry Year Programs	46
SchoolNet Professional Development	3
Title III	229

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances result from adjustments for accrued liabilities. The deficit balance in the Building fund is the result of recording a fund liability for manuscript bonds (See Note 5).

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash on Hand

At year-end, the District had \$200 in undeposited cash on hand which is included on the financial statements of the District as part of "Equity in Pooled Cash and Cash Equivalents."

B. Deposits with Financial Institutions

At June 30, 2008, the carrying amount of all District deposits was \$3,534,832, exclusive of the \$563,000 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2008, \$3,678,261 of the District's bank balance of \$4,078,261 was exposed to custodial risk as discussed below, while \$400,000 was covered by Federal Deposit Insurance Corporation.

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

C. Investments

As of June 30, 2008, the District had the following investments and maturities:

<u>Investment type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> 6 months or less
Repurchase Agreement	\$ 563,000	\$ 563,000
STAR Ohio	222,813	222,813
	<u>\$ 785,813</u>	<u>\$ 785,813</u>

The weighted average maturity of investments is one day.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The federal agency securities underlying the repurchase agreement were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's \$563,000 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the District. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2008:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase Agreement	\$ 563,000	71.65%
STAR Ohio	<u>222,813</u>	<u>28.35%</u>
	<u>\$ 785,813</u>	<u>100.00%</u>

D. Reconciliation of cash and investments to the statement of net assets

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of June 30, 2008:

<u>Cash and investments per footnote</u>	
Carrying amount of deposits	\$ 3,534,832
Investments	785,813
Cash on hand	<u>200</u>
Total	<u>\$ 4,320,845</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 3,978,990
Business-type activities	144,513
Private-purpose trust fund	79,095
Agency fund	<u>118,247</u>
Total	<u>\$ 4,320,845</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund loans receivable/payable consisted of the following at June 30, 2008, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Bond Retirement	Nonmajor Governmental Funds	\$ <u>540,000</u>

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

The interfund receivable in the Bond Retirement fund represents the balance of interfund loans made to the Building capital projects fund (a nonmajor governmental fund). The interfund loan balance represents the fiscal year-end balance of manuscript bonds that were issued during fiscal year 2004 and 2008.

Interfund loans between governmental funds are eliminated on the government-wide financial statements.

- B. Due to/from other funds consisted of the following at June 30, 2008, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Enterprise Funds	\$ <u>1,906</u>

Amounts due to/from between governmental funds are eliminated on the government-wide financial statements.

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007 on the assessed value listed as of January 1, 2007 the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 6 - PROPERTY TAXES - (Continued)

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006 were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. For 2008, tangible personal property is assessed at 12.5% for property including inventory. This percentage will be reduced to 6.25% for 2009 and zero for 2010. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2008-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

The District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available as an advance at June 30, 2008 was \$2,798,621 in the general fund and \$445,406 in the bond retirement debt service fund. This amount is recorded as revenue. The amount available for advance at June 30, 2007 was \$2,666,567 in the general fund, \$380,938 in the bond retirement debt service fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary depending upon when the tax bills are sent by the County Auditor.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 722,592,150	97.13	\$ 728,712,840	97.98
Public Utility Personal	8,839,250	1.19	6,044,760	0.81
Tangible Personal Property	<u>12,471,366</u>	<u>1.68</u>	<u>8,975,082</u>	<u>1.21</u>
Total	<u>\$ 743,902,766</u>	<u>100.00</u>	<u>\$ 743,732,682</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation:	\$77.20		\$77.10	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2008 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

Governmental Activities	
Taxes	\$ 27,923,066
Accounts	86,540
Intergovernmental	205,713
Accrued interest	<u>642</u>
Total governmental activities	<u>\$ 28,215,961</u>
Business-Type Activities	
Accrued interest	<u>\$ 110</u>
Total business-type activities	<u>\$ 110</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 8 - CAPITAL LEASES - LESSEE DISCLOSURE

In a prior year, the District entered into a capitalized lease for a phone system. This lease agreement meets the criteria of capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of equipment have been capitalized in the amount of \$229,845. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2008 totaled \$47,469 were paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2008:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2009	\$ 50,308
Total minimum lease payments	50,308
Less amount representing interest	<u>(1,236)</u>
Total	<u>\$ 49,072</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year-ended June 30, 2008, was as follows:

	Balance			Balance
	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2008</u>
Governmental Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 722,230	\$ -	\$ -	\$ 722,230
Total capital assets, not being depreciated	<u>722,230</u>	<u>-</u>	<u>-</u>	<u>722,230</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,318,576	-	(4,105)	2,314,471
Building/improvements	44,329,545	59,655	(37,189)	44,352,011
Furniture/equipment	3,828,891	228,142	(573,164)	3,483,869
Vehicles	1,249,466	368,470	(117,219)	1,500,717
Total capital assets, being depreciated	<u>51,726,478</u>	<u>656,267</u>	<u>(731,677)</u>	<u>51,651,068</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(730,547)	(286,051)		(1,016,598)
Building/improvements	(20,768,253)	(1,713,042)		(22,481,295)
Furniture/equipment	(2,989,425)	(281,373)	572,164	(2,698,634)
Vehicles	(953,791)	-	52,012	(901,779)
Total accumulated depreciation	<u>(25,442,016)</u>	<u>(2,280,466)</u>	<u>624,176</u>	<u>(27,098,306)</u>
Governmental activities capital assets, net	<u>\$ 27,006,692</u>	<u>\$ (1,624,199)</u>	<u>\$ (107,501)</u>	<u>\$ 25,274,992</u>

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 999,939
Special	274,278
Vocational	30,052
Other	2,013
Support Services:	
Pupil	133,734
Instructional staff	60,297
Board of education	3,740
Administration	152,363
Fiscal	54,491
Business	32,762
Operations and maintenance	252,689
Pupil transportation	136,407
Central	50,106
Operation of non-instructional	12,672
Extracurricular activities	84,923
Total depreciation expense	<u>\$ 2,280,466</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 9 - CAPITAL ASSETS - (Continued)

Capital asset activity for the fiscal year-ended June 30, 2008, was as follows:

	Balance <u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2008</u>
Business-Type Activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 48,591	\$ -	\$ -	\$ 48,591
Total capital assets, not being depreciated	<u>48,591</u>	<u>-</u>	<u>-</u>	<u>48,591</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	25,000	-	-	25,000
Building/improvements	901,548	-	-	901,548
Furniture/equipment	<u>129,997</u>	<u>112,012</u>	<u>-</u>	<u>242,009</u>
Total capital assets, being depreciated	<u>1,056,545</u>	<u>112,012</u>	<u>-</u>	<u>1,168,557</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(13,402)	(1,181)	-	(14,583)
Building/improvements	(712,132)	(19,282)	-	(731,414)
Furniture/equipment	<u>(84,576)</u>	<u>(44,927)</u>	<u>-</u>	<u>(129,503)</u>
Total accumulated depreciation	<u>(810,110)</u>	<u>(65,390)</u>	<u>-</u>	<u>(875,500)</u>
Business-type activities capital assets, net	<u>\$ 295,026</u>	<u>\$ 46,622</u>	<u>\$ -</u>	<u>\$ 341,648</u>

Depreciation expense was charged to business-type activities as follows:

Food service	\$ 49,335
Community programs	<u>16,055</u>
Total depreciation expense	<u>\$ 65,390</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 10 - LONG-TERM OBLIGATIONS

A. The following is a schedule of the changes in long-term obligations during fiscal year 2008:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
Governmental Activities:					
General obligation bonds:					
1998 School Building Improvement Bonds	\$ 16,200,000	\$ -	\$ (1,145,000)	\$ 15,055,000	\$ 1,200,000
1996 School Building Improvement Serial Bonds	2,050,000	-	(1,000,000)	1,050,000	1,050,000
Capital appreciation bonds	304,128	-	-	304,128	-
Accretion on capital appreciation bonds	<u>1,561,375</u>	<u>343,576</u>	<u>-</u>	<u>1,904,951</u>	<u>-</u>
Total general obligation bonds	<u>20,115,503</u>	<u>343,576</u>	<u>(2,145,000)</u>	<u>18,314,079</u>	<u>2,250,000</u>
Capital lease obligation	96,541	-	(47,469)	49,072	49,072
Compensated absences	<u>4,067,215</u>	<u>528,446</u>	<u>(489,899)</u>	<u>4,105,762</u>	<u>964,482</u>
Total governmental activities long-term liabilities	<u>\$ 24,279,259</u>	<u>\$ 872,022</u>	<u>\$ (2,682,368)</u>	<u>\$ 22,468,913</u>	<u>\$ 3,263,554</u>
Business-Type Activities:					
Compensated absences	<u>\$ 91,263</u>	<u>\$ 5,682</u>	<u>\$ (2,478)</u>	<u>\$ 94,467</u>	<u>\$ 6,821</u>

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

In 1996, the District issued bonds for the advance refunding of series 1991 school building improvement bonds. The series 1991 general obligation bonds are considered defeased since the proceeds of new bonds were placed in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On June 30, 2008, \$3,245,000 of bonds outstanding are considered defeased.

The refunding issue was comprised of both current interest bonds, par value \$9,690,000, and capital appreciation bonds, par value \$304,128. The bonds bear interest rates ranging from 4.25%-5.75%. The capital appreciation bonds mature on June 1 in each year 2010-2012 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$3,340,000. This year, the addition on the capital appreciation bonds was \$343,576, which represents the annual accretion of discounted interest. Total accreted interest of \$1,904,951 has been included in the statement of net assets at June 30, 2008.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity of the current interest bonds is December 1, 2008.

Compensated absences will be paid from the fund which the employee is paid.

The capital lease obligation will be repaid from the general fund. See Note 8 for further detail on the District's capital lease obligation.

B. The following is a summary of the future debt service requirements to retire bonded debt:

Fiscal Year Ending	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 2,250,000	\$ 781,139	\$ 3,031,139	\$ -	\$ -	\$ -
2010	1,250,000	697,739	1,947,739	118,648	991,352	1,110,000
2011	1,310,000	637,890	1,947,890	100,584	1,014,416	1,115,000
2012	1,370,000	570,288	1,940,288	84,896	1,030,104	1,115,000
2013	1,445,000	494,634	1,939,634	-	-	-
2014 - 2018	8,480,000	1,187,070	9,667,070	-	-	-
Total	<u>\$ 16,105,000</u>	<u>\$ 4,368,760</u>	<u>\$ 20,473,760</u>	<u>\$ 304,128</u>	<u>\$ 3,035,872</u>	<u>\$ 3,340,000</u>

C. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The Code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2008, are a voted debt margin of \$51,884,639 (including available funds of \$4,070,534) and an unvoted debt margin of \$503,733.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 11 - COMPENSATED ABSENCES

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

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

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

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

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

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

Administrators are eligible for severance payments equal to 33% of their accumulated but unused sick leave up to a maximum of 70 days. Also, administrators will receive an amount equal to 30% of the administrator's current daily rate for each day of accumulated sick leave beyond 120 days as certified by the Treasurer's office. In addition, administrators shall receive a longevity payment equal to \$1,500 per year of employment as an administrator with the District. Certified administrators may also receive severance payments in accordance with teachers above to the extent the severance payments are beyond those listed here.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 12 - RISK MANAGEMENT

A. Comprehensive

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2008, the District contracted with various insurance companies through the Ohio Schools Council insurance program. Indiana Insurance provides property, inland marine and crime insurance coverage. There is a \$5,000 deductible on building and contents, along with a \$250 deductible for crime insurance.

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

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

Coverage	Amount
Building and Contents- replacement cost	\$ 93,102,947
Boiler and Machinery	30,000,000
Automobile Liability	1,000,000
General Liability	
Per occurrence	1,000,000
Umbrella	10,000,000

B. Group Health, Dental, Life and Vision Insurance

For fiscal year 2008, the District provided employee major medical, preventative care and prescription benefits through a fully insured, 85/110% contingent premium insurance program administered by Medical Mutual of Ohio. This plan is provided through a PPO (preferred provider organization) at no additional cost to employees if they choose an in-network provider for services. The plan allows for an employee to choose a provider outside of the network subject to an annual deductible of \$200 for a single plan and \$400 for a family plan along with a co-insurance level of 90% subject to annual maximum out-of-pocket limits. The District was responsible for the entire premium of \$1,116.10 (100% level) for family coverage and \$413.42 (100% level) for single coverage per month for all certificated and classified staff who were not considered administrators (the administrator rate is slightly higher). Any employee who is scheduled to work at a full-time equivalency (FTE) below 1.0 but greater than 0.5 is eligible for this coverage, but they are required to pay the difference in premium based on the difference between 1.0 and their scheduled FTE. The premium is generally paid by the fund that pays the salary for the employee.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 12 - RISK MANAGEMENT - (Continued)

The District also provides employee dental benefits through a fully insured, 85/110% contingent premium insurance program administered by Medical Mutual of Ohio that offers different levels of coverage through two plan structures. One plan is based on UCR (usual, customary and reasonable) that offers a higher level of coverage than the other plan, which is a fee schedule plan that pays a predetermined amount for various covered procedures. These plans provide dental benefits with a \$50 family and \$25 single deductible per year. The District paid \$84.56 for a family plan and \$25.37 for a single plan per employee per month for the UCR plan, which represents 60% of the entire premium required. The District paid \$74.55 for a family plan and \$22.37 for a single plan per employee per month for the fee schedule plan, which represents 80% of the entire premium required. The premium is generally paid by the fund that pays the salary for the employee.

A group life insurance plan is maintained for all employees who are scheduled to work at least a 0.5 FTE basis. The dollar amount of coverage generally ranges from \$30,000 - \$50,000 and is based on an employee's position within the District. The entire premium cost of \$0.12 per \$1,000 of coverage per month is paid by the District.

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

C. Workers' Compensation Program

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

NOTE 13 - PENSION PLANS

A. School Employees Retirement System of Ohio

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 13 - PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$378,905, \$398,859 and \$394,218, respectively; 45.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 13 - PENSION PLANS - (Continued)

Funding Policy - For fiscal year 2008, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007 and 2006 were \$1,777,057, \$1,763,793 and \$1,697,491, respectively; 84.13 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$36,029 made by the District and \$39,833 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the SERS or the STRS have an option to choose Social Security or the SERS/STRS. As of June 30, 2008, certain members of the Board of Education have elected Social Security. The District's liability is 6.2% of wages paid.

NOTE 14 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 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 2008, the surcharge amount was \$82,195.

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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$251,782, \$212,626 and \$216,586, respectively; 45.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$27,301, \$27,122 and \$31,376 respectively; 45.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$136,697, \$135,676 and \$130,576, respectively; 84.13 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 16 - CONTRACTUAL COMMITMENTS

As of June 30, 2008, the District had the following contractual purchase commitments outstanding:

<u>Contractor</u>	<u>Purpose</u>	<u>Amount</u>
Dakronics, Inc.	Purchase and install electronic sign	\$ 15,450
Ohio Bureau of Workers' Compensation Educational Service Center of Cuyahoga County	Portion of Worker's Comp. Premium	65,130
Midwest Bank and Frontline	Special education instructional services	48,186
Sound Com Corporation	Purchase and replacement of band uniforms	15,000
Hewlett-Packard Corp.	Purchase and replacement of sound system	11,050
Digital Integrated Systems	Purchase of Smart Boards and accessories	15,130
	Purchase of student computers for non-public schools through auxillary funds	19,350
McDougal Little & Co.	Purchase of world geography textbooks for non-public schools through auxillary funds	10,521
Lakewood City School District	Vocational education and tuition and ancillary costs	307,738
North Olmsted City School District	Special education tuition/excess costs	12,228
Total		<u>\$ 519,783</u>

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING

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

The Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis).
- (d) Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
- (e) Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING – (Continued)

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

	<u>General Fund</u>
Budget basis	\$ (779,690)
Net adjustment for revenue accruals	137,505
Net adjustment for expenditure accruals	(611,685)
Net adjustment for other sources/uses	(58,384)
Adjustment for encumbrances	<u>260,235</u>
GAAP basis	<u>\$ (1,052,019)</u>

NOTE 18 - STATUTORY RESERVES

The District is required by state statute to annually set-aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at 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 change in the year-end set-aside amounts for the textbooks/instructional materials and capital acquisition reserves. Disclosure of this information is required by State statute.

	<u>Textbooks/ Instructional Materials</u>	<u>Capital Acquisition</u>
Set-aside balance as of June 30, 2007	\$ 155,098	\$ -
Current year set-aside requirement	420,607	420,607
Qualifying disbursements	<u>(232,152)</u>	<u>(1,164,822)</u>
Total	<u>\$ 343,553</u>	<u>\$ (744,215)</u>
Balance carried forward to FY 2009	<u>\$ 343,553</u>	<u>\$ -</u>

The District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition. This amount may not be used to reduce the set-aside requirement of future years.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

NOTE 18 - STATUTORY RESERVES - (Continued)

The balance in the set-aside reserve carried forward to fiscal year 2009 for textbook/instructional materials is reported as a reservation of fund balance and a restricted asset in the general fund.

A schedule of the restricted assets at June 30, 2008 follows:

Amounts restricted for textbooks/instructional materials	\$ 343,553
Amount to limit restricted cash to available cash balance	<u>(70,948)</u>
Total restricted assets	<u>\$ 272,605</u>

NOTE 19 – NOTES PAYABLE

In June 2008, the District issued \$78,800 in bus acquisition notes. The notes bear an interest rate of 2.4% and mature June 23, 2009. The following is a summary of the note activity:

	Balance June 30, 2007	Issued	Retired	Balance June 30, 2008
Notes Payable	\$ -	\$ 78,800	\$ -	\$ 78,800

The notes are reported as a liability of the permanent improvement fund, the fund which received the proceeds.

NOTE 20 – SIGNIFICANT SUBSEQUENT EVENTS

In September 2008, the District entered into a capital lease agreement for the acquisition of computers. The present value of the future minimum lease payments under the capital lease obligation is \$163,256.

In August 2008, the District issued \$460,000 in bus acquisition notes (manuscript notes). The notes bear an interest rate of 2.5% and mature August 20, 2009.

In December 2008, the District entered into a capital lease agreement for the acquisition of computer networking equipment. The present value of the future minimum lease payments under the capital lease obligation is \$158,562.

**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

SUPPLEMENTAL INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Taxes	\$ 22,722,649	\$ 22,447,546	\$ 22,017,562	\$ (429,984)
Tuition	81,978	81,978	89,613	7,635
Transportation	-	-	2,340	2,340
Earnings on investments	275,000	275,000	317,352	42,352
Classroom materials and fees	17,000	17,000	23,026	6,026
Contributions and donations	500	500	1,500	1,000
Rentals	60,200	85,135	128,992	43,857
Other local revenues	96,000	96,000	85,159	(10,841)
Intergovernmental - State	4,547,363	4,547,363	4,777,655	230,292
<i>Total revenues.</i>	<u>27,800,690</u>	<u>27,550,522</u>	<u>27,443,199</u>	<u>(107,323)</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	9,476,289	9,083,482	9,083,173	309
Fringe benefits	3,064,319	3,268,611	3,268,610	1
Purchased services	317,104	418,631	418,630	1
Materials and supplies	162,185	124,583	124,582	1
Capital outlay	27,498	34,096	34,095	1
Other	60,161	40,407	40,407	-
<i>Total instruction-regular.</i>	<u>13,107,556</u>	<u>12,969,810</u>	<u>12,969,497</u>	<u>313</u>
Instruction-special:				
Salaries and wages	2,029,309	1,986,166	1,986,165	1
Fringe benefits	674,409	706,579	706,578	1
Purchased services	475,036	450,856	438,774	12,082
Materials and supplies	13,845	8,005	8,004	1
Capital outlay	7,000	7,891	7,891	-
<i>Total instruction-special.</i>	<u>3,199,599</u>	<u>3,159,497</u>	<u>3,147,412</u>	<u>12,085</u>
Instruction-vocational:				
Purchased services	455,235	375,152	375,151	1
Capital outlay	-	20,000	20,000	-
<i>Total instruction-vocational.</i>	<u>455,235</u>	<u>395,152</u>	<u>395,151</u>	<u>1</u>
Instruction-other:				
Salaries and wages	16,854	16,926	16,925	1
Fringe benefits	8,719	9,544	9,544	-
<i>Total instruction-other.</i>	<u>25,573</u>	<u>26,470</u>	<u>26,469</u>	<u>1</u>
Support services-pupil:				
Salaries and wages	1,123,186	1,120,370	1,120,370	-
Fringe benefits	351,580	360,974	360,974	-
Purchased services	113,153	109,194	109,193	1
Materials and supplies	13,419	11,002	11,001	1
<i>Total support services-pupil.</i>	<u>1,601,338</u>	<u>1,601,540</u>	<u>1,601,538</u>	<u>2</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-instructional staff:				
Salaries and wages	\$ 462,140	\$ 481,503	\$ 481,502	\$ 1
Fringe benefits	189,944	215,748	215,443	305
Purchased services	19,215	15,367	15,367	-
Materials and supplies.	11,549	5,041	5,040	1
Capital outlay	9,080	20,932	20,932	-
Other	1,930	1,955	1,955	-
Total support services-instructional staff	693,858	740,546	740,239	307
Support services-board of education:				
Salaries and wages	13,750	18,750	18,750	-
Fringe benefits	2,124	3,097	3,097	-
Purchased services	3,800	11,384	10,859	525
Materials and supplies.	350	350	295	55
Other	9,630	10,875	10,110	765
Total support services-board of education	29,654	44,456	43,111	1,345
Support services-administration:				
Salaries and wages	1,119,452	1,459,745	1,459,642	103
Fringe benefits	469,041	524,460	523,853	607
Purchased services	13,675	9,206	9,206	-
Materials and supplies.	4,650	4,564	3,514	1,050
Capital outlay	1,200	1,056	1,056	-
Other	3,000	3,000	2,597	403
Total support services-administration.	1,611,018	2,002,031	1,999,868	2,163
Support services-fiscal:				
Salaries and wages	217,607	180,607	180,242	365
Fringe benefits	465,559	57,209	53,089	4,120
Purchased services	39,300	62,882	62,881	1
Materials and supplies.	2,400	2,400	2,249	151
Other	357,150	373,161	373,161	-
Total support services-fiscal	1,082,016	676,259	671,622	4,637
Support services-business:				
Salaries and wages	109,813	109,813	108,984	829
Fringe benefits	40,129	41,448	41,448	-
Purchased services	170,706	225,815	213,181	12,634
Materials and supplies.	36,668	38,133	38,132	1
Capital outlay	3,300	4,213	1,024	3,189
Other	36,000	32,604	32,440	164
Total support services-business	396,616	452,026	435,209	16,817

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-operations and maintenance:				
Salaries and wages	\$ 1,209,566	\$ 1,210,048	\$ 1,210,047	\$ 1
Fringe benefits	487,693	459,555	459,481	74
Purchased services	1,285,382	1,342,005	1,342,004	1
Materials and supplies.	204,580	263,010	263,009	1
Capital outlay	20,500	24,119	8,667	15,452
Other	500	5,072	5,071	1
Total support services-operations and maintenance	<u>3,208,221</u>	<u>3,303,809</u>	<u>3,288,279</u>	<u>15,530</u>
Support services-pupil transportation:				
Salaries and wages	678,233	718,375	718,374	1
Fringe benefits	229,205	254,306	254,306	-
Purchased services	239,910	301,669	301,669	-
Materials and supplies.	113,548	159,320	159,319	1
Capital outlay	4,916	6,047	6,047	-
Other	-	40	40	-
Total support services-pupil transportation	<u>1,265,812</u>	<u>1,439,757</u>	<u>1,439,755</u>	<u>2</u>
Support services-central:				
Salaries and wages	378,837	374,532	374,532	-
Fringe benefits	310,917	205,477	205,476	1
Purchased services	102,321	128,206	122,118	6,088
Materials and supplies.	12,326	14,102	14,102	-
Other	-	472	472	-
Total support services-central	<u>804,401</u>	<u>722,789</u>	<u>716,700</u>	<u>6,089</u>
Operation of non-instructional services:				
Salaries and wages	-	2,749	2,749	-
Other	-	428	428	-
Total operation of non-instructional services	<u>-</u>	<u>3,177</u>	<u>3,177</u>	<u>-</u>
Extracurricular activities:				
Salaries and wages	637,627	607,009	606,896	113
Fringe benefits	122,265	123,093	122,279	814
Purchased services	26,833	28,233	27,400	833
Materials and supplies.	5,970	6,671	6,671	-
Capital outlay	1,800	583	-	583
Total extracurricular activities.	<u>794,495</u>	<u>765,589</u>	<u>763,246</u>	<u>2,343</u>
Debt service:				
Principal retirement.	40,000	40,000	40,000	-
Total debt service	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<i>Total expenditures</i>	<u>28,315,392</u>	<u>28,342,908</u>	<u>28,281,273</u>	<u>61,635</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess (deficiency) of revenues over (under) expenditures</i>	\$ (514,702)	\$ (792,386)	\$ (838,074)	\$ (45,688)
Other financing sources (uses):				
Refund of prior year's expenditures	9,106	9,106	45,363	36,257
Refund of prior year's receipts	(500)	(500)	-	500
Sale of capital assets	-	-	8,994	8,994
Advances in	4,027	4,027	4,027	-
Transfers out.	(2,580)	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,053</u>	<u>12,633</u>	<u>58,384</u>	<u>45,751</u>
<i>Net change in fund balance</i>	(504,649)	(779,753)	(779,690)	63
<i>Fund balance at beginning of year</i>	404,874	404,874	404,874	-
<i>Prior year encumbrances appropriated.</i>	386,573	386,573	386,573	-
<i>Fund balance at end of year.</i>	<u>\$ 286,798</u>	<u>\$ 11,694</u>	<u>\$ 11,757</u>	<u>\$ 63</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Taxes	\$ 3,219,424	\$ 3,151,101	\$ 3,198,308	\$ 47,207
Intergovernmental	373,315	366,155	412,415	46,260
<i>Total revenues.</i>	<u>3,592,739</u>	<u>3,517,256</u>	<u>3,610,723</u>	<u>93,467</u>
Expenditures:				
Support services-fiscal				
Other	40,300	45,273	45,005	268
<i>Total support services-fiscal</i>	<u>40,300</u>	<u>45,273</u>	<u>45,005</u>	<u>268</u>
Debt service:				
Principal retirement.	2,145,000	2,145,000	2,145,000	-
Interest and fiscal charges	886,453	886,453	886,453	-
<i>Total debt service</i>	<u>3,031,453</u>	<u>3,031,453</u>	<u>3,031,453</u>	<u>-</u>
<i>Total expenditures</i>	<u>3,071,753</u>	<u>3,076,726</u>	<u>3,076,458</u>	<u>268</u>
<i>Net change in fund balance</i>	520,986	440,530	534,265	93,735
<i>Fund balance at beginning of year</i>	3,090,108	3,090,108	3,090,108	-
<i>Fund balance at end of year.</i>	<u>\$ 3,611,094</u>	<u>\$ 3,530,638</u>	<u>\$ 3,624,373</u>	<u>\$ 93,735</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 5,000	\$ 5,000	\$ 8,350	\$ 3,350
Rentals	134,293	134,293	134,293	-
<i>Total revenues.</i>	<u>139,293</u>	<u>139,293</u>	<u>142,643</u>	<u>3,350</u>
Expenditures:				
Current:				
Instruction-regular				
Capital outlay	57,429	7,593	5,340	2,253
Total instruction-regular.	<u>57,429</u>	<u>7,593</u>	<u>5,340</u>	<u>2,253</u>
Support services-board of education				
Capital outlay	-	6,062	6,062	-
Total support services-board of education	<u>-</u>	<u>6,062</u>	<u>6,062</u>	<u>-</u>
Support services-administration				
Capital outlay	3,500	5,252	5,252	-
Total support services-administration.	<u>3,500</u>	<u>5,252</u>	<u>5,252</u>	<u>-</u>
Support services-fiscal:				
Capital outlay	1,500	1,500	1,500	-
Total support services-fiscal	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Support services-business				
Capital outlay	1,500	9,000	9,000	-
Total support services-business	<u>1,500</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Support services-operations and maintenance:				
Capital outlay	93,154	106,330	106,329	1
Total support services-operations and maintenance	<u>93,154</u>	<u>106,330</u>	<u>106,329</u>	<u>1</u>
Support services-pupil transportation:				
Capital outlay	3,700	87,814	87,814	-
Total support services-pupil transportation	<u>3,700</u>	<u>87,814</u>	<u>87,814</u>	<u>-</u>
Support services-central:				
Capital outlay	1,500	1,656	1,656	-
Total support services-central	<u>1,500</u>	<u>1,656</u>	<u>1,656</u>	<u>-</u>
Support services-extracurricular activities				
Capital outlay	3,869	3,869	3,869	-
Total support services-extracurricular activities	<u>3,869</u>	<u>3,869</u>	<u>3,869</u>	<u>-</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMANENT IMPROVEMENTS FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Facilities acquisition and construction:				
Capital outlay	\$ 11,250	\$ 49,425	\$ 47,468	\$ 1,957
Total facilities acquisition and construction.	<u>11,250</u>	<u>49,425</u>	<u>47,468</u>	<u>1,957</u>
Debt service:				
Principal retirement.	60,000	-	-	-
Interest and fiscal charges	5,000	-	-	-
Total debt service	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <i>Total expenditures</i>	 <u>242,402</u>	 <u>278,501</u>	 <u>274,290</u>	 <u>4,211</u>
 <i>Excess (deficiency) of revenues over (under) expenditures</i>	 <u>(103,109)</u>	 <u>(139,208)</u>	 <u>(131,647)</u>	 <u>7,561</u>
Other financing sources:				
Proceeds from sale of notes	-	78,800	78,800	-
<i>Total other financing sources</i>	<u>-</u>	<u>78,800</u>	<u>78,800</u>	<u>-</u>
 <i>Net change in fund balance</i>	 <u>(103,109)</u>	 <u>(60,408)</u>	 <u>(52,847)</u>	 <u>7,561</u>
 <i>Fund balance at beginning of year</i>	 208,188	 208,188	 208,188	 -
<i>Prior year encumbrances appropriated.</i>	<u>36,702</u>	<u>36,702</u>	<u>36,702</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 141,781</u>	<u>\$ 184,482</u>	<u>\$ 192,043</u>	<u>\$ 7,561</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOOD SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Interest.	\$ 4,000	\$ 4,000	\$ 4,279	\$ 279
Charges for services.	424,200	424,200	364,937	(59,263)
Intergovernmental.	61,800	61,800	78,771	16,971
<i>Total operating revenues.</i>	<u>490,000</u>	<u>490,000</u>	<u>447,987</u>	<u>(42,013)</u>
Operating expenses:				
Salaries and wages	187,810	187,810	151,749	36,061
Fringe benefits	51,850	51,985	51,414	571
Purchased services	19,000	10,667	6,818	3,849
Materials and supplies.	221,400	229,066	214,533	14,533
Capital outlay	11,795	14,326	14,046	280
<i>Total operating expenses.</i>	<u>491,855</u>	<u>493,854</u>	<u>438,560</u>	<u>55,294</u>
<i>Operating income.</i>	<u>(1,855)</u>	<u>(3,854)</u>	<u>9,427</u>	<u>13,281</u>
<i>Net change in fund equity.</i>	<u>(1,855)</u>	<u>(3,854)</u>	<u>9,427</u>	<u>13,281</u>
<i>Fund equity at beginning of year</i>	109,724	109,724	109,724	-
<i>Prior year encumbrances appropriated.</i>	1,795	1,795	1,795	-
<i>Fund equity at end of year</i>	<u>\$ 109,664</u>	<u>\$ 107,665</u>	<u>\$ 120,946</u>	<u>\$ 13,281</u>

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

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 370,896	\$ 1,547	\$ 372,443
Receivables:			
Intergovernmental	15,713	-	15,713
Accrued interest	178	-	178
	<u>386,787</u>	<u>1,547</u>	<u>388,334</u>
Total assets	<u>\$ 386,787</u>	<u>\$ 1,547</u>	<u>\$ 388,334</u>
Liabilities:			
Accounts payable	\$ 48,533	\$ -	\$ 48,533
Accrued wages and benefits	7,382	-	7,382
Pension obligation payable	1,346	-	1,346
Intergovernmental payable	5,867	-	5,867
Interfund loan payable	-	540,000	540,000
Deferred revenue	13,727	-	13,727
	<u>76,855</u>	<u>540,000</u>	<u>616,855</u>
Total liabilities	<u>76,855</u>	<u>540,000</u>	<u>616,855</u>
Fund Balances:			
Reserved for encumbrances	63,991	1,454	65,445
Unreserved, undesignated (deficit), reported in:			
Special revenue funds	245,941	-	245,941
Capital projects funds	-	(539,907)	(539,907)
	<u>309,932</u>	<u>(538,453)</u>	<u>(228,521)</u>
Total fund balances (deficit)	<u>309,932</u>	<u>(538,453)</u>	<u>(228,521)</u>
Total liabilities and fund balances	<u>\$ 386,787</u>	<u>\$ 1,547</u>	<u>\$ 388,334</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
From local sources:			
Earnings on investments	\$ 2,168	\$ -	\$ 2,168
Extracurricular activities	209,092	-	209,092
Contributions and donations	94,191	-	94,191
Rentals	-	40,000	40,000
Other local revenues	138,158	-	138,158
Intergovernmental - State	1,449,928	19,188	1,469,116
Intergovernmental - Federal	918,098	-	918,098
	<u>2,811,635</u>	<u>59,188</u>	<u>2,870,823</u>
Total revenue			
Expenditures:			
Current:			
Instruction:			
Regular	131,088	19,188	150,276
Special	556,931	-	556,931
Support services:			
Pupil	190,910	-	190,910
Instructional staff	53,332	-	53,332
Pupil transportation	925	298,453	299,378
Central	10,938	-	10,938
Operation of non-instructional services	1,572,964	-	1,572,964
Extracurricular activities	349,722	-	349,722
	<u>2,866,810</u>	<u>317,641</u>	<u>3,184,451</u>
Total expenditures			
Net change in fund balances	(55,175)	(258,453)	(313,628)
Fund balances (deficit)			
at beginning of year	<u>365,107</u>	<u>(280,000)</u>	<u>85,107</u>
Fund balances (deficit) at end of year	<u>\$ 309,932</u>	<u>\$ (538,453)</u>	<u>\$ (228,521)</u>

ROCKY RIVER CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

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

Public School Support Fund

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

Other Grants Fund

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

District Managed Activity Fund

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

Auxiliary Services Fund

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

Education Management Information System Fund

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

Entry Year Programs Fund

To implement entry-year programs pursuant to Section 3317.024(T) of the Revised Code.

Data Communication Fund

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

SchoolNet Professional Development Fund

A fund provided to account for a limited number of professional development subsidy grants.

Ohio Reads Fund

A fund used to account for State monies received to improve reading outcomes.

School Conflict Management Fund

To account for State monies provided to educate students on proper social behavior.

ROCKY RIVER CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds - (Continued)

Title VI-B Fund

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

Title III Fund

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

Title V Fund

To account for State of Ohio and federal tech-prep grants that provide for assessing students' vocational interests and aptitudes, and planning and implementing intervention for those students at risk.

Drug Free Schools Grant Fund

A fund provided to account for federal monies which support the implementation of programs for drug abuse education and prevention.

Preschool Disability Fund

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

Title II-A Fund

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

Miscellaneous Federal Grants Fund

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

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2008

	Public School Support	Other Grants	District Managed Activity	Auxiliary Services	Education Management Information Systems
Assets:					
Equity in pooled cash and cash equivalents	\$ 88,530	\$ 28,172	\$ 24,069	\$ 199,332	\$ 4,891
Receivables:					
Intergovernmental	-	-	-	-	-
Accrued interest	-	-	-	178	-
	<u>\$ 88,530</u>	<u>\$ 28,172</u>	<u>\$ 24,069</u>	<u>\$ 199,510</u>	<u>\$ 4,891</u>
Liabilities:					
Accounts payable	\$ 17,278	\$ 15,130	\$ 209	\$ 15,916	\$ -
Accrued wages and benefits	1	-	7	1,468	537
Pension obligation payable	-	-	-	841	505
Intergovernmental payable	-	-	97	186	25
Deferred revenue	-	-	-	153	-
Total liabilities	<u>17,279</u>	<u>15,130</u>	<u>313</u>	<u>18,564</u>	<u>1,067</u>
Fund Balances:					
Reserved for encumbrances	4,765	82	2,979	38,143	-
Unreserved, undesignated (deficit)	66,486	12,960	20,777	142,803	3,824
Total fund balances (deficit)	<u>71,251</u>	<u>13,042</u>	<u>23,756</u>	<u>180,946</u>	<u>3,824</u>
Total liabilities and fund balances	<u>\$ 88,530</u>	<u>\$ 28,172</u>	<u>\$ 24,069</u>	<u>\$ 199,510</u>	<u>\$ 4,891</u>

Entry Year Programs	SchoolNet Professional Development	Title VI-B	Title III	Title V	Drug Free Schools Grant	Preschool Disability
\$ -	\$ -	\$ 23,831	\$ 63	\$ 86	\$ -	\$ 1,340
-	-	13,104	-	-	301	2,308
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,935</u>	<u>\$ 63</u>	<u>\$ 86</u>	<u>\$ 301</u>	<u>\$ 3,648</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	5,058	233	-	-	-
-	-	-	-	-	-	-
46	3	5,071	59	-	-	-
-	-	13,104	-	-	301	169
<u>46</u>	<u>3</u>	<u>23,233</u>	<u>292</u>	<u>-</u>	<u>301</u>	<u>169</u>
-	-	16,682	-	-	-	1,340
(46)	(3)	(2,980)	(229)	86	-	2,139
<u>(46)</u>	<u>(3)</u>	<u>13,702</u>	<u>(229)</u>	<u>86</u>	<u>-</u>	<u>3,479</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,935</u>	<u>\$ 63</u>	<u>\$ 86</u>	<u>\$ 301</u>	<u>\$ 3,648</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2008

	Title II-A	Total Nonmajor Special Revenue Funds
Assets:		
Equity in pooled cash and cash equivalents	\$ 582	\$ 370,896
Receivables:		
Intergovernmental	-	15,713
Accrued interest	-	178
Total assets	\$ 582	\$ 386,787
Liabilities:		
Accounts payable	\$ -	\$ 48,533
Accrued wages and benefits	78	7,382
Pension obligation payable	-	1,346
Intergovernmental payable	380	5,867
Deferred revenue	-	13,727
Total liabilities	458	76,855
Fund Balances:		
Reserved for encumbrances	-	63,991
Unreserved, undesignated (deficit)	124	245,941
Total fund balances (deficit)	124	309,932
Total liabilities and fund balances	\$ 582	\$ 386,787

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Public School Support	Other Grants	District Managed Activity	Auxiliary Services
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 904	\$ 1,264
Extracurricular activities	-	-	209,092	-
Contributions and donations	37,028	50,610	6,553	-
Other local revenues	37,589	-	100,569	-
Intergovernmental - State	-	-	-	1,412,448
Intergovernmental - Federal	-	-	-	-
Total revenue	74,617	50,610	317,118	1,413,712
Expenditures:				
Current:				
Instruction:				
Regular	261	53,577	-	-
Special	-	-	-	-
Support services:				
Pupil	104,518	2,073	-	-
Instructional staff	-	6,003	-	-
Pupil transportation	290	635	-	-
Central	-	-	-	-
Operation of non-instructional services	-	-	-	1,409,413
Extracurricular activities	-	-	349,722	-
Total expenditures	105,069	62,288	349,722	1,409,413
Net change in fund balances	(30,452)	(11,678)	(32,604)	4,299
Fund balances (deficit) at beginning of year	101,703	24,720	56,360	176,647
Fund balances (deficit) at end of year	\$ 71,251	\$ 13,042	\$ 23,756	\$ 180,946

Education Management Information Systems	Entry Year Programs	Data Communication	SchoolNet Professional Development	Ohio Reads
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
9,410	5,600	12,000	2,970	-
-	-	-	-	-
<u>9,410</u>	<u>5,600</u>	<u>12,000</u>	<u>2,970</u>	<u>-</u>
-	5,629	12,000	-	137
-	-	-	-	-
-	-	-	-	-
-	-	-	2,977	-
-	-	-	-	-
10,938	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>10,938</u>	<u>5,629</u>	<u>12,000</u>	<u>2,977</u>	<u>137</u>
(1,528)	(29)	-	(7)	(137)
<u>5,352</u>	<u>(17)</u>	<u>-</u>	<u>4</u>	<u>137</u>
<u>\$ 3,824</u>	<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ (3)</u>	<u>\$ -</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	School Conflict Management	Title VI-B	Title III	Title V
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Extracurricular activities	-	-	-	-
Contributions and donations	-	-	-	-
Other local revenues	-	-	-	-
Intergovernmental - State	7,500	-	-	-
Intergovernmental - Federal	-	787,684	17,755	10,420
Total revenue	7,500	787,684	17,755	10,420
Expenditures:				
Current:				
Instruction:				
Regular	3,287	-	17,511	5,768
Special	-	546,791	-	-
Support services:				
Pupil	7,227	71,829	-	-
Instructional staff	530	-	586	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services	-	152,994	-	4,566
Extracurricular activities	-	-	-	-
Total expenditures	11,044	771,614	18,097	10,334
Net change in fund balances	(3,544)	16,070	(342)	86
Fund balances (deficit) at beginning of year	3,544	(2,368)	113	-
Fund balances (deficit) at end of year	\$ -	\$ 13,702	\$ (229)	\$ 86

<u>Drug Free Schools Grant</u>	<u>Preschool Disability</u>	<u>Title II-A</u>	<u>Miscellaneous Federal Grant</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 2,168
-	-	-	-	209,092
-	-	-	-	94,191
-	-	-	-	138,158
-	-	-	-	1,449,928
<u>6,063</u>	<u>13,650</u>	<u>58,681</u>	<u>23,845</u>	<u>918,098</u>
<u>6,063</u>	<u>13,650</u>	<u>58,681</u>	<u>23,845</u>	<u>2,811,635</u>
-	-	32,918	-	131,088
-	10,140	-	-	556,931
5,263	-	-	-	190,910
-	31	19,360	23,845	53,332
-	-	-	-	925
-	-	-	-	10,938
800	-	5,191	-	1,572,964
-	-	-	-	349,722
<u>6,063</u>	<u>10,171</u>	<u>57,469</u>	<u>23,845</u>	<u>2,866,810</u>
-	3,479	1,212	-	(55,175)
-	-	(1,088)	-	365,107
<u>\$ -</u>	<u>\$ 3,479</u>	<u>\$ 124</u>	<u>\$ -</u>	<u>\$ 309,932</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC SCHOOL SUPPORT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Contributions and donations	\$ 22,971	\$ 26,971	\$ 37,028	\$ 10,057
Miscellaneous	<u>55,895</u>	<u>55,895</u>	<u>37,588</u>	<u>(18,307)</u>
<i>Total revenues.</i>	<u>78,866</u>	<u>82,866</u>	<u>74,616</u>	<u>(8,250)</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	-	225	225	-
Fringe benefits	<u>-</u>	<u>35</u>	<u>35</u>	<u>-</u>
Total instruction-regular.	<u>-</u>	<u>260</u>	<u>260</u>	<u>-</u>
Support services-pupil:				
Purchased services	11,529	12,369	8,726	3,643
Materials and supplies.	26,257	36,328	36,326	2
Capital outlay	3,129	13,032	8,601	4,431
Other	<u>38,383</u>	<u>40,666</u>	<u>38,522</u>	<u>2,144</u>
Total support services-pupil.	<u>79,298</u>	<u>102,395</u>	<u>92,175</u>	<u>10,220</u>
Support services-pupil transportation				
Purchased services	<u>-</u>	<u>400</u>	<u>290</u>	<u>110</u>
Total support services-pupil transportation	<u>-</u>	<u>400</u>	<u>290</u>	<u>110</u>
<i>Total expenditures</i>	<u>79,298</u>	<u>103,055</u>	<u>92,725</u>	<u>10,330</u>
<i>Excess of revenues under expenditures.</i>	<u>(432)</u>	<u>(20,189)</u>	<u>(18,109)</u>	<u>2,080</u>
Other financing uses::				
Refund of prior year's receipts	<u>-</u>	<u>(17,181)</u>	<u>(17,181)</u>	<u>-</u>
<i>Total other financing uses</i>	<u>-</u>	<u>(17,181)</u>	<u>(17,181)</u>	<u>-</u>
<i>Net change in fund balance</i>	(432)	(37,370)	(35,290)	2,080
<i>Fund balance at beginning of year</i>	101,097	101,097	101,097	-
<i>Prior year encumbrances appropriated.</i>	<u>698</u>	<u>698</u>	<u>698</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 101,363</u>	<u>\$ 64,425</u>	<u>\$ 66,505</u>	<u>\$ 2,080</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OTHER GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Contributions and donations	\$ -	\$ 49,285	\$ 50,610	\$ 1,325
<i>Total revenues.</i>	<u>-</u>	<u>49,285</u>	<u>50,610</u>	<u>1,325</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	789	1,297	1,045	252
Materials and supplies.	11,071	13,249	11,445	1,804
Capital outlay	2,656	43,594	41,087	2,507
<i>Total instruction-regular.</i>	<u>14,516</u>	<u>58,140</u>	<u>53,577</u>	<u>4,563</u>
Instruction-special:				
Materials and supplies.	24	24	-	24
Capital outlay	213	213	-	213
<i>Total instruction-special.</i>	<u>237</u>	<u>237</u>	<u>-</u>	<u>237</u>
Support services-pupil				
Purchased services	182	1,372	1,190	182
Materials and supplies.	-	68	68	-
Capital outlay	-	920	870	-
<i>Total support services-pupil.</i>	<u>182</u>	<u>2,360</u>	<u>2,128</u>	<u>182</u>
Support services-instructional staff:				
Salaries and wages	94	94	-	94
Materials and supplies.	258	258	200	58
Capital outlay	4,495	4,495	4,495	-
Other	952	1,335	1,335	-
<i>Total support services-instructional staff.</i>	<u>5,799</u>	<u>6,182</u>	<u>6,030</u>	<u>152</u>
Support services-pupil transportation				
Purchased services	635	635	635	-
<i>Total support services-pupil transportation.</i>	<u>635</u>	<u>635</u>	<u>635</u>	<u>-</u>
Extracurricular activities:				
Purchased services	300	300	-	300
<i>Total extracurricular activities.</i>	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
<i>Total expenditures</i>	<u>21,669</u>	<u>67,854</u>	<u>62,370</u>	<u>5,434</u>
<i>Net change in fund balance</i>	(21,669)	(18,569)	(11,760)	6,759
<i>Fund balance at beginning of year</i>	21,805	21,805	21,805	-
<i>Prior year encumbrances appropriated.</i>	2,915	2,915	2,915	-
<i>Fund balance at end of year.</i>	<u>\$ 3,051</u>	<u>\$ 6,151</u>	<u>\$ 12,960</u>	<u>\$ 6,759</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DISTRICT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ 904	\$ 904
Extracurricular activities	172,025	265,675	209,092	(56,583)
Contributions and donations	4,400	6,400	6,553	153
Miscellaneous	102,388	108,959	100,569	(8,390)
<i>Total revenues.</i>	<u>278,813</u>	<u>381,034</u>	<u>317,118</u>	<u>(63,916)</u>
Expenditures:				
Current:				
Extracurricular activities:				
Salaries and wages	18,375	21,620	17,142	4,478
Fringe benefits	2,154	2,776	2,462	314
Purchased services	83,750	145,533	142,079	3,454
Materials and supplies	114,656	139,273	132,593	6,680
Capital outlay	28,713	33,248	21,639	11,609
Other	39,259	42,778	39,276	3,502
Total extracurricular activities	<u>286,907</u>	<u>385,228</u>	<u>355,191</u>	<u>30,037</u>
<i>Total expenditures</i>	<u>286,907</u>	<u>385,228</u>	<u>355,191</u>	<u>30,037</u>
<i>Net change in fund balance</i>	(8,094)	(4,194)	(38,073)	(33,879)
<i>Fund balance at beginning of year</i>	40,770	40,770	40,770	-
<i>Prior year encumbrances appropriated.</i>	18,393	18,393	18,393	-
<i>Fund balance at end of year.</i>	<u>\$ 51,069</u>	<u>\$ 54,969</u>	<u>\$ 21,090</u>	<u>\$ (33,879)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
AUXILIARY SERVICES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ 6,709	\$ 7,436	\$ 727
Intergovernmental	1,336,000	1,412,448	1,412,448	-
<i>Total revenues.</i>	<u>1,336,000</u>	<u>1,419,157</u>	<u>1,419,884</u>	<u>727</u>
Expenditures:				
Current:				
Operation of non-instructional services:				
Salaries and wages	1,336,000	28,743	23,753	4,990
Fringe benefits	-	9,871	6,927	2,944
Purchased services	1,599	744,551	722,113	22,438
Materials and supplies.	35,158	487,356	392,888	94,468
Capital outlay	146,398	329,893	310,316	19,577
Total operation on non-instructional services	<u>1,519,155</u>	<u>1,600,414</u>	<u>1,455,997</u>	<u>144,417</u>
<i>Total expenditures</i>	<u>1,519,155</u>	<u>1,600,414</u>	<u>1,455,997</u>	<u>144,417</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(183,155)</u>	<u>(181,257)</u>	<u>(36,113)</u>	<u>145,144</u>
Other financing uses:				
Refund of prior year's receipts	-	(1,893)	(1,892)	1
<i>Total other financing uses</i>	<u>-</u>	<u>(1,893)</u>	<u>(1,892)</u>	<u>1</u>
<i>Net change in fund balance</i>	(183,155)	(183,150)	(38,005)	145,145
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Prior year encumbrances appropriated.</i>	183,155	183,155	183,155	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 145,150</u>	<u>\$ 145,145</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EDUCATION MANAGEMENT INFORMATION SYSTEMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,500	\$ 9,500	\$ 9,410	\$ (90)
<i>Total revenues</i>	<u>9,500</u>	<u>9,500</u>	<u>9,410</u>	<u>(90)</u>
Expenditures:				
Current:				
Support services-central:				
Salaries and wages	7,904	13,904	11,818	2,086
Fringe benefits	1,221	2,322	1,726	596
Purchased services	-	2,299	99	2,200
<i>Total support services-central</i>	<u>9,125</u>	<u>18,525</u>	<u>13,643</u>	<u>4,882</u>
<i>Total expenditures</i>	<u>9,125</u>	<u>18,525</u>	<u>13,643</u>	<u>4,882</u>
<i>Net change in fund balance</i>	375	(9,025)	(4,233)	4,792
<i>Fund balance at beginning of year</i>	9,124	9,124	9,124	-
<i>Fund balance at end of year</i>	<u>\$ 9,499</u>	<u>\$ 99</u>	<u>\$ 4,891</u>	<u>\$ 4,792</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTRY YEAR PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,600	\$ 5,600	\$ 5,600	\$ -
Total revenues	<u>5,600</u>	<u>5,600</u>	<u>5,600</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Salaries and wages	<u>5,600</u>	<u>5,600</u>	<u>5,600</u>	<u>-</u>
Total instruction-regular	<u>5,600</u>	<u>5,600</u>	<u>5,600</u>	<u>-</u>
Support services-administration				
Purchased services	<u>250</u>	<u>250</u>	<u>250</u>	<u>-</u>
Total support services-administration	<u>250</u>	<u>250</u>	<u>250</u>	<u>-</u>
<i>Total expenditures</i>	<u>5,850</u>	<u>5,850</u>	<u>5,850</u>	<u>-</u>
<i>Net change in fund balance</i>	(250)	(250)	(250)	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Prior year encumbrances appropriated</i>	<u>250</u>	<u>250</u>	<u>250</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DATA COMMUNICATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 12,000	\$ -
Total revenues.	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	9,443	9,443	9,443	-
Capital outlay	<u>2,557</u>	<u>2,557</u>	<u>2,557</u>	<u>-</u>
Total instruction-regular.	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PROFESSIONAL DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,970	\$ 2,970	\$ 2,970	\$ -
<i>Total revenues</i>	<u>2,970</u>	<u>2,970</u>	<u>2,970</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff:				
Salaries and wages	384	384	384	-
Fringe benefits	75	75	75	-
Purchased services	<u>2,527</u>	<u>2,527</u>	<u>2,527</u>	<u>-</u>
Total support services-instructional staff	<u>2,986</u>	<u>2,986</u>	<u>2,986</u>	<u>-</u>
<i>Total expenditures</i>	<u>2,986</u>	<u>2,986</u>	<u>2,986</u>	<u>-</u>
<i>Net change in fund balance</i>	(16)	(16)	(16)	-
<i>Fund balance at beginning of year</i>	<u>16</u>	<u>16</u>	<u>16</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
OHIO READS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Current:				
Instruction-regular				
Materials and supplies.	\$ 137	\$ 137	\$ 137	\$ -
Total instruction-regular.	<u>137</u>	<u>137</u>	<u>137</u>	<u>-</u>
Total expenditures	<u>137</u>	<u>137</u>	<u>137</u>	<u>-</u>
Net change in fund balance	(137)	(137)	(137)	-
Fund balance at beginning of year	<u>137</u>	<u>137</u>	<u>137</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOL CONFLICT MANAGEMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 7,500	\$ 7,500	\$ -
<i>Total revenues.</i>	<u>-</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	3,014	3,287	3,287	-
Total instruction-regular.	<u>3,014</u>	<u>3,287</u>	<u>3,287</u>	<u>-</u>
Support services-pupil				
Purchased services	-	7,227	7,227	-
Total support services-pupil.	<u>-</u>	<u>7,227</u>	<u>7,227</u>	<u>-</u>
Support services-instructional staff				
Materials and supplies.	530	530	530	-
Total support services-instructional staff	<u>530</u>	<u>530</u>	<u>530</u>	<u>-</u>
<i>Total expenditures</i>	<u>3,544</u>	<u>11,044</u>	<u>11,044</u>	<u>-</u>
<i>Net change in fund balance</i>	(3,544)	(3,544)	(3,544)	-
<i>Fund balance at beginning of year</i>	3,544	3,544	3,544	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE VI-B FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 800,788	\$ 800,788	\$ 787,684	\$ (13,104)
<i>Total revenues.</i>	<u>800,788</u>	<u>800,788</u>	<u>787,684</u>	<u>(13,104)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	800,788	99,677	99,677	-
Fringe benefits	-	27,358	26,161	1,197
Purchased services	-	438,626	431,795	6,831
<i>Total instruction-special</i>	<u>800,788</u>	<u>565,661</u>	<u>557,633</u>	<u>8,028</u>
Support services-pupil:				
Salaries and wages	-	60,794	60,794	-
Fringe benefits	-	11,571	11,753	(182)
<i>Total support services-pupil.</i>	<u>-</u>	<u>72,365</u>	<u>72,547</u>	<u>(182)</u>
Operation of non-instructional services				
Purchased services	-	163,656	155,152	8,504
<i>Total operation of non-instructional services</i>	<u>-</u>	<u>163,656</u>	<u>155,152</u>	<u>8,504</u>
<i>Total expenditures</i>	<u>800,788</u>	<u>801,682</u>	<u>785,332</u>	<u>16,350</u>
<i>Net change in fund balance</i>	-	(894)	2,352	3,246
<i>Fund balance at beginning of year</i>	894	894	894	-
<i>Fund balance at end of year.</i>	<u>\$ 894</u>	<u>\$ -</u>	<u>\$ 3,246</u>	<u>\$ 3,246</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE III FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,081	\$ 17,755	\$ 17,755	\$ -
<i>Total revenues.</i>	<u>4,081</u>	<u>17,755</u>	<u>17,755</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	4,081	13,604	13,604	-
Fringe benefits	-	3,702	3,702	-
<i>Total instruction-regular.</i>	<u>4,081</u>	<u>17,306</u>	<u>17,306</u>	<u>-</u>
Support services-instructional staff:				
Purchased services	200	649	586	63
<i>Total support services-instructional staff.</i>	<u>200</u>	<u>649</u>	<u>586</u>	<u>63</u>
<i>Total expenditures</i>	<u>4,281</u>	<u>17,955</u>	<u>17,892</u>	<u>63</u>
<i>Net change in fund balance.</i>	(200)	(200)	(137)	63
<i>Fund balance at beginning of year</i>	200	200	200	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63</u>	<u>\$ 63</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE V FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,467	\$ 10,420	\$ 11,122	\$ 702
<i>Total revenues.</i>	<u>6,467</u>	<u>10,420</u>	<u>11,122</u>	<u>702</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	6,467	1,826	1,826	-
Materials and supplies.	-	164	164	-
Capital outlay	-	3,779	3,779	-
<i>Total instruction-regular.</i>	<u>6,467</u>	<u>5,769</u>	<u>5,769</u>	<u>-</u>
Operation of non-instructional services:				
Materials and supplies.	-	4,651	4,565	86
<i>Total operation of non-instructional services.</i>	<u>-</u>	<u>4,651</u>	<u>4,565</u>	<u>86</u>
<i>Total expenditures</i>	<u>6,467</u>	<u>10,420</u>	<u>10,334</u>	<u>86</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>788</u>	<u>788</u>
Other financing uses:				
Advances out.	-	-	(702)	(702)
<i>Total other financing uses</i>	<u>-</u>	<u>-</u>	<u>(702)</u>	<u>(702)</u>
<i>Net change in fund balance.</i>	<u>-</u>	<u>-</u>	<u>86</u>	<u>86</u>
<i>Fund balance at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86</u>	<u>\$ 86</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG FREE SCHOOLS GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,194	\$ 6,364	\$ 6,063	\$ (301)
<i>Total revenues.</i>	<u>6,194</u>	<u>6,364</u>	<u>6,063</u>	<u>(301)</u>
Expenditures:				
Current:				
Support services-pupil:				
Purchased services	6,194	5,263	5,263	-
Total support services-pupil.	<u>6,194</u>	<u>5,263</u>	<u>5,263</u>	<u>-</u>
Operation of non-instructional services:				
Purchased services	-	800	800	-
Materials and supplies.	-	301	-	301
Total operation of non-instructional services	<u>-</u>	<u>1,101</u>	<u>800</u>	<u>301</u>
<i>Total expenditures</i>	<u>6,194</u>	<u>6,364</u>	<u>6,063</u>	<u>301</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PRESCHOOL DISABILITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,719	\$ 13,819	\$ 11,511	\$ (2,308)
<i>Total revenues.</i>	<u>13,719</u>	<u>13,819</u>	<u>11,511</u>	<u>(2,308)</u>
Expenditures:				
Current:				
Instruction-special:				
Purchased services	13,719	13,619	11,479	2,140
Total instruction-special	<u>13,719</u>	<u>13,619</u>	<u>11,479</u>	<u>2,140</u>
Support services-instructional staff:				
Purchased services	-	200	32	168
Total support services-instructional staff	<u>-</u>	<u>200</u>	<u>32</u>	<u>168</u>
<i>Total expenditures</i>	<u>13,719</u>	<u>13,819</u>	<u>11,511</u>	<u>2,308</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TITLE II-A FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 57,924	\$ 58,099	\$ 62,006	\$ 3,907
<i>Total revenues.</i>	<u>57,924</u>	<u>58,099</u>	<u>62,006</u>	<u>3,907</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	57,924	28,265	28,265	-
Fringe benefits	-	4,452	4,452	-
Total instruction-regular.	<u>57,924</u>	<u>32,717</u>	<u>32,717</u>	<u>-</u>
Support services-instructional staff				
Salaries and wages	-	13,656	14,015	(359)
Fringe benefits	-	2,151	2,249	(98)
Purchased services	-	3,927	3,927	-
Total support services-instructional staff	<u>-</u>	<u>19,734</u>	<u>20,191</u>	<u>(457)</u>
Operation of non-instructional services:				
Purchased services	-	4,744	4,744	-
Materials and supplies.	-	904	447	457
Total operation of non-instructional services	<u>-</u>	<u>5,648</u>	<u>5,191</u>	<u>457</u>
<i>Total expenditures</i>	<u>57,924</u>	<u>58,099</u>	<u>58,099</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>3,907</u>	<u>3,907</u>
Other financing uses:				
Advances (out)	-	-	(3,325)	(3,325)
<i>Total other financing uses</i>	<u>-</u>	<u>-</u>	<u>(3,325)</u>	<u>(3,325)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>582</u>	<u>582</u>
<i>Fund balance at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 582</u>	<u>\$ 582</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
MISCELLANEOUS FEDERAL GRANTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 23,845	\$ 23,845	\$ 23,845	\$ -
<i>Total revenues.</i>	<u>23,845</u>	<u>23,845</u>	<u>23,845</u>	<u>-</u>
Expenditures:				
Current:				
Support services-instructional staff				
Materials and supplies	2,051	2,051	2,051	-
Capital outlay	<u>21,794</u>	<u>21,794</u>	<u>21,794</u>	<u>-</u>
Total support services-instructional staff	<u>23,845</u>	<u>23,845</u>	<u>23,845</u>	<u>-</u>
<i>Total expenditures</i>	<u>23,845</u>	<u>23,845</u>	<u>23,845</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ROCKY RIVER CITY SCHOOL DISTRICT

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Project Funds

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

Building Fund

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

SchoolNet Plus Fund

A fund provided to account for wiring to all classrooms in the State and to provide a computer workstation and related technology for every classroom in Ohio's low-wealth school districts.

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2008

	Building	Total Nonmajor Capital Projects Funds
Assets:		
Equity in pooled cash and cash equivalents	\$ 1,547	\$ 1,547
Total assets.	\$ 1,547	\$ 1,547
Liabilities:		
Interfund loan payable	\$ 540,000	\$ 540,000
Total liabilities	540,000	540,000
Fund Balances:		
Reserved for encumbrances	1,454	1,454
Unreserved, undesignated (deficit)	(539,907)	(539,907)
Total fund balances (deficit).	(538,453)	(538,453)
Total liabilities and fund balances	\$ 1,547	\$ 1,547

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Building	SchoolNet Plus	Total Nonmajor Capital Projects Funds
Revenues:			
From local sources:			
Rentals	\$ 40,000	\$ -	\$ 40,000
Intergovernmental - State	-	19,188	19,188
Total revenue	40,000	19,188	59,188
Expenditures:			
Current:			
Instruction:			
Regular	-	19,188	19,188
Support services:			
Pupil transportation	298,453	-	298,453
Total expenditures	298,453	19,188	317,641
Net change in fund balances	(258,453)	-	(258,453)
Fund balances (deficit)			
at beginning of year.	(280,000)	-	(280,000)
Fund balances (deficit) at end of year	\$ (538,453)	\$ -	\$ (538,453)

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BUILDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Support services-pupil transportation				
Capital outlay	\$ 300,000	\$ 300,000	\$ 299,907	\$ 93
Total support services-pupil transportation	300,000	300,000	299,907	93
<i>Total expenditures</i>	<u>300,000</u>	<u>300,000</u>	<u>299,907</u>	<u>93</u>
<i>Excess of revenues over (under) expenditures</i>	<u>(300,000)</u>	<u>(300,000)</u>	<u>(299,907)</u>	<u>93</u>
Other financing sources:				
Proceeds from sale of notes	300,000	300,000	300,000	-
Total other financing sources	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	93	93
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93</u>	<u>\$ 93</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SCHOOLNET PLUS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 19,188	\$ 19,188	\$ 19,188	\$ -
<i>Total revenues.</i>	<u>19,188</u>	<u>19,188</u>	<u>19,188</u>	<u>-</u>
Expenditures:				
Current:				
Instruction-regular				
Capital outlay	19,188	19,188	19,188	-
Total instruction-regular.	<u>19,188</u>	<u>19,188</u>	<u>19,188</u>	<u>-</u>
<i>Total expenditures</i>	<u>19,188</u>	<u>19,188</u>	<u>19,188</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ROCKY RIVER CITY SCHOOL DISTRICT

NONMAJOR ENTERPRISE FUNDS - FUND DESCRIPTIONS

Nonmajor Enterprise Funds

A fund category to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods or services to the students or general public on a continuing basis are financed or recovered primarily through user charges. This fund category can also account for operations where the school board has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Uniform School Supplies

A fund provided to account for transactions made in connection with school supplies. Receipts include, but are not limited to, charges for services from patrons and students and reimbursement from the State Department of Education. Expenses include supplies, salaries and textbooks.

Community Programs

This fund accounts for the programs of the community center and summer school.

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

COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2008

	Uniform School Supplies	Community Programs	Total Nonmajor Enterprise Funds
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	\$ 14,190	\$ 8,203	\$ 22,393
Inventory held for resale	7,790	-	7,790
Total current assets	21,980	8,203	30,183
Noncurrent assets:			
Land	-	48,591	48,591
Depreciable capital assets, net	-	190,884	190,884
Total assets	21,980	247,678	269,658
Liabilities:			
Accounts payable	-	2,364	2,364
Accrued wages and benefits	-	1,538	1,538
Pension obligation payable	-	2,155	2,155
Due to other funds	-	1,906	1,906
Intergovernmental payable	-	143	143
Total current liabilities	-	8,106	8,106
Long-term liabilities:			
Compensated absences	-	11,688	11,688
Total liabilities	-	19,794	19,794
Net assets:			
Invested in capital assets	-	239,475	239,475
Unrestricted (deficit)	21,980	(11,591)	10,389
Total net assets	\$ 21,980	\$ 227,884	\$ 249,864

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

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Uniform School Supplies	Community Programs	Total Nonmajor Enterprise Funds
Operating revenues:			
Tuition and fees.	\$ 24,096	\$ 240,631	\$ 264,727
Other	-	80,278	80,278
Total operating revenues	24,096	320,909	345,005
Operating expenses:			
Personal services.	-	33,495	33,495
Purchased services.	-	119,230	119,230
Materials and supplies	-	137,325	137,325
Cost of sales	26,144	-	26,144
Depreciation	-	16,055	16,055
Other.	-	38,699	38,699
Total operating expenses.	26,144	344,804	370,948
Operating loss	(2,048)	(23,895)	(25,943)
Nonoperating revenues:			
Gain on disposal of capital assets	-	1,513	1,513
Total nonoperating revenues.	-	1,513	1,513
Change in net assets	(2,048)	(22,382)	(24,430)
Net assets at beginning of year	24,028	250,266	274,294
Net assets at end of year.	\$ 21,980	\$ 227,884	\$ 249,864

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

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Uniform School Supplies	Community Programs	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Cash received from tuition and fees	\$ 24,096	\$ 240,631	\$ 264,727
Cash received from other operations.	-	80,278	80,278
Cash payments for personal services.	-	(34,177)	(34,177)
Cash payments for purchased services	-	(120,384)	(120,384)
Cash payments for materials and supplies	-	(136,270)	(136,270)
Cash payments for cost of goods sold	(27,407)	-	(27,407)
Cash payments for other expenses	-	(36,397)	(36,397)
Net cash used in operating activities	(3,311)	(6,319)	(9,630)
Cash flows from capital and related financing activities:			
Gain on sale of capital assets	-	1,513	1,513
Net cash provided by capital and related financing activities.	-	1,513	1,513
Net decrease in cash and cash equivalents	(3,311)	(4,806)	(8,117)
Cash and cash equivalents at beginning of year . . .	17,501	13,009	30,510
Cash and cash equivalents at end of year.	<u>\$ 14,190</u>	<u>\$ 8,203</u>	<u>\$ 22,393</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss.	\$ (2,048)	\$ (23,895)	\$ (25,943)
Adjustments:			
Depreciation.	-	16,055	16,055
Changes in assets and liabilities:			
Increase in inventory held for resale.	(1,263)	-	(1,263)
Increase in accounts payable	-	297	297
Decrease in accrued wages and benefits.	-	(322)	(322)
Decrease in intergovernmental payable	-	(28)	(28)
Increase in compensated absences payable	-	743	743
Decrease in pension obligation payable.	-	(1,075)	(1,075)
Increase in due to other funds	-	1,906	1,906
Net cash used in operating activities	<u>\$ (3,311)</u>	<u>\$ (6,319)</u>	<u>\$ (9,630)</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
UNIFORM SCHOOL SUPPLIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services.	\$ 27,418	\$ 27,418	\$ 24,096	\$ (3,322)
<i>Total operating revenues</i>	<u>27,418</u>	<u>27,418</u>	<u>24,096</u>	<u>(3,322)</u>
Operating expenses:				
Cost of sales.	26,333	27,833	27,407	426
<i>Total operating expenses</i>	<u>26,333</u>	<u>27,833</u>	<u>27,407</u>	<u>426</u>
<i>Net change in fund equity</i>	1,085	(415)	(3,311)	(2,896)
<i>Fund equity at beginning of year</i>	<u>17,501</u>	<u>17,501</u>	<u>17,501</u>	<u>-</u>
<i>Fund equity at end of year</i>	<u>\$ 18,586</u>	<u>\$ 17,086</u>	<u>\$ 14,190</u>	<u>\$ (2,896)</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
COMMUNITY PROGRAMS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Tuition and fees	\$ 158,574	\$ 178,573	\$ 154,515	\$ (24,058)
Charges for services.	-	-	2,027	2,027
Rentals	86,588	86,588	86,115	(473)
Miscellaneous.	56,639	80,289	78,251	(2,038)
<i>Total operating revenues.</i>	<u>301,801</u>	<u>345,450</u>	<u>320,908</u>	<u>(24,542)</u>
Operating expenses:				
Salaries and wages	7,400	30,431	29,093	1,338
Fringe benefits	1,115	5,163	5,084	79
Purchased services	103,334	128,787	120,432	8,355
Materials and supplies.	144,454	143,557	131,680	11,877
Capital outlay	2,350	10,742	10,742	-
Other	16,557	37,590	36,397	1,193
<i>Total operating expenses.</i>	<u>275,210</u>	<u>356,270</u>	<u>333,428</u>	<u>22,842</u>
<i>Operating income (loss).</i>	<u>26,591</u>	<u>(10,820)</u>	<u>(12,520)</u>	<u>(1,700)</u>
Nonoperating revenues:				
Refund of prior year's (receipts)	-	(2,100)	(2,026)	74
Refund of prior year's expenses	-	1,000	2,026	1,026
Proceeds from sale of capital assets	369	369	1,514	1,145
<i>Total nonoperating revenues.</i>	<u>369</u>	<u>(731)</u>	<u>1,514</u>	<u>2,245</u>
<i>Net change in fund equity.</i>	26,960	(11,551)	(11,006)	545
<i>Fund equity at beginning of year.</i>	4,118	4,118	4,118	-
<i>Prior year encumbrances appropriated.</i>	8,891	8,891	8,891	-
<i>Fund equity at end of year</i>	<u>\$ 39,969</u>	<u>\$ 1,458</u>	<u>\$ 2,003</u>	<u>\$ 545</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SELF INSURANCE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services.	\$ 75,000	\$ 84,000	\$ 80,293	\$ (3,707)
<i>Total operating revenues</i>	<u>75,000</u>	<u>84,000</u>	<u>80,293</u>	<u>(3,707)</u>
Operating expenses:				
Fringe benefits	75,000	80,548	80,547	1
Purchased services	<u>3,022</u>	<u>3,022</u>	<u>2,891</u>	<u>131</u>
<i>Total operating expenses</i>	<u>78,022</u>	<u>83,570</u>	<u>83,438</u>	<u>132</u>
<i>Operating income (loss)</i>	<u>(3,022)</u>	<u>430</u>	<u>(3,145)</u>	<u>(3,575)</u>
Nonoperating revenues:				
Refund of prior year's expenses	2,580	2,580	-	(2,580)
<i>Total nonoperating revenues</i>	<u>2,580</u>	<u>2,580</u>	<u>-</u>	<u>(2,580)</u>
<i>Net change in fund equity</i>	(442)	3,010	(3,145)	(6,155)
<i>Fund equity at beginning of year</i>	3,496	3,496	3,496	-
<i>Prior year encumbrances appropriated</i>	441	441	441	-
<i>Fund equity at end of year</i>	<u>\$ 3,495</u>	<u>\$ 6,947</u>	<u>\$ 792</u>	<u>\$ (6,155)</u>

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SPECIAL TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 2,575	\$ 2,575	\$ 2,502	\$ (73)
Contributions and donations	37,500	63,250	55,772	(7,478)
<i>Total revenues</i>	<u>40,075</u>	<u>65,825</u>	<u>58,274</u>	<u>(7,551)</u>
Expenses:				
Other	34,500	70,958	62,041	8,917
<i>Total expenses</i>	<u>34,500</u>	<u>70,958</u>	<u>62,041</u>	<u>8,917</u>
<i>Operating income</i>	5,575	(5,133)	(3,767)	1,366
Transfers:				
Transfers in.	-	-	3,500	3,500
<i>Total transfers</i>	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>3,500</u>
<i>Net change in fund equity</i>	5,575	(5,133)	(267)	1,366
<i>Fund equity at beginning of year</i>	59,645	59,645	59,645	-
<i>Fund equity at end of year</i>	<u>\$ 65,220</u>	<u>\$ 54,512</u>	<u>\$ 59,378</u>	<u>\$ 1,366</u>

ROCKY RIVER CITY SCHOOL DISTRICT

FUND DESCRIPTION - AGENCY FUND

Student Managed Activities Fund

This fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Beginning Balance July 1, 2007	Additions	Deletions	Ending Balance June 30, 2008
Student Managed Activities				
Assets:				
Equity in pooled cash and cash equivalents.	\$ 108,872	\$ 203,568	\$ 194,193	\$ 118,247
Receivables				
Accounts	-	235	-	235
Accrued interest	2,031	106	2,031	106
Total assets	\$ 110,903	\$ 203,909	\$ 196,224	\$ 118,588
Liabilities:				
Accounts payable.	\$ 112	\$ 270	\$ 112	\$ 270
Due to students.	110,791	203,639	196,112	118,318
Total liabilities	\$ 110,903	\$ 203,909	\$ 196,224	\$ 118,588

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Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2008

Statistical Section



Rocky River City School District
Cuyahoga County, Ohio

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

STATISTICAL SECTION

This part of the Rocky River City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	138-149
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	150-157
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	158-161
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	162-163
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	164-175

Sources: Sources are noted on the individual schedules. The District implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year.

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 8,737,992	\$ 8,356,023	\$ 7,597,331	\$ 7,268,356
Restricted	4,928,512	4,196,704	3,466,093	3,278,482
Unrestricted	(6,173,832)	(4,774,288)	(4,648,254)	(4,997,534)
Total governmental activities net assets	<u>\$ 7,492,672</u>	<u>\$ 7,778,439</u>	<u>\$ 6,415,170</u>	<u>\$ 5,549,304</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 341,648	\$ 295,026	\$ 303,835	\$ 305,639
Unrestricted	34,200	39,385	56,717	52,327
Total business-type activities net assets	<u>\$ 375,848</u>	<u>\$ 334,411</u>	<u>\$ 360,552</u>	<u>\$ 357,966</u>
Primary government				
Invested in capital assets, net of related debt	\$ 9,079,640	\$ 8,651,049	\$ 7,901,166	\$ 7,573,995
Restricted	4,928,512	4,196,704	3,466,093	3,278,482
Unrestricted	(6,139,632)	(4,734,903)	(4,591,537)	(4,945,207)
Total primary government net assets	<u>\$ 7,868,520</u>	<u>\$ 8,112,850</u>	<u>\$ 6,775,722</u>	<u>\$ 5,907,270</u>

Source: School District financial records.

Note: The District implemented GASB Statement No. 34 in fiscal year 2001.

Note: Amounts for 2006 and prior have been restated to reflect a change in accounting principles and/or prior period adjustments.

2004	2003	2002	2001
\$ 6,142,045	\$ 4,349,221	\$ 4,276,001	\$ 2,467,127
3,608,820	4,669,876	5,681,352	7,437,474
(240,144)	496,171	2,049,851	175,223
<u>\$ 9,510,721</u>	<u>\$ 9,515,268</u>	<u>\$ 12,007,204</u>	<u>\$ 10,079,824</u>
\$ 321,849	\$ 333,205	\$ 331,722	\$ 293,167
64,756	103,447	113,693	131,367
<u>\$ 386,605</u>	<u>\$ 436,652</u>	<u>\$ 445,415</u>	<u>\$ 424,534</u>
\$ 6,463,894	\$ 4,682,426	\$ 4,607,723	\$ 2,760,294
3,608,820	4,669,876	5,681,352	7,437,474
(175,388)	599,618	2,163,544	306,590
<u>\$ 9,897,326</u>	<u>\$ 9,951,920</u>	<u>\$ 12,452,619</u>	<u>\$ 10,504,358</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Expenses				
Governmental activities:				
Instruction:				
Regular	\$ 14,272,906	\$ 13,861,514	\$ 13,050,129	\$ 13,350,039
Special	3,884,987	3,717,779	3,496,076	3,117,764
Vocational	443,201	409,280	356,268	507,790
Other	28,836	28,320	25,934	30,999
Support services:				
Pupil	2,001,434	1,752,641	1,698,202	1,741,857
Instructional staff	803,996	811,663	674,629	1,231,668
Board of education	36,505	33,198	23,938	231,170
Administration	2,230,446	1,743,637	1,451,888	1,626,494
Fiscal	765,655	489,910	821,449	836,877
Business	472,923	383,535	392,739	387,559
Operations and maintenance	3,515,979	3,235,860	3,366,885	3,369,609
Pupil transportation	1,579,159	1,458,464	1,277,514	1,248,582
Central	710,439	876,022	697,162	936,664
Operation of non-instructional services	1,589,312	1,561,863	1,291,828	1,487,234
Extracurricular activities	1,160,128	1,163,814	951,808	743,811
Interest and fiscal charges	1,229,402	1,276,812	1,325,848	1,474,379
Total governmental activities expenses	<u>34,725,308</u>	<u>32,804,312</u>	<u>30,902,297</u>	<u>32,322,496</u>
Business-type activities:				
Food service	520,334	504,529	454,896	468,612
Uniform school supplies	26,144	27,002	22,860	32,643
Community programs	344,804	347,036	334,881	334,067
Total business-type activities expenses	<u>891,282</u>	<u>878,567</u>	<u>812,637</u>	<u>835,322</u>
Total primary government expenses	<u>\$ 35,616,590</u>	<u>\$ 33,682,879</u>	<u>\$ 31,714,934</u>	<u>\$ 33,157,818</u>

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	12,507,709	\$ 11,997,416	\$ 11,354,919	\$ 6,732,218
	3,189,411	3,015,213	2,992,102	2,938,803
	223,699	272,121	254,075	339,407
	-	-	-	-
	1,638,968	1,455,209	1,372,246	1,441,604
	906,393	843,360	715,646	1,197,071
	22,850	29,123	130,178	20,275
	1,518,691	1,495,752	1,268,525	2,374,172
	664,869	630,446	676,445	799,415
	478,341	327,517	481,778	1,052,019
	3,344,093	3,010,065	2,725,763	2,967,923
	1,410,415	1,050,482	852,648	896,795
	594,391	635,583	648,400	2,303,118
	1,301,536	1,352,962	1,244,624	1,196,061
	1,253,542	926,228	812,311	808,624
	1,411,684	1,458,885	1,510,459	1,585,232
	<u>30,466,592</u>	<u>28,500,362</u>	<u>27,040,119</u>	<u>26,652,737</u>
	459,559	442,704	425,612	403,527
	21,370	25,223	22,444	25,404
	303,886	290,065	253,247	334,427
	<u>784,815</u>	<u>757,992</u>	<u>701,303</u>	<u>763,358</u>
\$	<u>31,251,407</u>	<u>29,258,354</u>	<u>27,741,422</u>	<u>27,416,095</u>

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

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

Program Revenues	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 201,032	\$ 194,811	\$ 222,426	\$ 245,703
Special	-	-	-	-
Support services:				
Pupil	37,392	54,668	-	-
Instructional staff	-	-	-	-
Board of education	3,683	-	-	-
Administration	2,103	-	-	-
Fiscal	911	-	-	-
Business	5,468	-	-	-
Operations and maintenance	120,793	183,697	220,420	435,848
Pupil transportation	95,793	-	-	-
Central	1,006	-	-	-
Extracurricular activities	312,012	333,815	161,421	200,644
Operating grants and contributions:				
Instruction:				
Regular	121,565	81,500	116,214	128,139
Special	581,242	579,995	565,052	504,261
Vocational	-	-	595	-
Support services:				
Pupil	123,347	106,874	125,889	86,261
Instructional staff	52,438	29,379	49,684	75,560
Administration	-	250	521	-
Pupil transportation	617	69,392	1,278	-
Central	9,410	9,125	8,907	8,302
Operation of non-instructional services	1,583,365	1,498,419	1,485,947	1,414,531
Extracurricular activities	7,457	5,038	5,212	4,119
Capital grants and contributions:				
Instruction:				
Regular	19,188	-	-	22,575
Support services:				
Operations and maintenance	-	3,869	-	-
Pupil transportation	87,131	19,245	-	-
Operation of non-instructional services	-	-	-	-
Total governmental program revenues	<u>3,365,953</u>	<u>3,170,077</u>	<u>2,963,566</u>	<u>3,125,943</u>
Business-type activities:				
Charges for services:				
Food service	364,937	378,379	388,335	375,545
Uniform school supplies	24,096	24,950	27,041	27,622
Community programs	240,631	243,447	298,381	301,436
Operating grants and contributions:				
Food service	112,969	101,179	89,299	96,418
Total business-type activities program revenues	<u>742,633</u>	<u>747,955</u>	<u>803,056</u>	<u>801,021</u>
Total primary government program revenue	<u>\$ 4,108,586</u>	<u>\$ 3,918,032</u>	<u>\$ 3,766,622</u>	<u>\$ 3,926,964</u>
Net (Expense)/Revenue				
Governmental activities	(31,359,355)	(29,634,235)	(27,938,731)	(29,196,553)
Business-type activities	(148,649)	(130,612)	(9,581)	(34,301)
Total primary government net expense	<u>\$ (31,508,004)</u>	<u>\$ (29,764,847)</u>	<u>\$ (27,948,312)</u>	<u>\$ (29,230,854)</u>

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$	152,570	\$ -	\$ 345,856	\$ 222,513
	-	157,949	-	-
	39,731	101,077	46,112	23,664
	119,609	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	146,517	145,753	54,378	150,996
	-	-	-	-
	-	-	-	-
	230,704	237,144	211,870	160,418
	118,397	58,030	83,808	83,746
	341,721	414,167	214,180	205,303
	-	-	-	-
	35,173	46,345	44,263	22,158
	28,369	52,201	15,015	14,770
	-	-	-	-
	-	-	-	-
	9,493	9,387	9,122	21,618
	1,319,171	1,189,099	1,241,607	1,139,879
	58,087	55,356	5,589	-
	12,000	49,190	22,700	70,102
	-	-	-	-
	-	15,611	16,623	17,637
	-	-	-	36,569
	<u>2,611,542</u>	<u>2,531,309</u>	<u>2,311,123</u>	<u>2,169,373</u>
	353,749	370,478	356,716	362,545
	25,147	26,951	23,881	26,682
	272,209	279,325	215,939	186,234
	78,887	68,293	64,113	59,535
	<u>729,992</u>	<u>745,047</u>	<u>660,649</u>	<u>634,996</u>
\$	<u>3,341,534</u>	<u>\$ 3,276,356</u>	<u>\$ 2,971,772</u>	<u>\$ 2,804,369</u>
	(27,855,050)	(25,969,053)	(24,728,996)	(24,483,364)
	(54,823)	(12,945)	(40,654)	(128,362)
\$	<u>(27,909,873)</u>	<u>\$ (25,981,998)</u>	<u>\$ (24,769,650)</u>	<u>\$ (24,611,726)</u>

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

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

	2008	2007	2006	2005
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 22,319,494	\$ 22,597,480	\$ 21,672,596	\$ 17,833,031
Debt service	3,305,489	3,151,471	2,724,776	2,622,588
Grants and entitlements not restricted				
to specific programs	5,102,939	4,622,584	4,439,789	4,443,667
Investment earnings	289,371	406,434	253,614	174,957
Gain on sale of capital assets	-	-	-	5,942
Miscellaneous	56,295	259,535	185,323	154,951
Transfers	-	(40,000)	-	-
Total governmental activities	31,073,588	30,997,504	29,276,098	25,235,136
Business-type activities:				
Investment earnings	4,663	5,273	3,197	-
Miscellaneous	185,423	59,198	8,970	5,662
Transfers	-	40,000	-	-
Total business-type activities	190,086	104,471	12,167	- 5,662
Total primary government	\$ 31,263,674	\$ 31,101,975	\$ 29,288,265	# \$ 25,240,798
Change in Net Assets				
Governmental activities	(285,767)	1,363,269	1,337,367	(3,961,417)
Business-type activities	41,437	(26,141)	2,586	(28,639)
Total primary government	\$ (244,330)	\$ 1,337,128	\$ 1,339,953	\$ (3,990,056)

Note: The District implemented GASB Statement No. 34 in fiscal year 2001.

Source: School District financial records.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 20,408,336	\$ 16,560,615	\$ 18,808,983	\$ 16,754,585
2,909,441	2,437,060	3,393,332	3,231,309
4,432,768	4,264,539	4,043,817	3,831,578
94,157	160,029	412,505	988,182
-	-	-	6,016
5,801	54,874	52,078	153,417
-	-	-	(54,000)
<u>27,850,503</u>	<u>23,477,117</u>	<u>26,710,715</u>	<u>24,911,087</u>
898	1,515	2,602	5,414
3,878	2,667	4,594	43,014
-	-	-	54,000
<u>4,776</u>	<u>4,182</u>	<u>7,196</u>	<u>102,428</u>
<u>\$ 27,855,279</u>	<u>\$ 23,481,299</u>	<u>\$ 26,717,911</u>	<u>\$ 25,013,515</u>
(4,547)	(2,491,936)	1,981,719	427,723
(50,047)	(8,763)	(33,458)	(25,934)
<u>\$ (54,594)</u>	<u>\$ (2,500,699)</u>	<u>\$ 1,948,261</u>	<u>\$ 401,789</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006 (1)</u>	<u>2005</u>
General Fund:				
Reserved	\$ 3,377,689	\$ 2,878,496	\$ 2,509,215	\$ 2,959,435
Unreserved	(5,048,840)	(3,497,628)	(3,247,658)	(3,714,265)
Total general fund	<u>\$ (1,671,151)</u>	<u>\$ (619,132)</u>	<u>\$ (738,443)</u>	<u>\$ (754,830)</u>
All Other Governmental Funds:				
Reserved	\$ 4,189,258	\$ 3,701,362	\$ 3,223,074	\$ 3,142,625
Unreserved, reported in:				
Special revenue funds	245,941	172,108	288,723	101,848
Capital projects funds	(426,111)	(62,930)	(336,449)	(419,205)
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ 4,009,088</u>	<u>\$ 3,810,540</u>	<u>\$ 3,175,348</u>	<u>\$ 2,825,268</u>
Total governmental funds	<u>\$ 2,337,937</u>	<u>\$ 3,191,408</u>	<u>\$ 2,436,905</u>	<u>\$ 2,070,438</u>

Source: School District financial records.

(1) Amount has been restated to reflect a change in accounting principles and/or prior period adjustments.

Note: Prior to 2005, the fund balance of the bond retirement fund was reported as "unreserved, reported in debt service funds". Beginning in 2005, this amounts is reported as a component of "reserved" fund balance.

<u>2004 (1)</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$ 3,916,515	\$ 2,758,577	\$ 4,395,473	\$ 2,848,735	\$ 2,416,811	\$ 2,560,914
3,235	1,050,818	1,290,213	1,493,764	1,017,454	1,872,480
<u>\$ 3,919,750</u>	<u>\$ 3,809,395</u>	<u>\$ 5,685,686</u>	<u>\$ 4,342,499</u>	<u>\$ 3,434,265</u>	<u>\$ 4,433,394</u>
\$ 1,271,044	\$ 926,268	\$ 1,361,732	\$ 1,150,679	\$ 4,249,336	\$ 15,623,120
190,557	164,196	333,755	165,748	225,992	198,534
(787,440)	947,189	1,310,726	1,614,950	2,936,160	4,926,238
2,595,902	2,488,390	2,317,805	2,285,147	2,218,465	2,207,393
<u>\$ 3,270,063</u>	<u>\$ 4,526,043</u>	<u>\$ 5,324,018</u>	<u>\$ 5,216,524</u>	<u>\$ 9,629,953</u>	<u>\$ 22,955,285</u>
<u>\$ 7,189,813</u>	<u>\$ 8,335,438</u>	<u>\$ 11,009,704</u>	<u>\$ 9,559,023</u>	<u>\$ 13,064,218</u>	<u>\$ 27,388,679</u>

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

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues				
From local sources:				
Taxes	\$ 25,419,002	\$ 25,666,088	\$ 24,240,672	\$ 20,851,323
Tuition	89,613	87,308	117,209	132,903
Transportation	2,340	-	-	-
Earnings on investments	291,928	405,647	257,199	171,372
Extracurricular	209,092	232,094	161,421	200,644
Classroom materials and fees	23,026	16,277	18,354	13,595
Contributions and donations	95,691	65,102	82,263	39,420
Rentals	273,984	201,196	165,420	165,848
Other local revenues	279,509	508,575	272,186	254,156
Intergovernmental - State	6,659,186	6,089,404	5,818,963	5,828,143
Intergovernmental - Federal	918,098	870,993	897,862	820,849
Total revenues	<u>34,261,469</u>	<u>34,142,684</u>	<u>32,031,549</u>	<u>28,478,253</u>
Expenditures				
Current:				
Instruction:				
Regular	13,326,223	13,218,752	12,449,859	12,993,678
Special	3,715,276	3,548,628	3,427,201	3,203,256
Vocational	413,149	404,383	351,372	481,957
Other	26,948	26,574	24,803	26,928
Current:				
Pupil	1,873,323	1,732,285	1,671,187	1,656,203
Instructional staff	861,608	798,914	723,752	1,096,046
Board of education	38,499	31,896	22,987	229,603
Administration	2,053,567	1,721,160	1,371,377	1,473,548
Fiscal	714,321	468,239	793,486	792,747
Business	450,682	362,302	370,679	381,943
Operations and maintenance	3,329,102	3,120,493	3,220,950	3,083,886
Pupil transportation	1,845,272	1,277,071	1,138,481	1,153,653
Central	664,206	896,374	638,532	873,912
Operation of non-instructional services	1,576,174	1,561,811	1,296,794	1,506,059
Extracurricular activities	1,110,154	1,100,494	928,085	1,057,464
Facilities acquisitions and construction	34,638	2,425	9,683	510,675
Capital outlay	-	-	-	229,845
Debt service:				
Principal retirement	2,192,469	2,085,918	1,999,419	1,902,967
Interest and fiscal charges	889,329	990,462	1,084,854	1,179,045
Total expenditures	<u>35,114,940</u>	<u>33,348,181</u>	<u>31,523,501</u>	<u>33,833,415</u>
Excess of revenues over (under) expenditures	(853,471)	794,503	508,048	(5,355,162)
Other Financing Sources (Uses)				
Transfers in	-	231,148	-	1,324
Transfers (out)	-	(271,148)	-	(1,324)
Proceeds of capital lease transaction	-	-	-	-
Sale of assets	-	-	-	5,942
Issuance of bonds	-	-	-	-
Payment to refunded bond escrow	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(40,000)</u>	<u>-</u>	<u>5,942</u>
Net change in fund balances	<u>\$ (853,471)</u>	<u>\$ 754,503</u>	<u>\$ 508,048</u>	<u>\$ (5,349,220)</u>
Capital expenditures (included in expenditures above)	656,267	458,047	92,209	1,235,538
Debt service as a % of noncapital expenditures	8.94%	9.35%	9.81%	9.45%

Source: School District financial records.

(1) Amount has been restated to reflect a change in accounting principles and/or prior period adjustments.

	<u>2004 (1)</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
\$	23,364,027	\$ 19,029,507	\$ 21,845,773	\$ 19,429,224	\$ 17,528,574	\$ 17,870,012
	257,255	235,612	237,665	165,032	112,045	76,811
	119,609	101,077	57,811	50,026	47,832	50,087
	94,157	160,029	412,505	988,182	1,214,158	1,563,215
	165,750	159,481	211,870	160,418	262,935	262,331
	-	-	-	-	-	-
	92,997	84,382	49,022	23,664	35,959	27,003
	146,517	145,753	150,870	158,451	123,469	187,461
	5,801	54,874	52,078	153,417	211,474	32,622
	6,310,864	6,050,505	5,617,061	5,443,360	5,016,095	4,628,860
	-	-	-	-	-	-
	<u>30,556,977</u>	<u>26,021,220</u>	<u>28,634,655</u>	<u>26,571,774</u>	<u>24,552,541</u>	<u>24,698,402</u>
	11,947,488	10,552,236	10,010,024	9,308,947	9,268,400	8,459,144
	2,802,837	2,885,559	2,554,350	2,471,026	2,328,681	1,991,345
	223,699	272,121	251,032	339,407	207,541	212,924
	-	-	-	-	-	-
	1,431,489	1,355,789	1,317,073	1,247,248	1,134,765	1,022,499
	849,848	787,712	730,385	713,446	760,082	697,115
	23,573	28,340	24,156	20,275	18,970	28,064
	1,393,006	1,370,287	1,246,165	1,110,961	1,152,030	972,060
	674,754	622,920	683,643	610,468	980,260	487,768
	435,357	325,115	284,907	290,860	264,947	229,784
	3,030,354	2,775,288	2,632,355	2,445,296	2,474,137	2,250,286
	1,071,030	1,046,926	871,363	932,466	896,073	747,354
	631,871	691,370	667,325	444,069	636,378	654,245
	1,316,648	1,352,924	1,202,083	1,209,458	1,025,094	987,848
	953,534	913,470	747,362	773,846	786,259	676,017
	-	-	-	-	-	-
	1,882,525	658,375	630,039	4,767,246	13,603,085	4,067,863
	1,780,000	1,729,348	1,922,867	1,851,461	1,785,125	1,323,857
	1,254,589	1,327,706	1,408,845	1,492,505	1,571,256	1,636,927
	<u>31,702,602</u>	<u>28,695,486</u>	<u>27,183,974</u>	<u>30,028,985</u>	<u>38,893,083</u>	<u>26,445,100</u>
	(1,145,625)	(2,674,266)	1,450,681	(3,457,211)	(14,340,542)	(1,746,698)
	33,668	56,061	71,778	-	9,425	148,456
	(33,668)	(56,061)	(71,778)	(54,000)	(9,425)	(148,456)
	-	-	-	-	-	-
	-	-	-	6,016	16,081	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	(47,984)	16,081	-
\$	<u>(1,145,625)</u>	<u>(2,674,266)</u>	<u>1,450,681</u>	<u>(3,505,195)</u>	<u>(14,324,461)</u>	<u>(1,746,698)</u>
	1,178,435	251,820	345,097	4,135,091	13,603,085	4,067,863
	9.94%	10.75%	12.41%	12.91%	13.27%	13.23%

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

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2008	\$ 728,712,840	\$ 2,082,036,686	\$ 8,975,082	\$ 143,601,312	\$ 6,044,760	\$ 6,869,045
2007 (2)	722,592,150	2,064,549,000	12,471,366	99,770,928	8,839,250	10,044,602
2006	655,102,590	1,871,721,686	13,668,520	72,898,773	9,304,440	10,573,227
2005	666,296,240	1,903,703,543	15,226,500	66,202,174	10,341,880	11,752,136
2004 (3)	663,153,590	1,894,724,543	18,767,823	78,199,263	10,150,730	11,534,920
2003	604,957,220	1,728,449,200	20,434,063	81,736,252	10,146,330	11,529,920
2002	610,185,370	1,743,386,771	22,528,229	90,112,916	10,476,890	11,905,557
2001 (2)	601,385,550	1,718,244,429	21,603,344	86,413,376	13,190,950	14,989,716
2000	524,675,910	1,499,074,029	21,160,548	84,642,192	12,877,130	14,633,102
1999	520,815,150	1,488,043,286	22,236,921	88,947,684	14,147,550	16,076,761

Source: Cuyahoga County Auditor's Office

(1) This amount is calculated based on the following percentages:

Real estate is assessed at 35% of actual value.

Public utility personal is assessed at 88% of actual value.

For collection year 2008, capital assets and inventory for tangible personal property is assessed at 6.25% of actual value.

For collection year 2007, capital assets and inventory for tangible personal property is assessed at 12.5% of actual value.

For collection year 2006, capital assets and inventory for tangible personal property was assessed at 18.75% of actual value.

For collection years 1998-2005, capital assets for tangible personal property was assessed at 25% of actual value.

For collection years 1998-2005, inventory for tangible personal property was assessed at 23% actual value.

(2) Reappraisal of property values.

(3) Triennial update of property values.

Total			
Assessed Value	Estimated Actual Value	%	Direct Tax Rates
\$ 743,732,682	\$ 2,232,507,043	33.31%	77.10
743,902,766	2,174,364,530	34.21%	77.20
678,075,550	1,955,193,686	34.68%	77.00
691,864,620	1,981,657,853	34.91%	72.00
692,072,143	1,984,458,726	34.87%	72.00
635,537,613	1,821,715,372	34.89%	72.40
643,190,489	1,845,405,244	34.85%	67.50
636,179,844	1,819,647,520	34.96%	68.00
558,713,588	1,598,349,323	34.96%	68.60
557,199,621	1,593,067,731	34.98%	64.70

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Tax Year/ Collection Year	Overlapping Rates			Direct Rates			
	County	Library	City	Voted		Unvoted	Total
				General	Bond		
2007/2008	18.20	6.10	10.90	67.70	4.83	4.57	77.10
2006/2007	18.20	61.00	10.90	67.70	4.93	4.57	77.20
2005/2006	18.30	6.10	10.90	67.70	4.73	4.57	77.00
2004/2005	18.30	6.10	10.90	62.80	4.63	4.57	72.00
2003/2004	18.00	4.70	9.90	62.80	4.63	4.57	72.00
2002/2003	16.20	4.70	9.90	62.80	5.03	4.57	72.40
2001/2002	16.20	4.70	9.90	57.90	5.03	4.57	67.50
2000/2001	16.20	4.70	9.90	57.90	5.53	4.57	68.00
1999/2000	15.30	4.70	9.90	57.90	6.13	4.57	68.60
1998/1999	15.30	3.80	9.90	54.00	6.13	4.57	64.70

Source: Cuyahoga County Auditor's Office

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

PRINCIPAL TAXPAYERS
REAL ESTATE TAX
DECEMBER 31, 2007 AND DECEMBER 31, 1998

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Westgate Mall, LLC	\$ 12,720,510	1	1.00%
Westwood Town Center	7,274,720	2	0.70%
Cleveland Electric Illuminating Co.	5,086,130	3	0.70%
Normandy Associates, Ltd.	4,850,980	4	0.67%
Presidential Apartments Ltd.	3,992,940	5	0.55%
Beachcliff Properties	3,916,680	6	0.54%
Linden Apartments Co.	2,548,600	7	0.35%
Gross Management, Inc.	2,500,790	8	0.34%
SRK Perrysburg Assoc. LLC	2,456,580	9	0.34%
Rockport Assoc. Co. Ltd.	2,276,380	10	0.31%
Total	\$ 47,624,310		5.50%
Total Real Estate Valuation	\$ 728,712,840		

December 31, 1998			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Westgate Joint Venture	\$ 11,882,400	1	2.28%
Westwood Town Center	4,730,600	2	0.91%
Presidential Apartments Ltd.	3,512,600	3	0.67%
Westgate Joint Venture	2,747,500	4	0.53%
Normandy Associates, Ltd.	2,630,740	5	0.51%
Gross Management, Inc.	2,578,940	6	0.50%
Higbee Co.	2,450,000	7	0.47%
Linden Apartments Co.	2,400,580	8	0.46%
Normandy Associates, Ltd.	2,263,100	9	0.43%
Rockport Assoc. Co. Ltd.	1,944,950	10	0.37%
Total	\$ 37,141,410		7.13%
Total Real Estate Valuation	\$ 520,815,150		

Source: Cuyahoga County Auditor's Office

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

PRINCIPAL TAXPAYERS
TANGIBLE PERSONAL PROPERTY TAX
DECEMBER 31, 2007 AND DECEMBER 31, 1998

December 31, 2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Assessed Value
Ohio Bell Telephone Company	\$ 863,960	1	9.63%
Riser Foods Company	403,000	2	4.49%
Home Depot USA Inc.	292,010	3	3.25%
Kohls Department Stores Inc.	203,610	4	2.27%
Cox Communications Inc.	169,410	5	1.89%
Target Corp.	153,800	6	1.71%
Marc Glassman, Inc.	123,550	7	1.38%
New Par	106,810	8	1.19%
Heinens, Inc.	83,790	9	0.93%
Ameritech Advanced Data	78,540	10	0.88%
Total	\$ 2,478,480		27.62%
Total Tangible Assessed Valuation	\$ 8,975,082		

December 31, 1998			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Assessed Value
Higbee Co.	\$ 4,814,500	1	21.65%
Builders Square, Inc.	1,030,630	2	4.63%
Riser Foods Company	908,320	3	4.08%
Lesco, Inc.	903,910	4	4.06%
Heinens, Inc.	437,750	5	1.97%
Marc Glassman, Inc.	396,370	6	1.78%
OfficeMax, Inc.	350,970	7	1.58%
Dialamerica Marketing Inc.	313,290	8	1.41%
Revco D. S., Inc.	302,910	9	1.36%
Rite Aide of Ohio, Inc.	300,850	10	1.35%
Total	\$ 9,759,500		43.87%
Total Tangible Assessed Valuation	22,236,921		

Source: Cuyahoga County Auditor's Office

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

PRINCIPAL TAXPAYERS
PUBLIC UTILITIES REAL AND TANGIBLE PROPERTY TAX
DECEMBER 31, 2007 AND DECEMBER 31, 1998

December 31, 2007			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 5,086,130	1	84.14%
East Ohio Gas Company	692,390	2	11.45%
American Transmission Systems Company	477,250	3	7.90%
Norfolk Southern	90,280	4	1.49%
Total	<u>\$ 6,346,050</u>		<u>104.98%</u>
Total Public Utility Assessed Valuation	<u>\$ 6,044,760</u> *		

* The reason the total reflected here is less than the sum of the top four taxpayers shown here is due to the fact that the total is the total certified by the State Dept. of Taxation as of 1/1/2007, while the totals reflected for the individual taxpayers shown above are the updated totals for tax year 2007 as of 12/1/2008.

December 31, 1998			
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Public Utility Assessed Value</u>
Cleveland Electric Illuminating Company	\$ 6,581,540	1	46.52%
Ohio Bell Telephone Company	4,882,130	2	34.51%
East Ohio Gas Company	2,097,820	3	14.83%
Norfolk Southern Railroad	243,760	4	1.72%
Total	<u>\$ 13,805,250</u>		<u>97.58%</u>
Total Public Utility Assessed Value	<u>14,147,550</u>		

Source: Cuyahoga County Auditor's Office

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2007/2008	\$ 28,241,365	\$ 1,137,993	\$ 29,379,358	\$ 27,363,631	96.89%
2006/2007	27,707,351	1,081,982	28,789,333	25,588,848	92.35%
2005/2006	25,290,081	926,743	26,216,824	24,113,013	95.35%
2004/2005	25,109,123	1,070,529	26,179,652	23,985,396	95.52%
2003/2004	24,772,327	1,521,061	26,293,388	24,182,240	97.62%
2002/2003	21,942,966	1,704,967	23,647,933	21,209,241	96.66%
2001/2002	22,372,013	1,309,954	23,681,967	21,772,318	97.32%
2000/2001	21,734,779	701,301	22,436,080	21,407,883	98.50%
1999/2000	19,446,461	919,915	20,366,376	18,924,826	97.32%
1998/1999	19,225,206	1,112,513	20,337,719	18,730,169	97.43%

Source: Cuyahoga County Auditor's Office

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 885,454	\$ 28,249,085	96.15%
596,088	26,184,936	90.95%
493,234	24,606,247	93.86%
593,588	24,578,984	93.89%
698,404	24,880,644	94.63%
767,998	21,977,239	92.94%
446,303	22,218,621	93.82%
208,654	21,616,537	96.35%
597,807	19,522,633	95.86%
606,605	19,336,774	95.08%

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			(a) Total Primary Government	(b) Per Capita	(b) Per ADM	(c) Percentage of Personal Income
	General Obligation Bonds	Bond Anticipation Notes	Capital Leases				
2008	\$ 18,314,079	\$ 78,800	\$ 49,072	\$ 18,441,951	\$ 905	\$ 6,866	2.61%
2007	20,115,503	-	96,541	20,212,044	992	7,497	2.86%
2006	21,865,363	-	142,459	22,007,822	1,080	8,336	3.12%
2005	23,575,348	-	186,878	23,762,226	1,146	9,059	N/A
2004	25,148,563	-	-	25,148,563	1,213	9,680	N/A
2003	26,765,768	-	-	26,765,768	1,291	10,394	N/A
2002	28,328,371	-	29,348	28,357,719	1,368	11,266	N/A
2001	30,162,928	-	57,215	30,220,143	1,457	12,295	N/A
2000	31,881,394	-	83,676	31,965,070	1,566	13,335	N/A
1999	33,551,477	-	108,801	33,660,278	1,649	14,379	N/A

Sources:

(a) See notes to the financial statements regarding the District's outstanding debt information.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, population and enrollment information.

(c) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, and population. Personal income equals per capita personal income times population.

N/A - Data Not Accessible

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

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Total		
2008	\$ 18,314,079	\$ 18,314,079	0.82%	\$ 899
2007	20,115,503	20,115,503	0.93%	987
2006	21,865,363	21,865,363	1.12%	1,073
2005	23,575,348	23,575,348	1.19%	1,137
2004	25,148,563	25,148,563	1.27%	1,213
2003	26,765,768	26,765,768	1.47%	1,291
2002	28,328,371	28,328,371	1.54%	1,366
2001	30,162,928	30,162,928	1.66%	1,455
2000	31,881,394	31,881,394	1.99%	1,562
1999	33,551,477	33,551,477	2.11%	1,644

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Rocky River City School District	\$ 18,441,951	100.00%	\$ 18,441,951
Overlapping debt:			
City of Rocky River	20,360,000	97.07%	19,763,452
Cuyahoga County	161,267,576	2.29%	3,693,027
Regional Transit Authority	154,655	2.29%	3,542
City of Fairview Park	<u>23,490,000</u>	2.93%	<u>688,257</u>
Total direct and overlapping debt	<u>\$ 223,714,182</u>		<u>\$ 42,590,229</u>

Source: Ohio Municipal Advisory Council

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2008 (1)	\$ 66,128,184	\$ 18,314,079	4,070,534	\$ 14,243,545	\$ 51,884,639	21.54%
2007 (1)	65,555,924	20,115,503	3,471,661	16,643,842	48,912,082	25.39%
2006	61,026,800	21,865,363	3,054,434	18,810,929	42,215,871	30.82%
2005	62,267,816	23,575,348	3,062,031	20,513,317	41,754,499	32.94%
2004	62,286,493	25,148,563	3,064,003	22,084,560	40,201,933	35.46%
2003	57,198,385	26,765,768	2,806,234	23,959,534	33,238,851	41.89%
2002	57,887,144	28,328,371	3,006,437	25,321,934	32,565,210	43.74%
2001	57,256,186	30,162,928	2,594,000	27,568,928	29,687,258	48.15%
2000	50,284,223	31,881,394	2,418,709	29,462,685	20,821,538	58.59%
1999	50,147,966	33,551,477	2,582,292	30,969,185	19,178,781	61.76%

Source: Cuyahoga County Auditor and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

- (1) In accordance with House Bill No. 66, the assessed valuation of tangible personal property is excluded the total assessed valuation used to calculate the voted debt limit.
House Bill No. 66.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age(1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rates (3)</u>		
					<u>Cuyahoga County</u>	<u>Ohio</u>	<u>United States</u>
2008	20,375	\$ 34,663	44	2,686	8.1%	6.6%	5.5%
2007	20,375	34,663	44	2,696	6.5%	6.1%	4.5%
2006	20,375	34,663	44	2,640	4.8%	5.1%	4.4%
2005	20,735	N/A	N/A	2,623	6.1%	5.9%	5.0%
2004	20,735	N/A	N/A	2,598	6.2%	5.7%	5.1%
2003	20,735	N/A	N/A	2,575	6.2%	5.5%	5.7%
2002	20,735	N/A	N/A	2,517	5.6%	5.3%	6.0%
2001	20,735	N/A	N/A	2,458	4.4%	4.8%	5.8%
2000	20,410	N/A	N/A	2,397	4.1%	3.9%	4.0%
1999	20,410	N/A	N/A	2,341	4.4%	4.0%	4.1%

(1) U. S. Census Bureau - 2000 Census
(2) District records
(3) www.economagic.com
N/A - Data Not Accessible

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

PRINCIPAL EMPLOYERS
CURRENT YEAR

	December 31, 2007	
Employer	Employees	Percentage of Total City Employment per Number of Employees
City of Rocky River	719	4.87%
Rocky River City School District	565	3.83%
Target Stores	408	2.76%
Normandy Manor of Rocky River	389	2.63%
Riser Foods	322	2.18%
Cuyahoga County Auditor	285	1.93%
Westwood Country Club	279	1.89%
Heinens Inc.	263	1.78%
Magnificat High School	212	1.44%
Home Depot, Inc.	162	1.10%
Total	<u>3,604</u>	<u>24.41%</u>
Total Number of Employees (1), (2)	<u>14,766</u>	

Source: City of Rocky River; City of Cleveland - Central Collection Agency

(1) Only includes employee count located within the City of Rocky River. Employment numbers for the portion of the Rocky River City School District located in the City of Fairview Park was not available.

(2) Total City employment based upon an estimate from the central collection agency on number of W-2's filed

Note: Information for nine years earlier is not available.

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

**STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS**

<u>Type</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
Professional Staff:										
Teaching Staff:										
Elementary	26.25	28.00	27.75	28.10	28.10	28.10	N/A	N/A	N/A	N/A
Intermediate	31.52	31.27	32.76	34.57	34.82	33.94	N/A	N/A	N/A	N/A
Middle	38.20	37.40	37.16	37.53	38.35	38.45	N/A	N/A	N/A	N/A
High	52.73	51.13	50.93	50.78	49.93	49.93	N/A	N/A	N/A	N/A
Tutors	17.12	16.20	17.94	15.89	13.66	14.55	N/A	N/A	N/A	N/A
Others	0.00	2.00	2.00	2.00	2.00	2.00	N/A	N/A	N/A	N/A
Administration	16.00	16.00	16.00	16.00	16.00	16.00	N/A	N/A	N/A	N/A
Auxiliary Positions:										
Counselors	7.00	7.00	7.00	7.00	7.00	7.00	N/A	N/A	N/A	N/A
Speech	2.80	2.80	2.80	2.80	2.80	2.80	N/A	N/A	N/A	N/A
Mental Health Specialists	*	*	*	*	*	*	N/A	N/A	N/A	N/A
Support Staff:										
Secretarial	30.70	30.40	30.20	29.20	30.20	29.20	N/A	N/A	N/A	N/A
Aides	20.47	21.80	20.12	19.40	18.80	19.61	N/A	N/A	N/A	N/A
Learning Assistants	3.89	4.96	6.86	6.73	7.68	5.76	N/A	N/A	N/A	N/A
Lunch and Hall Monitors/Security	6.19	7.11	5.31	5.20	4.90	4.90	N/A	N/A	N/A	N/A
Cooks/Food Service	5.35	5.91	5.88	4.60	5.10	4.66	N/A	N/A	N/A	N/A
Custodial	17.10	19.16	21.46	21.86	19.85	19.87	N/A	N/A	N/A	N/A
Maintenance	8.00	6.00	7.00	7.00	8.00	8.00	N/A	N/A	N/A	N/A
Bus Driver	12.20	11.67	12.58	10.77	11.83	11.89	N/A	N/A	N/A	N/A
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00	N/A	N/A	N/A	N/A
Athletic Trainer	*	*	*	0.70	0.70	0.70				
Other Central Support	1.17	1.17	1.17	1.17	1.17	1.17	N/A	N/A	N/A	N/A
Total	298.69	301.98	306.92	303.30	302.89	300.53	0.00	0.00	0.00	0.00
Function	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Instruction:										
Regular	136.60	136.10	136.70	139.28	140.25	139.72	N/A	N/A	N/A	N/A
Special	50.31	49.39	48.18	47.83	48.28	46.07	N/A	N/A	N/A	N/A
Vocational	**	**	**	**	**	**	N/A	N/A	N/A	N/A
Other	14.90	17.08	18.05	14.89	12.51	13.25	N/A	N/A	N/A	N/A
Support Services:										
Pupil	8.00	8.00	8.00	8.00	8.00	8.00	N/A	N/A	N/A	N/A
Instructional staff	12.00	12.00	12.00	12.00	12.00	12.00	N/A	N/A	N/A	N/A
Administration	17.80	17.80	18.00	18.00	18.00	18.00	N/A	N/A	N/A	N/A
Fiscal	4.00	4.00	4.20	4.20	4.20	4.20	N/A	N/A	N/A	N/A
Business	1.00	1.00	1.00	1.00	1.00	1.00	N/A	N/A	N/A	N/A
Operations and maintenance	25.10	27.16	30.46	30.86	29.85	29.87	N/A	N/A	N/A	N/A
Pupil transportation	16.76	15.67	16.58	14.77	15.83	15.89	N/A	N/A	N/A	N/A
Central	4.17	4.17	4.17	4.17	4.17	4.17	N/A	N/A	N/A	N/A
Food Service Operations	5.35	6.91	6.88	5.60	6.10	5.66	N/A	N/A	N/A	N/A
Extracurricular activities	2.70	2.70	2.70	2.70	2.70	2.70	N/A	N/A	N/A	N/A
Total	298.69	301.98	306.92	303.30	302.89	300.53	0.00	0.00	0.00	0.00

Source: School District records

* These services were contracted out to a third party in lieu of being provided by a staff member

** These services were contracted out through the Lakewood City School District as part of a career technical planning district that includes the Districts of Rocky River, Lakewood, Westlake and Bay Village

N/A - Information Not Accessible

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

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

Function	2008	2007	2006	2005	2004	2003
Instruction:						
Regular, Special and Vocational						
Enrollment (students)	2,686	2,696	2,640	2,623	2,598	2,575
Graduation Count	211	229	186	199	202	190
Graduation Rate	99.10%	96.90%	98.00%	98.00%	95.30%	95.00%
Student attendance rate	96.50%	96.40%	96.60%	96.30%	96.50%	96.40%
Support services:						
Board of education						
Regular meetings per year (based on calendar year)	21	22	22	22	22	22
Special meetings per year (based on calendar year)	14	18	6	4	7	5
Administration						
Teacher attendance rate	95.50%	94.90%	95.40%	95.70%	95.90%	96.60%
Fiscal						
Nonpayroll checks issued	4,157	4,374	4,533	5,369	5,279	5,468
Payroll checks/direct deposits issued	10,836	10,771	10,891	11,305	11,013	10,850
Operations and maintenance						
Work orders completed	*	1,220	900	1,100	1,100	1,100
Square footage maintained	451,773	451,773	451,773	451,773	451,773	451,773
Pupil transportation						
Avg. students transported daily	1,230	1,455	1,366	1,497	1,549	1,525
Food service operations						
Meals served to students	**	104,800	110,719	112,953	109,467	106,170
Milk served to students	**	64,926	61,564	60,888	60,797	59,270
Percentage of students receiving free/reduced cost meals	7.55%	7.12%	12.45%	10.02%	8.95%	9.56%

Source: District records

* In addition to processing these work orders, the facilities department processes numerous routine maintenance-type jobs as well as emergency requests that would not be tracked through a formal work order.

** The District does not operate a lunch program for its two elementary buildings, but does serve milk to these students in these buildings.

2002	2001	2000	1999
2,517	2,458	2,397	2,341
145	183	165	180
94.80%	97.30%	96.50%	96.30%
96.30%	95.50%	95.50%	95.30%
22	22	22	22
3	2	4	3
96.20%	96.50%	96.60%	94.40%
5,339	5,681	5,966	N/A
10,584	10,541	10,314	N/A
1,100	1,100	1,100	1,100
451,773	451,773	451,773	441,053
1,421	1,406	1,454	1,430
92,627	94,306	82,361	N/A
53,579	51,933	48,694	N/A
5.02%	6.95%	8.46%	N/A

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

**CAPITAL ASSET STATISTICS
LAST EIGHT FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Land	\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230
Construction in progress	-	-	-	-
Land improvements	1,297,873	1,588,029	1,698,598	1,711,678
Building/improvements	21,870,716	23,561,292	24,879,954	30,093,136
Furniture/equipment	785,235	839,466	653,439	1,044,361
Vehicles	598,938	295,675	379,697	531,159
Total Governmental Activities				
Capital Assets, net	<u>\$ 25,274,992</u>	<u>\$ 27,006,692</u>	<u>\$ 28,333,918</u>	<u>\$ 34,102,564</u>

Source: School District financial records.

Note: The District implemented GASB Statement No. 34 in fiscal year 2001.

Note: Amounts above are presented net of accumulated depreciation.

<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
\$ 722,230	\$ 722,230	\$ 722,230	\$ 722,230
108,213	-	-	-
920,719	969,461	1,014,454	1,374,792
31,415,477	32,183,211	33,538,235	34,913,837
883,709	885,349	970,586	957,090
599,027	452,940	457,069	449,321
<u>\$ 34,649,375</u>	<u>\$ 35,213,191</u>	<u>\$ 36,702,574</u>	<u>\$ 38,417,270</u>

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Goldwood Elementary (1927)					
Square feet	55,070	55,070	55,070	55,070	55,070
Capacity (students)	588	588	588	588	588
Enrollment	558	568	559	519	514
Kensington Intermediate (1926)					
Square feet	71,720	71,720	71,720	71,720	71,720
Capacity (students)	596	596	596	596	596
Enrollment	588	577	566	591	603
Rocky River Middle School (2000)					
Square feet***	110,000	110,000	110,000	110,000	110,000
Capacity (students)	659	659	659	659	659
Enrollment	631	643	626	640	623
Rocky River High School (1950)					
Square feet	141,631	141,631	141,631	141,631	141,631
Capacity (students)	936	936	936	936	936
Enrollment	909	908	889	844	827
Beach Education Center (1930)			591		
Square feet	37,780	37,780	37,780	37,780	37,780
Capacity (students)	404	404	404	404	404
Enrollment	*	*	*	29	31
Wooster Road Elementary (1955)					
Square feet	19,172	19,172	19,172	19,172	19,172
Capacity (students)	205	205	205	205	205
Enrollment	**	**	**	**	**
Board of Education Administrative Offices (1927)					
Square feet	16,400	16,400	16,400	16,400	16,400
Capacity (students)	N/A	N/A	N/A	N/A	N/A
Enrollment	-	-	-	-	-
Total Square Feet	451,773	451,773	451,773	451,773	451,773
Total Capacity	3,388	3,388	3,388	3,388	3,388
Total Enrollment	2,686	2,696	2,640	2,623	2,598

Source: District records

Note: Year of original construction is in parentheses. Any increases in square footage and capacity are the result of new construction, renovations and additions.

Capacity is expressed in the estimated number of students a building is equipped to handle and is subject to changes in federal, state or local standards as well as modifications to physical building characteristics.

* Only a small portion of this building was being utilized for pre-kindergarten special education students through the 2004-2005 school year. This program was moved to Goldwood Primary School of the 2005-2006 school year. The remaining portion of this building has been and is currently being utilized to house the District's Adult & Community Education program with the remaining space being leased out to a private school and the County Board of Mental Retardation and Developmental Disabilities.

** This building has not been needed for pre-kindergarten through 12 educational purposes during the last 10 years and is currently being leased to the Cleveland Clinic Health System.

*** Square feet for 1997 – 1999 was that of the Middle School building that existed prior to the construction of the new Middle School building in 2000.

N/A - Data Not Available or Not Applicable

2003	2002	2001	2000	1999
55,070	55,070	55,070	55,070	55,070
588	588	588	588	588
543	533	541	540	543
71,720	71,720	71,720	71,720	71,720
596	596	596	596	596
597	587	586	591	548
110,000	110,000	110,000	110,000	99,280
659	659	659	659	659
602	594	568	540	542
141,631	141,631	141,631	141,631	141,631
936	936	936	936	936
795	769	748	712	696
37,780	37,780	37,780	37,780	37,780
404	404	404	404	404
38	34	15	14	12
19,172	19,172	19,172	19,172	19,172
205	205	205	205	205
**	**	**	**	**
16,400	16,400	16,400	16,400	16,400
N/A	N/A	N/A	N/A	N/A
-	-	-	-	-
451,773	451,773	451,773	451,773	441,053
3,388	3,388	3,388	3,388	3,388
2,575	2,517	2,458	2,397	2,341

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities (2)		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2008	\$ 32,033,142	\$ 11,926	\$ 33,495,906	\$ 12,471	2,686	-0.37%
2007	30,271,801	11,228	31,527,500	11,694	2,696	2.12%
2006	28,434,728	10,771	29,571,949	11,201	2,640	0.65%
2005	30,751,403	11,724	30,848,117	11,761	2,623	0.96%
2004	28,210,549	10,859	29,054,984	11,184	2,598	0.89%
2003	25,608,776	9,945	27,011,865	10,490	2,575	2.30%
2002	23,852,262	9,476	25,324,173	10,061	2,517	2.40%
2001	26,751,965	10,884	25,067,505	10,198	2,458	2.54%
2000	35,536,891	14,826	N/A	N/A	2,397	2.39%
1999	23,484,325	10,032	N/A	N/A	2,341	5.78%

Source: District records

(1) Debt Service totals have been excluded.

(2) The District implemented GASB 34 in fiscal year 2001.

N/A - Data Not Accessible

Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
162	16.58	96.50%
163	16.54	96.40%
165	16.00	96.60%
169	15.52	96.30%
162	16.04	96.50%
161	15.99	96.40%
161	15.63	96.30%
161	15.27	95.50%
158	15.17	95.50%
153	15.30	95.30%

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

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

	2008		2007		2006		2005	
Education								
<i>College Degree Attained (Number of Staff/% of Total)</i>								
Bachelor's Degree	7	4.32%	8	4.91%	8	4.85%	11	6.51%
Bachelor's Degree + 9 hours	9	5.56%	13	7.98%	11	6.67%	10	5.92%
Bachelor's Degree + 18 hours	24	14.81%	16	9.82%	17	10.30%	18	10.65%
Master's Degree	41	25.31%	47	28.83%	47	28.48%	52	30.77%
Master's Degree + 9 hours	27	16.67%	26	15.95%	29	17.58%	24	14.20%
Master's Degree + 18 hours	17	10.49%	16	9.82%	18	10.91%	18	10.65%
Master's Degree + 27 hours	13	8.02%	13	7.98%	14	8.48%	15	8.88%
Master's Degree + 36 hours	24	14.81%	24	14.72%	21	12.73%	21	12.43%
Ph. D.	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	162	100.00%	163	100.00%	165	100.00%	169	100.00%
Experience								
<i>Range of Years' Experience (Number of Staff/% of Total)</i>								
0 - 5	20	12.35%	20	12.27%	19	11.52%	26	15.38%
6 - 10	31	19.14%	33	20.25%	47	28.48%	46	27.22%
11 and over	111	68.52%	110	67.48%	99	60.00%	97	57.40%
Total	162	100.00%	163	100.00%	165	100.00%	169	100.00%
 Average Teacher Salary	\$65,596		\$64,697		\$63,161		\$59,376	

Source: District Records and Ohio Department of Education

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

N/A - Information Not Accessible

2004		2003		2002		2001		2000		1999	
10	6.17%	19	11.80%	19	11.80%	18	11.18%	18	11.39%	19	12.42%
9	5.56%	7	4.35%	7	4.35%	13	8.07%	15	9.49%	17	11.11%
19	11.73%	24	14.91%	24	14.91%	17	10.56%	18	11.39%	16	10.46%
50	30.86%	50	31.06%	50	31.06%	52	32.30%	57	36.08%	51	33.33%
23	14.20%	23	14.29%	23	14.29%	19	11.80%	15	9.49%	12	7.84%
15	9.26%	9	5.59%	9	5.59%	13	8.07%	12	7.59%	13	8.50%
14	8.64%	12	7.45%	12	7.45%	9	5.59%	8	5.06%	5	3.27%
22	13.58%	17	10.56%	17	10.56%	20	12.42%	15	9.49%	20	13.07%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
162	100.00%	161	100.00%	161	100.00%	161	100.00%	158	100.00%	153	100.00%
33	20.37%	45	27.95%	45	27.95%	45	27.95%	45	28.48%	48	31.37%
54	33.33%	42	26.09%	42	26.09%	37	22.98%	32	20.25%	21	13.73%
75	46.30%	74	45.96%	74	45.96%	79	49.07%	81	51.27%	84	54.90%
162	100.00%	161	100.00%	161	100.00%	161	100.00%	158	100.00%	153	100.00%
\$57,168		\$51,730		\$50,040		\$47,700		N/A		N/A	

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Franko Mujaj
"My Societal Concerns"
Grade 7

Rocky River City School District
Cuyahoga County, Ohio



Carolyn Rudy

Rr

Rocky River City School District
Cuyahoga County, Ohio



Mary Taylor, CPA
Auditor of State

ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 3, 2009