

**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2002**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Schedule of Federal Awards Receipts and Expenditures .....	1
Notes to the Schedule of Federal Awards Receipts and Expenditures.....	2
Report on Compliance and on Internal Control Required By <i>Government Auditing Standards</i> .....	3
Report on Compliance with Requirements Applicable to Major Federal Programs and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	5
Schedule of Findings.....	7

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**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

**Schedule of Federal Awards Receipts and Expenditures  
for the year ended June 30, 2002**

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U. S. Department of Agriculture</b>						
<i>Passed Through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
Food Distribution	NA	10.550	\$0	\$21,046	\$0	\$20,687
National School Lunch Program	044701 LL-P1/P4-02	10.555	21,956	0	21,956	0
	044701 LL-P1/P4-01		7,525	0	7,525	0
Special Milk Program for Children	044701 02-PU-02	10.556	5,604	0	5,604	0
	044701 02-PU-01		1,965	0	1,965	0
Total U. S. Department of Agriculture - Child Nutrition Cluster			<b>37,050</b>	<b>21,046</b>	<b>37,050</b>	<b>20,687</b>
<b>U. S. Department of Education</b>						
<i>Passed Through the Ohio Department of Education</i>						
Special Education Cluster:						
Special Education Grants to States	044701 6B-SF-02	84.027	214,085	0	190,253	0
	044701-6B-SF-01		0	0	321	0
Special Education - Pre-School	044701 PG-S1-02	84.173	10,967	0	4,012	0
Total Special Education Cluster			225,052	0	194,586	0
Grants to Local Educational Agencies (ESEA Title I)						
	044701 C1-S1-02	84.010	96,151	0	83,743	0
	044701 C1-S1-01		0	0	11,908	0
	044701 C1-S1-99		(14,850)	0	0	0
Subtotal			81,301	0	95,651	0
Innovative Education Program						
	044701 C2-S1-02	84.298	23,179	0	22,423	0
	044701 C2-S1-01		0	0	9,285	0
	044701 C2-S1-00		0	0	270	0
	044701 C2-S1-99		0	0	360	0
Subtotal			23,179	0	32,338	0
Eisenhower Professional Development						
	044701 MS-S1-02	84.281	10,841	0	10,493	0
	044701 MS-S1-01		0	0	1,043	0
Subtotal			10,841	0	11,536	0
Safe and Drug Free Schools and Communities						
	044701 DR-S1-02	84.186	12,396	0	12,396	0
	044701 DR-S1-01		0	0	236	0
Subtotal			12,396	0	12,632	0
Title VI-R - Class Size Reduction						
	044701 CR-S1-02	84.340	36,600	0	34,218	0
	044701 CR-S1-01		0	0	3,792	0
Subtotal			36,600	0	38,010	0
Just Right Books (Goals 2000 Fund)						
	044701-G2-SP-2001	84.276	2,500	0	2,500	0
Subtotal			2,500	0	2,500	0
Total U. S. Department of Education			<b>391,869</b>	<b>0</b>	<b>387,253</b>	<b>0</b>
Total Federal Assistance			<b>\$428,919</b>	<b>\$21,046</b>	<b>\$424,303</b>	<b>\$20,687</b>

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

**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2002**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Values may change from month to month and are entirely subjective. At June 30, 2002, the District had no significant food commodities in inventory.

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

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

N/A - Not applicable.

CFDA - Catalog of Federal Domestic Assistance.



**STATE OF OHIO  
OFFICE OF THE AUDITOR**

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

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

We have audited the basic financial statements of the Rocky River City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 18, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-10818-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated December 18, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to the management of the District in a separate letter dated December 18, 2002.

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

December 18, 2002





STATE OF OHIO  
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR  
FEDERAL PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

We have audited the compliance of the Rocky River City School District, Cuyahoga County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

**Internal Control Over Compliance**

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 18, 2002.

### **Schedule of Federal Awards Receipts and Expenditures**

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated December 18, 2002. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Jim Petro**  
Auditor of State

December 18, 2002

ROCKY RIVER CITY SCHOOL DISTRICT  
 CUYAHOGA COUNTY  
 JUNE 30, 2002

**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A -133 §.505**

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

**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2002**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505**

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

<b>FINDING NUMBER</b>	<b>2002-10818-001</b>
-----------------------	-----------------------

Ohio Rev. Code Sections 5705.41(B) & (D) prohibits a subdivision or taxing unit from making an expenditure or an expenditure plus encumbrance unless it has been properly appropriated. The following funds had expenditures plus encumbrances exceeding the legal level of appropriation at March 31, 2002:

<u>Fund/Function/Object</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Variance</u>
General Fund:			
Instruction – Regular			
Purchased Services	\$ 159,066	\$ 203,237	\$ (44,171)
*Capital Outlay – New	62,617	74,511	(11,894)
Instruction – Special			
*Capital Outlay – New	2,360	6,454	(4,094)
Support Services – Administration			
Other	0	1,445	(1,445)
Support Services – Fiscal Services			
Capital Outlay - New	0	484	(484)
Support Services – Business			
Administration			
Purchased Services	129,722	143,544	(13,822)
*Capital Outlay - New	0	805	(805)
Support Services – Operations and			
Maintenance			
*Capital Outlay - New	3,000	4,613	(1,613)
Support Services – Central Office			
Services			
Capital Outlay – Replacement	10,200	11,567	(1,367)

The items with an asterisk also had expenditures plus encumbrances exceeding the legal level of appropriation at December 31, 2001.

This weakness could allow expenditures in the above funds to exceed the total of the available fund balance and the current year revenues. This would then result in a negative fund balance.

The District was aware of these requirements, but its control procedures failed to prevent or detect the non-compliance in these instances.

ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2002

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505

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

<b>FINDING NUMBER</b>	<b>2002-10818-001</b>
-----------------------	-----------------------

We recommend the District compare appropriations to expenditures and to expenditures plus encumbrances, in all funds which are legally required to be budgeted, to ensure compliance with this requirement. This comparison should be performed on a monthly basis, at minimum.

**3. FINDINGS FOR FEDERAL AWARDS**

None.



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

***COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002***





**Rocky River City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2002*  
*Table of Contents*

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	Page
<b>I. Introductory Section</b>	
Table of Contents .....	i
Letter of Transmittal.....	v
List of Principal Officials .....	xii
Organizational Chart.....	xiii
GFOA Certificate of Achievement.....	xiv
ASBO Certificate of Achievement.....	xv
<b>II. Financial Section</b>	
Report of Independent Accountants .....	1
Management’s Discussion and Analysis .....	3
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets .....	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual – General Fund .....	22
Statement of Fund Net Assets - Enterprise Funds .....	23
Statement of Revenues, Expenses and Changes in Fund Net Assets - Enterprise Funds .....	24
Statement of Cash Flows - Enterprise Funds .....	25
Statement of Fiduciary Net Assets - Fiduciary Funds .....	27
Statement of Changes in Fiduciary Net Assets - Private Purpose Trust Fund.....	28
Notes to the Basic Financial Statements.....	29

Combining Statements and Individual Fund Schedules:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions.....	54
Combining Balance Sheet - Nonmajor Governmental Funds .....	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds .....	57
Combining Balance Sheet - Nonmajor Special Revenue Funds .....	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	62
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	68
Statement of Changes in Assets and Liabilities - Agency Fund .....	70

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

General Fund.....	72
Bond Retirement Fund .....	77
Building Fund .....	78
Public School Support Fund .....	79
Career Education Fund .....	80
District Managed Student Activities Fund.....	81
Auxiliary Services Fund .....	82
Teacher Development Fund.....	83
Educational Management Information Fund .....	84
School Net Development Fund.....	85
Ohio Reads Grant Fund .....	86
School Conflict Management Fund .....	87
Eisenhower Math and Science Fund.....	88
Title VI-B Fund.....	89
Title I Fund .....	90
Title VI Fund.....	91
Drug Free Schools Fund .....	92
Preschool Grant Fund .....	93
Title VI-R Fund.....	94
Goals 2000 Fund .....	95
Permanent Improvement Fund.....	96
School Net Plus Fund.....	97
Power Up Capacity Fund.....	98
Net IVDL Fund.....	99
Data Communications Fund .....	100
Food Service Fund .....	101
Uniform School Supplies Fund.....	102
Community Programs Fund.....	103
Special Trust Fund .....	104

### III. Statistical Section

Governmental Activities Revenues by Source and Expenses by Function--Last Two Fiscal Years .....	S1
General Fund Revenues by Source and Expenditures by Function--Last Ten Fiscal Years .....	S2
Property Tax Levies and Collections--Last Ten Calendar Years .....	S4
Assessed and Estimated Actual Value of Taxable Property--Last Ten Calendar Years .....	S6
Property Tax Rates--Direct and Overlapping Governments--Last Ten Calendar Years .....	S8
Ratio of Annual Debt Service Expenditures For General Obligation Bonded Debt to General Fund Expenditures--Last Ten Fiscal Years .....	S9
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net Bonded Debt Per Capita--Last Ten Fiscal Years .....	S10
Computation of Legal Debt Margin .....	S12
Computation of Direct and Overlapping General Obligation Bonded Debt .....	S13
Property Value, Construction and Bank Deposits--Last Ten Calendar Years .....	S14
Principal Taxpayers: Real Estate Tax .....	S16
Tangible Personal Property Tax .....	S17
Public Utilities Real and Tangible Property Tax .....	S18
Per Pupil Cost--Last Ten Fiscal Years.....	S19
Certificated Staff Education and Experience.....	S20
Student Demographic Information .....	S21

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## Rocky River School District

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Cathy E. Dietlin, Ph.D.  
Assistant Superintendent

Ted Blank  
Executive Director  
Human Resources & Support Services

William Bornhauser  
Treasurer

Board of Education

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

December 18, 2002

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

Dear Board Members:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Rocky River City School District (School District) for the fiscal year ended June 30, 2002. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. All disclosures necessary to enable the reader to gain an understanding of the School District's financial activities have been included.

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

This report is divided into the following sections:

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

### The School District

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

The School District is located in an affluent suburban area west of Cleveland, Ohio and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. The property tax base is primarily residential with a significant amount of retail commercial property. The School District serves 2,517 students ranging from Kindergarten through Twelfth grade. In addition, a wide range of services are provided for preschool aged children and adults.

## **The Reporting Entity**

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

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

## **Economic Condition and Outlook**

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

The Rocky River City School District receives 77 percent of its governmental activities revenues from local property tax collections. Therefore, the long-term financial health of the School District is very dependent on its tax base. The total assessed valuation of the School District's tax duplicate rose by nearly 45 percent in the last ten years. The increased value in the duplicate is due in most part to revisions in property values made by the County Auditor every three years as well as some new construction.

The City of Rocky River is nearly completely developed, so future assessed valuation increases will come primarily from property value changes. There are no major manufacturing plants located within the School District's boundaries. The largest real property taxpayer owns 2.74 percent of the total real property in the School District.

## **Major Initiatives - Fiscal Year 2002**

Each year, the School District identifies a series of District Development Priorities that build upon the objectives of the mission statement and strategic goals. These priorities focus the School District's financial and other resources and provide measurable benchmarks upon which to evaluate the effectiveness of our efforts. The following provides a brief overview of the key priorities addressed during the 2001-2002 school year and the School District's progress in achieving each priority.

### **Financial**

- *Successfully communicate the need for additional local tax revenue*

Voters approved an additional 4.9 mill operating levy in May 2002. Collection of the continuing levy will begin in January 2003 and will generate an additional \$3.1 million annually in tax revenue. This levy will stabilize district funding for the next three years.

- *Adoption of a plan for the future use of Wooster and Beach Schools*

These two buildings, not currently used as schools, will be rented for a substantial period of time. Agreements with Fairview Hospital for a ten year period for the use of the Wooster building will provide about \$100,000 in revenue annually. These funds are designated as revenue for the District's Permanent Improvement Fund.

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

Rocky River City Schools are significantly property tax dependent. As a result the Board and administrators worked with the cities of Rocky River and Fairview Park to assure retail development protects and enhances property values.

- *Protect the interests of the school district from legislature funding changes*

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

- *Financial Reporting*

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

## **Educational**

- *Maximize each child's achievement*

The State of Ohio measures district's achievement through a state "Report Card" measuring student learning at the 4<sup>th</sup>, 6<sup>th</sup>, 9<sup>th</sup> and 12<sup>th</sup> grade. The state has 27 standards. Rocky River City School District achieved 27 of 27 standards in 2002. Only 46 of the 612 schools in Ohio achieved this level of excellence. School administrators work diligently to prepare students for success in these tests while assuring students experience success in all areas of instruction.

The District had three National Merit Finalists and seven National Merit Commended Scholars in 2002.

## **Goals for 2003**

### **Financial:**

- To effectively use District resources to assure the highest quality educational program while meeting the District's three year financial plan.
- To received the GFOA Certificate of Achievement for Excellence in Financial Reporting for this 2002 CAFR as well as the ASBO Certificate of Excellence.
- To enhance the District's budget and financial planning information for citizens.
- To continue to assure the District's property tax base remains strong.

## **Educational:**

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

## ***Prospects for the Future***

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

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

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

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November, 2001 the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

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

## **Financial Information**

***Internal Accounting and Budgetary Control*** In developing the School District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from



unauthorized use or disposition and the reliability of financial records for preparing the financial statements and maintaining the accountability of assets. The concept of reasonable assurance is based on the assumption the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the object account level within a function for the general fund and at the fund level for all other funds. All purchase order requests must be approved by the Executive Director of Administrative Services and certified by the Treasurer; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible.

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

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

***Financial Condition*** This is the second year the School District has prepared financial statements following GASB 34 "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." GASB 34 creates basic financial statements for reporting on the School District's financial activities as follows:

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

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

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

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the School District. This discussion is presented in the financial section of this report and provides an assessment of the School District finances for 2002.

## **Cash Management**

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

Cash not needed for immediate use during the year was invested in interest bearing demand deposit accounts, repurchase agreements, Federal Home Loan Bank Bonds and the State Treasurer's Asset Reserve of Ohio (STAROhio) program administered by the Office of the Treasurer of the State of Ohio. STAROhio is an investment pool offered to political subdivisions of the State of Ohio for the investment of funds. STAROhio's investment portfolio consists of investments authorized by the Ohio Revised Code including instruments of the Federal government and its agencies, collateralized certificates of deposit and repurchase agreements. This investment pool offers daily liquidity of all funds, no minimum balance requirements and no service charges. Interest earnings for all funds during the year was \$415,107. Of that total, \$344,468 was credited to the General Fund. The balance was credited to other funds as directed by the Ohio Revised Code and Board of Education policy.

## **Risk Management**

The School District uses the State Workers' Compensation plan and pays a premium based on a rate per \$100 of salaries. The School District is a member of Ohio School Boards Association Workers' Compensation Group Rating Program. The School District contracts for general liability insurance with a \$2,000,000 limit per occurrence and a limit of \$5,000,000 per year. The School District also carries an automobile liability insurance with a limit of \$2,000,000 and \$250 deductible. The School District provides property, inland marine and crime insurance with a \$1,000 deductible for property and crime insurance and a \$250 deductible for inland marine. Boiler and machinery are covered under a policy with a limit of \$30,000,000 and a \$250 deductible.

## **Independent Audit**

State statutes require the School District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent auditor Jim Petro, Auditor of State, was selected to render an opinion on the School District's financial statements as of and for the year ended June 30, 2002. The opinion appears at the beginning of the financial section of this report.

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

## **Awards**

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

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA and ASBO.

### **Acknowledgments**

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

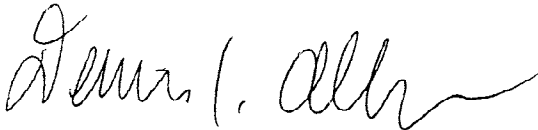
A special thanks must be extended to Greta Coleman and Joyce Younglas of the Treasurer's Office whose assistance and dedication were essential from the beginning, and also to the Local Government Services Division of the Ohio Auditor of State's Office for their assistance.

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

Respectfully Submitted,



William Bornhauser  
Treasurer



Dennis L. Allen, Ed.D.  
Superintendent

**Rocky River City School District**

*Principal Officials*

*June 30, 2002*

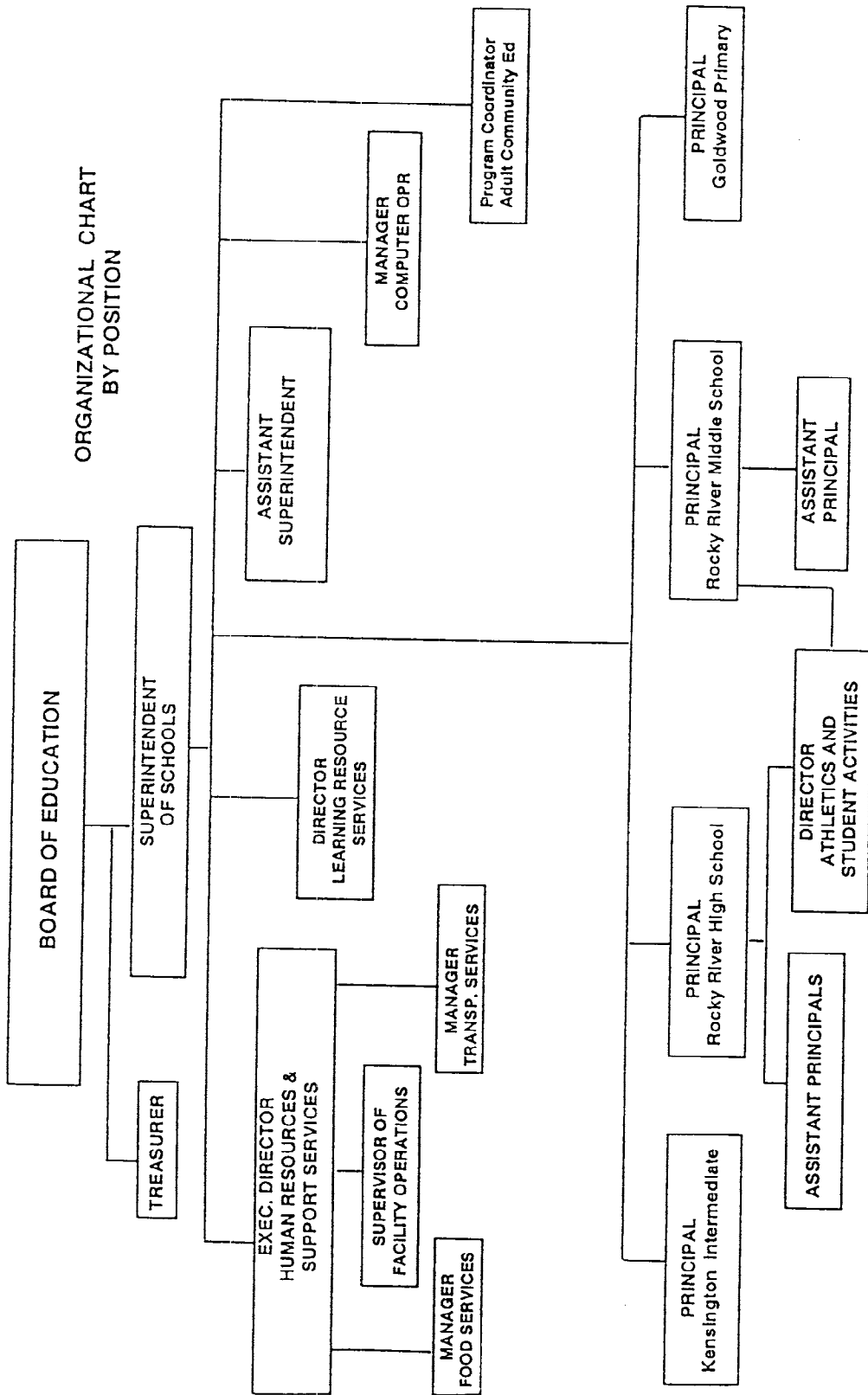
***Board of Education***

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

***Administration***

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

**ORGANIZATIONAL CHART BY POSITION**



# 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, 2001

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.



*William Robert Kato*  
President

*Jeffrey L. Essler*  
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

**ROCKY RIVER CITY SCHOOL DISTRICT**

For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2001

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

*Clark J. Grubbs*  
President

*David A. Lath*  
Interim Executive Director

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STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Lausche Building  
615 Superior Avenue, NW.  
Twelfth Floor  
Cleveland, Ohio 44113-1801  
Telephone 216-787-3665  
800-626-2297  
Facsimile 216-787-3361  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio, as of June 30, 2002, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective 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 18, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

December 18, 2002

**Rocky River City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2002*  
*Unaudited*

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The discussion and analysis of Rocky River City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2002. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2002 are as follows:

*Overall:*

Total net assets increased \$2.1 million; all of this increase was in Governmental Activities.

Total Capital Assets decreased from \$38.4 million in 2001 to \$37.0 in 2002. This was due to \$1.7 million in depreciation expenses.

The School District's debt margin, the amount it can issue in bonds or notes increased to \$32.6 million, an increase of \$11.8 million since 2000.

*Governmental Activities:*

Total net assets increased \$2.1 million.

Revenue increased by \$1.9 million or 7 percent, primarily due to increased property tax collections.

Expenses increased only 0.8 percent or \$.2 million.

Program revenue, revenue from specific fees and grants, remained at 7.9 percent of all revenue, with 92.1 percent of revenue coming from general revenue, primarily property taxes.

*Business-Type Activities:*

Total assets decreased by about \$52,000 while total liabilities decreased by about \$19,000. As a result total net assets declined by about \$33,000.

Total revenue declined by \$15,600 but expenses decreased by \$49,300.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

**Rocky River City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2002*  
*Unaudited*

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*Reporting the School District as a Whole*

*Statement of Net Assets and the Statement of Activities*

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2002?" The Statements of Net Assets and the Statement of Activities answers this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

*Reporting the School District's Most Significant Funds*

*Fund Financial Statements*

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

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

**Rocky River City School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2002  
Unaudited

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

The School District as a Whole

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

Table 1 provides a summary of the School District's Governmental Activities net assets for 2002 compared to the two prior years:

**TABLE 1**  
Net Assets  
(In millions)

	<i>Governmental Activities</i>			<i>Business-Type Activities</i>			<i>Totals</i>		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
<i>Assets</i>									
Current and Other Assets	\$31.1	\$30.5	\$34.1	\$0.2	\$0.2	\$0.2	\$31.3	\$30.7	\$34.3
Capital Assets	36.7	38.1	36.0	0.3	0.3	0.3	37.0	38.4	36.3
<i>Total Assets</i>	<u>67.8</u>	<u>68.6</u>	<u>70.1</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>68.3</u>	<u>69.1</u>	<u>70.6</u>
<i>Liabilities</i>									
Long Term Liabilities	(32.5)	(34.5)	(35.4)	0.0	0.0	0.0	(32.5)	(34.5)	(35.4)
Other Liabilities	(19.2)	(20.2)	(20.9)	(0.1)	0.0	(0.1)	(19.3)	(20.2)	(21.0)
<i>Total Liabilities</i>	<u>(51.7)</u>	<u>(54.7)</u>	<u>(56.3)</u>	<u>(0.1)</u>	<u>0.0</u>	<u>(0.1)</u>	<u>(51.8)</u>	<u>(54.7)</u>	<u>(56.4)</u>
<i>Net Assets</i>									
Invested In Capital Assets									
Net of Debt	8.4	8.0	4.6	0.3	0.3	0.3	8.7	8.3	4.9
Restricted	5.9	5.5	9.6	0.0	0.0	0.0	5.9	5.5	9.6
Unrestricted (Deficit)	1.8	0.4	(0.4)	0.1	0.2	0.1	1.9	0.6	(0.3)
<i>Total Net Assets</i>	<u>\$16.1</u>	<u>\$13.9</u>	<u>\$13.8</u>	<u>\$0.4</u>	<u>\$0.5</u>	<u>\$0.4</u>	<u>\$16.5</u>	<u>\$14.4</u>	<u>\$14.2</u>

*Total Assets* decreased by \$.8 million or 1.2 percent. While current assets, primarily cash and taxes receivable, increased \$.6 million, capital assets decreased by \$1.4 million primarily due to depreciation expenses.

*Total Liabilities* decreased by \$2.9 million. Long-term liabilities decreased \$2.0 million, other liabilities decreased by \$.9 million.

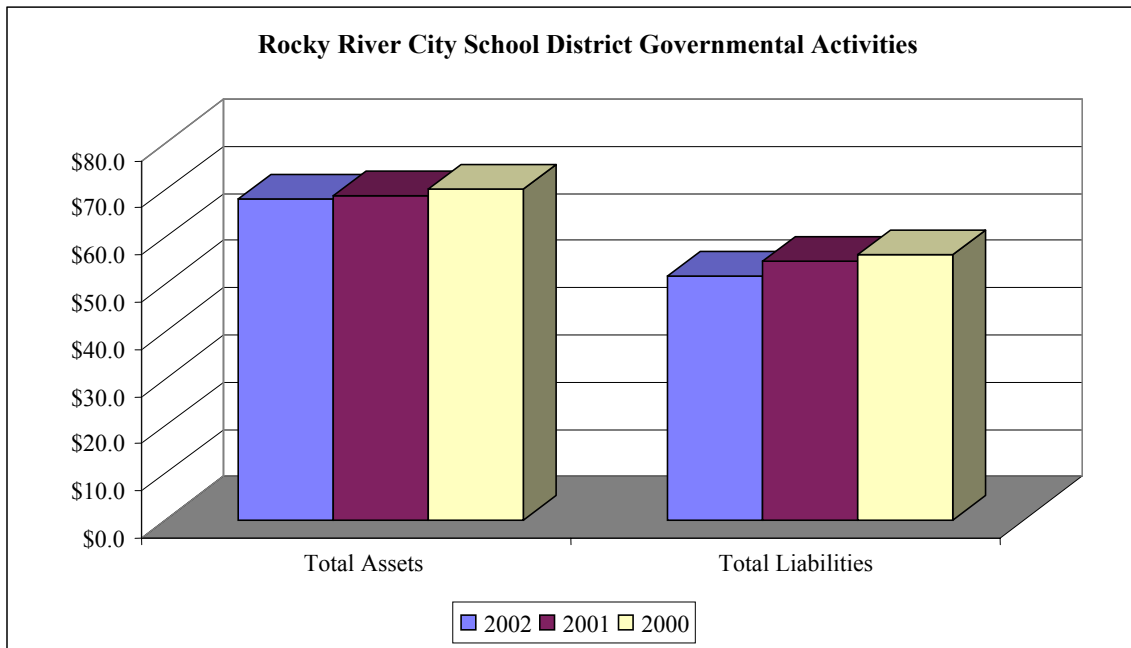
As a result, total net assets increased by \$2.1 million. The unrestricted portion of this increase was \$1.3 million. This increase was almost entirely in Governmental Activities.

**Rocky River City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2002*  
*Unaudited*

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**Graph 1**  
**Net Assets Governmental Activities**  
**(In Millions)**

	2002	2001	2000
Total Assets	\$67.8	\$68.6	\$70.1
Total Liabilities	51.7	54.7	56.3
Total Net Assets	\$16.1	\$13.9	\$13.8



While Rocky River City School District's assets declined minimally, this was more than offset by reduced obligations (liabilities). As a result total net assets increased by 15.8 percent.

**Rocky River City School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2002  
Unaudited

**TABLE 2**  
Changes in Net Assets  
(In millions)

	Governmental Activities		Business-Type Activities		Total	
	2002	2001	2002	2001	2002	2001
<b>Revenues</b>						
Program Revenue:						
Charges For Services and Sales	\$0.7	\$0.6	\$0.6	\$0.6	\$1.3	\$1.2
Operating Grants	1.6	1.5	0.1	0.1	1.7	1.6
Capital Grants and Contributions	0.0	0.1	0.0	0.0	0.0	0.1
General Revenue:						
Property Taxes	22.2	20.0	0.0	0.0	22.2	20.0
Grants and Entitlements	4.0	3.8	0.0	0.0	4.0	3.8
Other	0.5	1.1	0.0	0.0	0.5	1.1
<b>Total Revenues</b>	<b>29.0</b>	<b>27.1</b>	<b>0.7</b>	<b>0.7</b>	<b>29.7</b>	<b>27.8</b>
<b>Expenses</b>						
Instruction	14.4	10.0	0.0	0.0	14.4	10.0
Support Services:						
Pupils and Instructional Staff	2.1	2.6	0.0	0.0	2.1	2.6
Board of Education, Administration						
Fiscal and Business	2.6	4.2	0.0	0.0	2.6	4.2
Operation and Maintenance of Plant	2.7	3.0	0.0	0.0	2.7	3.0
Pupil Transportation	0.9	0.9	0.0	0.0	0.9	0.9
Central	0.6	2.3	0.0	0.0	0.6	2.3
Non-Instructional Services	1.2	1.2	0.0	0.0	1.2	1.2
Extracurricular Services	0.8	0.8	0.0	0.0	0.8	0.8
Interest and Fiscal Charges	1.5	1.6	0.0	0.0	1.5	1.6
Food Service	0.0	0.0	0.4	0.4	0.4	0.4
Uniform School Supplies	0.0	0.0	0.0	0.1	0.0	0.1
Community Programs	0.0	0.0	0.3	0.3	0.3	0.3
<b>Total Expenses</b>	<b>26.8</b>	<b>26.6</b>	<b>0.7</b>	<b>0.8</b>	<b>27.5</b>	<b>27.4</b>
Excess (Deficiency) before Transfers	2.2	0.5	0.0	(0.1)	2.2	0.4
Transfers	0.0	(0.1)	0.0	0.1	0.0	0.0
<b>Increase in Net Assets</b>	<b>\$2.2</b>	<b>\$0.4</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$2.2</b>	<b>\$0.4</b>

Revenue for *governmental activities* increased \$1.9 million or 7 percent. This was primarily due to increased property tax collections. Expenses increased \$0.2 million or 0.8 percent. Instruction expenses increased \$4.4 million consistent with the School District's focus on classroom services. This increase was offset by decreases in fiscal and business services (\$1.6 million) central services (\$1.7 million) and pupil and instructional staff services (\$.5 million).

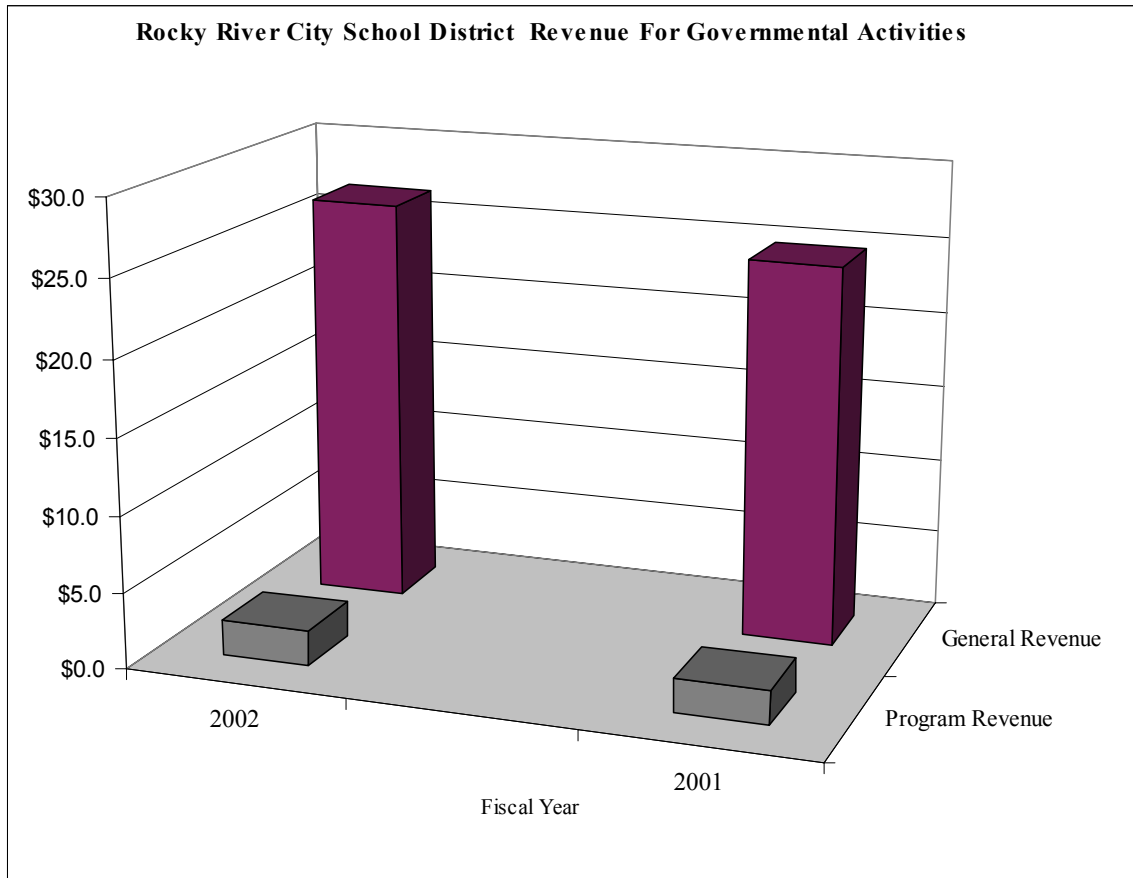
Program revenue for Governmental Activities in 2002 was \$2.3 million or 7.9 percent of all revenue. For 2001 program revenue was \$ 2.2 million, or 8.1 percent of all revenue. The largest expense area was instruction, comprising \$14.4 million, 53.7 percent of all governmental activity expenses.

**Rocky River City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2002*  
*Unaudited*

Governmental programs continue to be significantly supported by general revenue. Program revenues increased \$.1 million or 4.6 percent while general revenue, primarily property taxes, increased by \$1.8 million. These revenue increases offset the minimal increases in program expenses. As a result *net assets* increased \$2.0 million.

**Graph 2**

	2002	2001
Program Revenue	\$2.3	\$2.2
General Revenue	26.7	24.9



While the School District property taxes increased in 2002, this was due to more available as an advance because tax bills went out early. This amount could change substantially next year. There was also some minimal tax revenue growth. 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 school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 77 percent of revenues for governmental activities for Rocky River City School District in fiscal year 2002.



**Rocky River City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2002*  
*Unaudited*

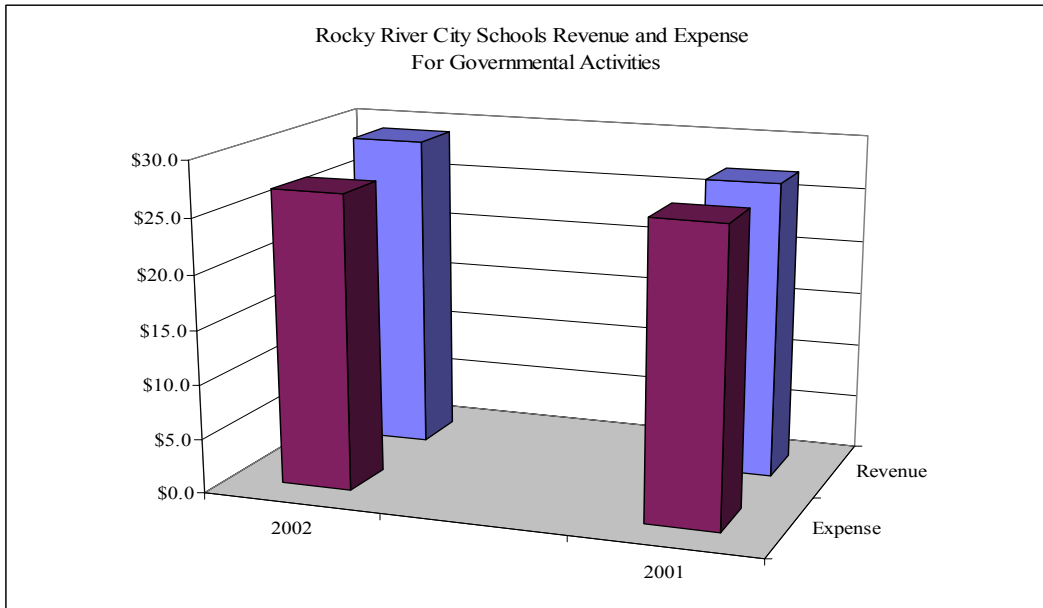
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue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

**TABLE 3**  
 Governmental Activities  
 (In millions)

	<i>2002</i>		<i>2001</i>	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instruction	\$14.4	\$13.7	\$10.0	\$9.4
Support Services:				
Pupils and Instructional Staff	2.1	2.0	2.6	2.7
Board of Education, Administration				
Fiscal and Business	2.6	2.6	4.2	4.2
Operation and Maintenance of Plant	2.7	2.7	3.0	3.0
Pupil Transportation	0.9	0.8	0.9	0.9
Central	0.6	0.6	2.3	2.3
Non-Instructional Services	1.2	0.0	1.2	0.0
Extracurricular Services	0.8	0.6	0.8	0.6
Interest and Fiscal Charges	1.5	1.5	1.6	1.5
<b>Total</b>	<b>\$26.8</b>	<b>\$24.5</b>	<b>\$26.6</b>	<b>\$24.6</b>

**GRAPH 3**

	<u>2002</u>	<u>2001</u>
Revenue	\$29.0	\$27.1
Expense	26.8	26.6



**Rocky River City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2002*  
*Unaudited*

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*Business-Type Activities*

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

Total assets for business-type activities increased by about \$2,000. Total liabilities also declined by about \$19,000, primarily in current liabilities. As a result total net assets declined to \$445,415 from \$478,873.

Most program expenses for business-type activities are supported by program revenue. Of the \$667,845 in revenue for 2002, 99 percent was program revenue, primarily charges for services.

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

	In thousands	
	<u>2002</u>	<u>2001</u>
Food Service	(\$4.8)	\$12.1
Uniform School Supplies	1.4	1.3
Community Programs	<u>(37.3)</u>	<u>(141.7)</u>
Total	<u><u>(\$40.7)</u></u>	<u><u>(\$128.3)</u></u>

The excess of expenses over program revenues continues to be a concern for Community programs. For 2002 Community Program expenses decreased \$81,180, primarily due to a decrease in depreciation expense.

*The School District's Funds*

Information about the School district's major funds starts on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$28.6 million and expenditures of \$27.2 million. The net change in fund balance for the year was most significant in the General Fund. The excess of revenues over expenditures was \$1.4 million and fund balance increased to \$5.7 million.

*General Fund Budgeting Highlights*

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

During the course of fiscal 2002 the School District amended its general fund budget numerous times, none significant. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, budget basis revenue was \$20.6 million, slightly above original budget estimates of \$20.4 million. This difference was primarily due to higher than anticipated intergovernmental revenue.

Total expenditures on the budget basis (cash outlays plus encumbrances) were \$22.3 million about \$.4 million below the School District's original budget. This was primarily due to lower than anticipated spending on instruction, primarily special education. On a budget basis, expenditures exceeded revenues by \$1.7 million.

**Rocky River City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2002*  
*Unaudited*

*Capital Assets and Debt Administration*

Capital Assets

**TABLE 4**  
 Capital Assets  
 (In millions)

	Governmental Activities			Business-Type Activities			Total		
	2002	2001	2000	2002	2001	2000	2002	2001	2000
Land	\$0.7	\$0.7	\$0.7	\$0.1	\$0.1	\$0.1	\$0.8	\$0.8	\$0.8
Land Improvements	1.0	1.1	0.9	0.0	0.0	0.0	1.0	1.1	0.9
Buildings and Improvements	33.5	34.9	14.7	0.2	0.2	0.2	33.7	35.1	14.9
Furniture and Equipment	1.0	1.0	0.8	0.0	0.0	0.0	1.0	1.0	0.8
Vehicles	0.5	0.4	0.4	0.0	0.0	0.0	0.5	0.4	0.4
Construction In Progress	0.0	0.0	18.4	0.0	0.0	0.0	0.0	0.0	18.4
<b>Totals</b>	<b>\$36.7</b>	<b>\$38.1</b>	<b>\$35.9</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$0.3</b>	<b>\$37.0</b>	<b>\$38.4</b>	<b>\$36.2</b>

At the end of fiscal year 2002 the School District had \$37.0 million in 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, \$36.7 million was in governmental activities. The largest component of these capital assets is buildings and improvements.

Total capital assets decreased from \$38.4 million in 2001 to \$37.0 million. This decrease was due to \$1.7 million in depreciation expense. For further information see Note 9.

Debt

At June 30, 2002 the School District had \$28.3 million in bonds outstanding.

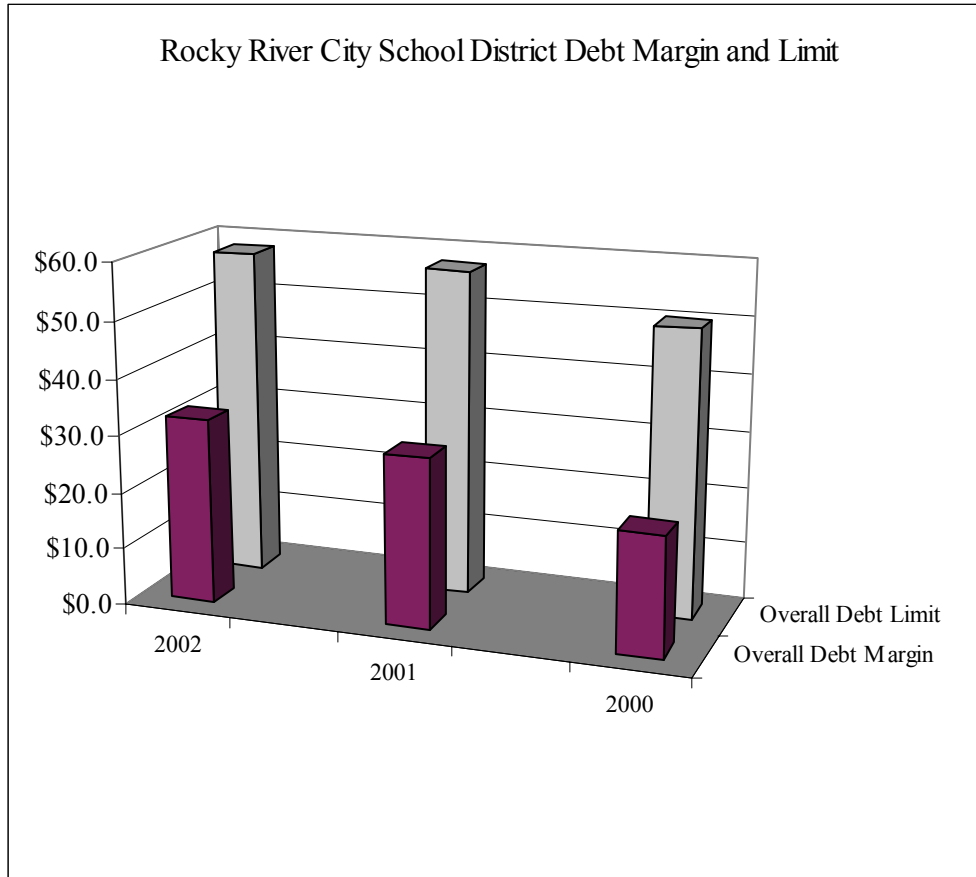
**TABLE 5**  
 Outstanding Debt at Year End  
 (In Millions)

	Governmental Activities 2002	Governmental Activities 2001	Governmental Activities 2000
School Building Improvement GO Bonds	\$21.2	\$22.1	\$23.0
School Building Improvement Refunding Bonds	7.1	7.7	8.3
Library GO Bonds	0.0	0.3	0.5
<b>Total</b>	<b>\$28.3</b>	<b>\$30.1</b>	<b>\$31.8</b>

The School District overall debt margin increased to \$32.6 million. This is the additional amount the School District could issue as debt. The debt margin has increased \$11.8 million or 57 percent in two years, due to the paying down of current debt and increasing property valuations. For more information please see Note 14.

**Rocky River City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2002*  
*Unaudited*

	2002	2001	2000
Overall Debt Limit	\$57.9	\$57.3	\$50.3
Overall Debt Margin	32.6	29.7	20.8



**Current Financial Related Activities**

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

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

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

**Rocky River City School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2002*  
*Unaudited*

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

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001 the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement. The case is now under reconsideration by the Court.

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

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

#### **Contacting the School District's Financial Management**

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

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**Rocky River City School District**

*Statement of Net Assets*

*June 30, 2002*

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$8,714,611	\$148,277	\$8,862,888
Cash and Cash Equivalents			
With Fiscal Agent	1,831	0	1,831
Accounts Receivable	3,988	7,394	11,382
Intergovernmental Receivable	34,482	5,728	40,210
Accrued Interest Receivable	51,777	0	51,777
Inventory Held for Resale	0	12,872	12,872
Materials and Supplies Inventory	18,277	1,365	19,642
Taxes Receivable	22,264,750	0	22,264,750
Nondepreciable Capital Assets	722,230	48,591	770,821
Depreciable Capital Assets, Net	35,980,344	283,131	36,263,475
<i>Total Assets</i>	<u>67,792,290</u>	<u>507,358</u>	<u>68,299,648</u>
<b>Liabilities</b>			
Accounts Payable	111,198	3,261	114,459
Contracts Payable	34,582	0	34,582
Accrued Wages	1,477,824	0	1,477,824
Intergovernmental Payable	890,008	17,854	907,862
Matured Interest Payable	1,831	0	1,831
Accrued Interest Payable	113,682	0	113,682
Deferred Revenue	16,562,283	0	16,562,283
Long-Term Liabilities:			
Due Within One Year	2,167,329	2,620	2,169,949
Due In More Than One Year	30,328,147	38,208	30,366,355
<i>Total Liabilities</i>	<u>51,686,884</u>	<u>61,943</u>	<u>51,748,827</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	8,374,203	331,722	8,705,925
Restricted for:			
Capital Projects	1,929,942	0	1,929,942
Debt Service	3,241,005	0	3,241,005
Set Asides	101,708	0	101,708
Other Purposes	408,697	0	408,697
Unrestricted	2,049,851	113,693	2,163,544
<i>Total Net Assets</i>	<u>\$16,105,406</u>	<u>\$445,415</u>	<u>\$16,550,821</u>

See accompanying notes to the basic financial statements

**Rocky River City School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2002

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Instruction:				
Regular	\$11,149,432	\$345,856	\$83,808	\$22,700
Special	2,992,102	0	214,180	0
Vocational	254,075	0	0	0
Support Services:				
Pupils	1,372,246	46,112	44,263	0
Instructional Staff	715,646	0	15,015	0
Board of Education	130,178	0	0	0
Administration	1,268,525	0	0	0
Fiscal	676,445	0	0	0
Business	481,778	0	0	0
Operation and Maintenance of Plant	2,725,763	54,378	0	0
Pupil Transportation	852,648	0	0	16,623
Central	648,400	0	9,122	0
Operation of Non-Instructional Services				
	1,244,624	0	1,241,607	0
Extracurricular Activities	812,311	211,870	5,589	0
Interest and Fiscal Charges	1,510,459	0	0	0
<i>Total Governmental Activities</i>	<u>26,834,632</u>	<u>658,216</u>	<u>1,613,584</u>	<u>39,323</u>
<b>Business-Type Activities</b>				
Food Service	425,612	356,716	64,113	0
Uniform School Supplies	22,444	23,881	0	0
Community Programs	253,247	215,939	0	0
<i>Total Business-Type Activities</i>	<u>701,303</u>	<u>596,536</u>	<u>64,113</u>	<u>0</u>
<i>Totals</i>	<u>\$27,535,935</u>	<u>\$1,254,752</u>	<u>\$1,677,697</u>	<u>\$39,323</u>

**General Revenues**

Property Taxes Levied for:

General Purposes

Debt Service

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

*Total General Revenues*

Change in Net Assets

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

*Net Assets End of Year*

See accompanying notes to the basic financial statements



Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
(\$10,697,068)	\$0	(\$10,697,068)
(2,777,922)	0	(2,777,922)
(254,075)	0	(254,075)
(1,281,871)	0	(1,281,871)
(700,631)	0	(700,631)
(130,178)	0	(130,178)
(1,268,525)	0	(1,268,525)
(676,445)	0	(676,445)
(481,778)	0	(481,778)
(2,671,385)	0	(2,671,385)
(836,025)	0	(836,025)
(639,278)	0	(639,278)
(3,017)	0	(3,017)
(594,852)	0	(594,852)
(1,510,459)	0	(1,510,459)
(24,523,509)	0	(24,523,509)
0	(4,783)	(4,783)
0	1,437	1,437
0	(37,308)	(37,308)
0	(40,654)	(40,654)
(\$24,523,509)	(\$40,654)	(\$24,564,163)
18,808,983	0	18,808,983
3,393,332	0	3,393,332
4,043,817	0	4,043,817
412,505	2,602	415,107
52,078	4,594	56,672
26,710,715	7,196	26,717,911
2,187,206	(33,458)	2,153,748
13,918,200	478,873	14,397,073
\$16,105,406	\$445,415	\$16,550,821

**Rocky River City School District**

*Balance Sheet*

*Governmental Funds*

*June 30, 2002*

	<u>General</u>	<u>Bond Retirement Debt Service</u>	<u>Building Capital Projects</u>
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$3,924,591	\$2,307,832	\$1,359,308
Cash and Cash Equivalents With Fiscal Agent	0	1,831	0
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	101,708	0	0
Taxes Receivable	19,220,191	3,044,559	0
Accounts Receivable	2,871	0	0
Intergovernmental Receivable	26,696	0	0
Accrued Interest Receivable	51,777	0	0
Materials and Supplies Inventory	18,277	0	0
<i>Total Assets</i>	<u>\$23,346,111</u>	<u>\$5,354,222</u>	<u>\$1,359,308</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$83,722	\$0	\$2,685
Contracts Payable	0	0	34,582
Accrued Wages and Benefits	1,476,205	0	0
Intergovernmental Payable	482,523	0	0
Deferred Revenue	15,617,975	2,345,954	0
Matured Interest Payable	0	1,831	0
<i>Total Liabilities</i>	<u>17,660,425</u>	<u>2,347,785</u>	<u>37,267</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	788,708	0	619,216
Reserved for Property Taxes	3,505,057	688,632	0
Reserved for Budget Stabilization	101,708	0	0
Unreserved:			0
Undesignated, Reported in:			
General Fund	1,290,213	0	0
Special Revenue Funds	0	0	0
Debt Service Fund	0	2,317,805	0
Capital Projects Funds	0	0	702,825
<i>Total Fund Balances</i>	<u>5,685,686</u>	<u>3,006,437</u>	<u>1,322,041</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$23,346,111</u>	<u>\$5,354,222</u>	<u>\$1,359,308</u>

See accompanying notes to the basic financial statements

**Rocky River City School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2002*

Other Governmental Funds	Total Governmental Funds			Total Governmental Fund Balances	\$11,009,704
\$1,021,172	\$8,612,903	<i>Amounts reported for governmental activities in the statement of net assets are different because</i>			
0	1,831	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			36,702,574
0	101,708	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:			
0	22,264,750	Delinquent Property Taxes	1,374,950		
1,117	3,988	Grants	30,641		
7,786	34,482				
0	51,777	Total			1,405,591
0	18,277	Liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:			
\$1,030,075	\$31,089,716	General Obligation Bonds	(28,328,371)		
		Compensated Absences	(4,137,757)		
		Accrued Interest Payable	(113,682)		
		Capital Lease Payable	(29,348)		
		Intergovernmental Payable	(403,305)		
		Total			(33,012,463)
		<i>Net Assets of Governmental Activities</i>			\$16,105,406
24,791	111,198				
0	34,582				
1,619	1,477,824				
4,180	486,703				
3,945	17,967,874				
0	1,831				
34,535	20,080,012				
53,884	1,461,808				
0	4,193,689				
0	101,708				
0	1,290,213				
333,755	333,755				
0	2,317,805				
607,901	1,310,726				
995,540	11,009,704				
\$1,030,075	\$31,089,716				

**Rocky River City School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2002*

	General	Bond Retirement Debt Service	Building Capital Projects
<b>Revenues</b>			
Taxes	\$18,501,926	\$3,343,847	\$0
Intergovernmental	3,625,331	408,518	0
Interest	344,468	0	45,141
Tuition and Fees	188,033	0	0
Extracurricular Activities	0	0	0
Rentals	54,378	0	0
Charges for Services	57,811	0	0
Contributions and Donations	0	0	0
Miscellaneous	5,783	0	3,497
<i>Total Revenues</i>	<u>22,777,730</u>	<u>3,752,365</u>	<u>48,638</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	9,920,625	0	0
Special	2,340,757	0	0
Vocational	251,032	0	0
Support Services:			
Pupils	1,249,362	0	0
Instructional Staff	714,836	0	0
Board of Education	24,156	0	0
Administration	1,246,165	0	0
Fiscal	645,247	38,396	0
Business	284,907	0	0
Operation and Maintenance of Plant	2,632,355	0	0
Pupil Transportation	871,363	0	0
Central	651,949	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	499,831	0	0
Capital Outlay	0	0	485,058
Debt Service:			
Principal Retirement	27,867	1,895,000	0
Interest and Fiscal Charges	2,313	1,406,532	0
<i>Total Expenditures</i>	<u>21,362,765</u>	<u>3,339,928</u>	<u>485,058</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,414,965</u>	<u>412,437</u>	<u>(436,420)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	0	71,778
Transfers Out	(71,778)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(71,778)</u>	<u>0</u>	<u>71,778</u>
<i>Net Change in Fund Balances</i>	1,343,187	412,437	(364,642)
<i>Fund Balances Beginning of Year</i>	<u>4,342,499</u>	<u>2,594,000</u>	<u>1,686,683</u>
<i>Fund Balances End of Year</i>	<u>\$5,685,686</u>	<u>\$3,006,437</u>	<u>\$1,322,041</u>

See accompanying notes to the basic financial statements

**Rocky River City School District**  
*Reconciliation of the Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2002*

Other Governmental Funds	Total Governmental Funds
\$0	\$21,845,773
1,583,212	5,617,061
22,896	412,505
49,632	237,665
211,870	211,870
96,492	150,870
0	57,811
49,022	49,022
42,798	52,078
<u>2,055,922</u>	<u>28,634,655</u>
89,399	10,010,024
213,593	2,554,350
0	251,032
67,711	1,317,073
15,549	730,385
0	24,156
0	1,246,165
0	683,643
0	284,907
0	2,632,355
0	871,363
15,376	667,325
1,202,083	1,202,083
247,531	747,362
144,981	630,039
0	1,922,867
0	1,408,845
<u>1,996,223</u>	<u>27,183,974</u>
59,699	1,450,681
0	71,778
0	(71,778)
<u>0</u>	<u>0</u>
59,699	1,450,681
935,841	9,559,023
<u>\$995,540</u>	<u>\$11,009,704</u>

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$1,450,681</b>
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	
Capital Asset Additions	345,097
Current Year Depreciation	<u>(1,724,678)</u>
Total	(1,379,581)
In the statement of activities the loss on the disposal of fixed assets is reported.	(19,770)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Delinquent Property Taxes	356,542
Grants	<u>30,641</u>
Total	387,183
Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,922,867
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	14,348
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Compensated Absences	151,164
Pension Obligation	(223,724)
Bond Accretion	<u>(115,962)</u>
Total	<u>(188,522)</u>
<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$2,187,206</u></u>

**Rocky River City School District**  
*Statement of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund*  
For the Fiscal Year Ended June 30, 2002

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$16,420,295	\$16,378,956	\$16,378,956	\$0
Intergovernmental	3,129,475	3,625,331	3,625,331	0
Interest	625,000	314,827	314,827	0
Tuition and Fees	160,000	188,033	188,033	0
Rentals	58,406	62,683	62,683	0
Charges For Services	15,000	57,291	57,291	0
Miscellaneous	1,000	4,380	4,380	0
<i>Total Revenues</i>	<u>20,409,176</u>	<u>20,631,501</u>	<u>20,631,501</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	9,930,348	9,942,085	9,942,085	0
Special	3,226,822	2,851,829	2,851,829	0
Vocational	323,604	250,636	250,636	0
Support Services:				
Pupils	1,284,658	1,247,122	1,247,122	0
Instructional Staff	761,453	736,772	736,772	0
Board of Education	33,446	28,855	28,855	0
Administration	1,296,686	1,267,214	1,267,214	0
Fiscal	783,041	833,875	833,875	0
Business	287,505	318,309	318,309	0
Operation of Plant and Maintenance	2,497,874	2,625,453	2,625,453	0
Pupil Transportation	977,949	961,840	961,840	0
Central	695,092	669,911	669,911	0
Extracurricular Activities	559,166	539,154	539,154	0
Capital Outlay	5,000	0	0	0
<i>Total Expenditures</i>	<u>22,662,644</u>	<u>22,273,055</u>	<u>22,273,055</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,253,468)</u>	<u>(1,641,554)</u>	<u>(1,641,554)</u>	<u>0</u>
<b>Other Financing Sources (Uses):</b>				
Advances In	0	9,000	9,000	0
Advances Out	0	(9,000)	(9,000)	0
Operating Transfers Out	(50,000)	(71,778)	(71,778)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(50,000)</u>	<u>(71,778)</u>	<u>(71,778)</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	<u>(2,303,468)</u>	<u>(1,713,332)</u>	<u>(1,713,332)</u>	<u>0</u>
<i>Fund Balance Beginning of the Year</i>	3,760,810	3,760,810	3,760,810	0
Prior Year Encumbrances Appropriated	<u>1,099,028</u>	<u>1,099,028</u>	<u>1,099,028</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,556,370</u></u>	<u><u>\$3,146,506</u></u>	<u><u>\$3,146,506</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

**Rocky River City School District***Statement of Fund Net Assets**Enterprise Funds**June 30, 2002*

	Food Service	Uniform School Supplies	Community Programs	Total
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$98,583	\$14,105	\$35,589	\$148,277
<i>Receivables:</i>				
Accounts	2,422	485	4,487	7,394
Intergovernmental	5,728	0	0	5,728
Inventory Held for Resale	6,047	6,825	0	12,872
Materials and Supplies Inventory	1,365	0	0	1,365
<i>Total Current Assets</i>	114,145	21,415	40,076	175,636
<i>Noncurrent Assets:</i>				
Capital Assets, Net	8,696	0	323,026	331,722
<i>Total Assets</i>	122,841	21,415	363,102	507,358
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	0	0	3,261	3,261
Intergovernmental Payable	14,400	0	3,454	17,854
<i>Total Current Liabilities</i>	14,400	0	6,715	21,115
<i>Long-Term Liabilities:</i>				
Compensated Absences Payable	38,193	0	2,635	40,828
<i>Total Liabilities</i>	52,593	0	9,350	61,943
<b>Net Assets</b>				
Invested in Capital Assets	8,696	0	323,026	331,722
Unrestricted	61,552	21,415	30,726	113,693
<i>Total Net Assets</i>	\$70,248	\$21,415	\$353,752	\$445,415

See accompanying notes to the basic financial statement

**Rocky River City School District**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Enterprise Funds  
For the Fiscal Year Ended June 30, 2002*

	Food Service	Uniform School Supplies	Community Programs	Total
<b>Operating Revenues</b>				
Tuition	\$0	\$0	\$13,971	\$13,971
Sales	356,716	23,881	190,371	570,968
Charges for Services	0	0	11,597	11,597
Miscellaneous	0	0	4,594	4,594
<i>Total Operating Revenues</i>	<u>356,716</u>	<u>23,881</u>	<u>220,533</u>	<u>601,130</u>
<b>Operating Expenses</b>				
Salaries	120,741	0	28,258	148,999
Fringe Benefits	32,318	0	770	33,088
Purchased Services	10,536	0	93,784	104,320
Materials and Supplies	39,504	3,367	95,452	138,323
Cost of Sales	221,173	19,077	0	240,250
Depreciation	1,340	0	14,444	15,784
Other	0	0	20,539	20,539
<i>Total Operating Expenses</i>	<u>425,612</u>	<u>22,444</u>	<u>253,247</u>	<u>701,303</u>
<i>Operating Income (Loss)</i>	<u>(68,896)</u>	<u>1,437</u>	<u>(32,714)</u>	<u>(100,173)</u>
<b>Non-Operating Revenues</b>				
Donated Commodities	25,304	0	0	25,304
Interest	2,602	0	0	2,602
Operating Grants	38,809	0	0	38,809
<i>Total Non-Operating Revenues</i>	<u>66,715</u>	<u>0</u>	<u>0</u>	<u>66,715</u>
<i>Change in Net Assets</i>	<u>(2,181)</u>	<u>1,437</u>	<u>(32,714)</u>	<u>(33,458)</u>
<i>Net Assets Beginning of Year - Restated (See Note 3)</i>	<u>72,429</u>	<u>19,978</u>	<u>386,466</u>	<u>478,873</u>
<i>Net Assets End of Year</i>	<u><u>\$70,248</u></u>	<u><u>\$21,415</u></u>	<u><u>\$353,752</u></u>	<u><u>\$445,415</u></u>

See accompanying notes to the basic financial statements



**Rocky River City School District**  
*Statement of Cash Flows*  
*Enterprise Funds*  
For the Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supplies	Community Programs	Total
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
<b>Cash Flows from Operating Activities</b>				
Cash Received from Customers	\$355,762	\$23,396	\$215,246	\$594,404
Other Cash Receipts	0	0	1,858	1,858
Cash Payments to Employees for Services	(120,741)	0	(26,732)	(147,473)
Cash Payments for Employee Benefits	(37,357)	0	(4,475)	(41,832)
Cash Payments for Goods and Services	(250,901)	(21,383)	(196,239)	(468,523)
Other Cash Payments	0	0	(20,539)	(20,539)
<i>Net Cash Provided by (Used in) Operating Activities</i>	(53,237)	2,013	(30,881)	(82,105)
<b>Cash Flows from Noncapital Financing Activities</b>				
Operating Grants Received	37,750	0	0	37,750
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	2,602	0	0	2,602
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(12,885)	2,013	(30,881)	(41,753)
<i>Cash and Cash Equivalents Beginning of Year</i>	111,468	12,092	66,470	190,030
<i>Cash and Cash Equivalents End of Year</i>	\$98,583	\$14,105	\$35,589	\$148,277

(continued)

**Rocky River City School District**  
*Statement of Cash Flows*  
*Enterprise Funds (continued)*  
For the Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supplies	Community Programs	Total
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities</b>				
Operating Income (Loss)	(\$68,896)	\$1,437	(\$32,714)	(\$100,173)
Adjustments:				
Depreciation	1,340	0	14,444	15,784
Donated Commodities Used During Yea	25,304	0	0	25,304
(Increase) Decrease in Assets:				
Accounts Receivable	(954)	0	(4,487)	(5,441)
Intergovernmental Receivable	0	(485)	1,058	573
Inventory Held for Resale	(4,131)	1,061	0	(3,070)
Materials and Supplies Inventory	(158)	0	0	(158)
Increase (Decrease) in Liabilities:				
Accounts Payable	(703)	0	(7,872)	(8,575)
Accrued Wages	0	0	(432)	(432)
Compensated Absences Payable	(104)	0	(31)	(135)
Intergovernmental Payable	(4,935)	0	(847)	(5,782)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>(\$53,237)</u>	<u>\$2,013</u>	<u>(\$30,881)</u>	<u>(\$82,105)</u>

**Non-Cash Noncapital Financing Activities**

Federal Donated Commodities in the amount of \$25,304 were recorded as revenue when received in the food service fund.

See accompanying notes to the basic financial statements

**Rocky River City School District**

*Statement of Fiduciary Net Assets*

*Fiduciary Funds*

*June 30, 2002*

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	Private Purpose Trust	
	Special Trust	Agency
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$32,123	\$55,325
<b>Liabilities</b>		
Accounts Payable	2,500	0
Due to Students	0	55,325
<i>Total Liabilities</i>	2,500	\$55,325
<b>Net Assets</b>		
Held in Trust for Scholarships	29,623	
<i>Total Net Assets</i>	\$29,623	

See accompanying notes to the basic financial statements

**Rocky River City School District**  
*Statement of Changes in Fiduciary Net Assets*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Special Trust
<b>Additions</b>	
Interest	\$769
Contributions and Donations	28,100
	28,869
<i>Total Additions</i>	28,869
<b>Deductions</b>	
Operation of Non-Instructional Services	27,350
	1,519
<i>Change in Net Assets</i>	1,519
<i>Net Assets Beginning of Year</i>	28,104
	28,104
<i>Net Assets End of Year</i>	\$29,623

See accompanying notes to the basic financial statements

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 1 - Description of the School District and Reporting Entity**

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

The School District is located in a suburban area west of Cleveland, Ohio. It is located in Cuyahoga County, and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. It is staffed by 161 certificated teaching personnel, 129 non-certificated support staff personnel, 13 administrative employees and 4 managers who provide services to 2,517 students and other community members. The School District currently operates a primary school, an intermediate school, a middle school, and a high school.

***Reporting Entity***

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

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

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

The School District participates in two jointly governed organizations, an insurance purchasing pool and a related organization. These organizations are the Lakeshore Northeast Ohio Computer Association, the Ohio Schools Council, the Ohio School Boards Association Workers' Compensation Group Rating Program and the Rocky River Public Library. These organizations are discussed in Notes 17, 18, and 19 to the basic financial statements.

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 2 - Summary of Significant Accounting Policies**

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

***A. Basis of Presentation***

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

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

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

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

***B. Fund Accounting***

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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

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

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

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

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

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

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

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

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

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

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

### **C. Measurement Focus**

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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

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

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

***D. Basis of Accounting***

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Non-Exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

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

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



**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

**E. Cash and Investments**

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

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

During fiscal year 2002, investments were limited to STAROhio, repurchase agreements, Federal National Mortgage Association Notes, Federal Home Loan Bank Bonds and Certificates of Deposit.

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

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2002.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during the fiscal year 2002 amounted to \$344,468, which includes \$186,697 assigned from other School District funds.

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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***F. Inventory***

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

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

***G. Restricted Assets***

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by enabling legislation. Restricted assets in the General Fund include amounts required by State statute to be set aside to create a reserve for budget stabilization. See Note 21 for additional information regarding set-asides.

***H. Capital Assets***

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

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

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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***I. Interfund Balances***

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

***J. Compensated Absences***

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

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

***K. Accrued Liabilities and Long-Term Obligations***

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

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

***L. Net Assets***

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

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

***M. Fund Balance Reserves***

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute. The reserve for budget stabilization represents money set aside to protect against cyclical changes in revenues and expenditures.

***N. Operating Revenues and Expenses***

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

***O. Interfund Activity***

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

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

***P. Estimates***

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

***Q. Budgetary Process***

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

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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

**Note 3 – Restatement of Net Assets**

At June 30, 2001, the net assets for governmental activities were restated due to adjustments to capital assets and long-term liabilities. Business-type activities net assets were also restated due to an adjustment in capital assets, for previously unaccumulated depreciation prior to June 30, 2001.

The restatements had the following effect on net assets at June 30, 2001:

	Governmental Activities			
Net Assets as Previously Reported	\$14,178,026			
Capital Assets Adjustments	(315,345)			
Long-Term Liabilities Adjustment	55,519			
Restated Net Assets, June 30, 2001	\$13,918,200			

	Food Service	Uniform School Supplies	Community Programs	Total Business-Type Activities
Net Assets as Previously Reported	\$77,954	\$19,978	\$326,602	\$424,534
Capital Assets Adjustment	(5,525)	0	59,864	54,339
Restated Net Assets, June 30, 2001	\$72,429	\$19,978	\$386,466	\$478,873

**Note 4 – Accountability and Compliance**

**A. Fund Deficit**

The teacher development special revenue fund had a deficit fund balance of \$67 at June 30, 2002. The deficit resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in this fund and provides operating transfers when cash is required, rather than when accruals occur.

**B. Compliance**

Contrary to Ohio Revised Code Sections 5705.41(B) and (D), the School District had eleven line items in the general fund, two special revenue funds, and two capital projects funds where expenditures plus encumbrances exceeded appropriations at March 31, 2002.

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 5 - Budgetary Basis of Accounting**

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

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

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

Net Change in Fund Balance	
GAAP Basis	\$1,343,187
Revenue Accruals	(2,123,001)
Advances In	9,000
Unrecorded Cash	(22,378)
Fair Value Adjustment for	
Investments	(850)
Expenditure Accruals	(53,725)
Advances Out	(9,000)
Encumbrances	(856,565)
Budget Basis	<u><u>(\$1,713,332)</u></u>

**Note 6 - Deposits and Investments**

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

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

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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

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

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

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

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2002

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

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

**Deposits** At fiscal year end, the carrying amount of the School District's deposits was \$825,730 and the bank balance was \$1,010,385. \$110,385 of the bank balance was covered by federal depository insurance. \$900,000 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging institution in the pledging institution’s name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

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

	Category 3	Carrying Amount	Fair Value
Repurchase Agreements	\$4,017,146	\$4,017,146	\$4,017,146
Federal National Mortgage Association Notes	483,047	483,047	483,047
Federal Home Loan Bank Bonds	499,609	499,609	499,609
StarOhio		3,126,435	3,126,435
Totals	<u>\$4,999,802</u>	<u>\$8,126,237</u>	<u>\$8,126,237</u>

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$8,952,167	\$0
Cash on Hand	(200)	0
Investments of the Cash Management Pool:		
Federal National Mortgage Association Notes	(483,047)	483,047
Federal Home Loan Bank Bonds	(499,609)	499,609
Repurchase Agreements	(4,017,146)	4,017,146
StarOhio	(3,126,435)	3,126,435
GASB Statement 3	<u>\$825,730</u>	<u>\$8,126,237</u>



**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 7 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2002 for real and public utility property taxes represents collections of calendar 2001 taxes. Property tax payments received during calendar 2002 for tangible personal property (other than public utility property) are for calendar 2002 taxes.

2002 real property taxes are levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

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

2002 tangible personal property taxes are levied after April 1, 2002, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are twenty-five percent of true value.

The assessed values upon which the fiscal year 2002 taxes were collected are:

	2001 Second- Half Collections		2002 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$601,385,550	94.53%	\$610,185,370	94.87%
Public Utility	13,190,950	2.07	10,476,890	1.63
Tangible Personal Property	21,603,344	3.40	22,528,229	3.50
Total Assessed Value	<u>\$636,179,844</u>	<u>100.00%</u>	<u>\$643,190,489</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$68.00		\$67.50	

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 earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30 and are intended to finance the fiscal year in which they are paid. This year, the June 2002 tangible personal property tax settlement was not received until July of 2002.

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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The School District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2002, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding, the late settlement of personal property taxes and real property, personal property and public utility taxes which became measurable as of June 30, 2002 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlement of personal property tax and the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The late settlement and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance at June 30, 2002, was \$4,193,689 and is recognized as revenue. \$3,505,057 was available to the general fund and \$688,632 was available to the bond retirement debt service fund. The amount available as an advance at June 30, 2001 was \$1,743,221. \$1,434,368 was available to the general fund and \$308,853 was available to the bond retirement debt service fund. The increase in revenue was primarily due to the Cuyahoga County Treasurer sending the semi-annual tax bills out earlier in the month of June than in past years resulting in more payments reaching the County Treasurer before fiscal year end.

On a full accrual basis, collectible delinquent property taxes have been recorded as revenue.

**Note 8 – Receivables**

Receivables at June 30, 2002, consisted of taxes, accounts (rent and student fees) and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<b>General Fund - Excess Cost</b>	\$26,696
<b>Special Revenue Funds</b>	
School Net Development	3,450
Title VI-B	1,442
Title I	2,503
Title VI	391
Total Special Revenue	7,786
<b>Enterprise Fund</b>	
Food Service	5,728
Grand Total	\$40,210

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

**Note 9 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2002, was as follows:

	Balance 6/30/2001	Additions	Deductions	Balance 6/30/2002
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$722,230	\$0	\$0	\$722,230
<i>Capital Assets, being depreciated:</i>				
Land Improvements	1,349,792	0	0	1,349,792
Buildings and Improvements	46,641,464	0	0	46,641,464
Furniture and Equipment	2,529,682	237,259	(61,465)	2,705,476
Vehicles	1,129,339	107,838	(140,690)	1,096,487
<i>Total Capital Assets, being depreciated</i>	<u>\$51,650,277</u>	<u>\$345,097</u>	<u>(\$202,155)</u>	<u>\$51,793,219</u>
Less Accumulated Depreciation:				
Land Improvements	(290,345)	(44,993)	0	(335,338)
Buildings and Improvements	(11,727,627)	(1,375,602)	0	(13,103,229)
Furniture and Equipment	(1,572,592)	(223,185)	60,887	(1,734,890)
Vehicles	(680,018)	(80,898)	121,498	(639,418)
Total Accumulated Depreciation	<u>(14,270,582)</u>	<u>(1,724,678) *</u>	<u>182,385</u>	<u>(15,812,875)</u>
Total Capital Assets being depreciated, Net	<u>37,379,695</u>	<u>(1,379,581)</u>	<u>(19,770)</u>	<u>35,980,344</u>
Governmental Activities Capital Assets, Net	<u>\$38,101,925</u>	<u>(\$1,379,581)</u>	<u>(\$19,770)</u>	<u>\$36,702,574</u>
<b>Business-Type Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$48,591	\$0	\$0	\$48,591
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	1,473,477	0	0	1,473,477
Land Improvements	25,000	0	0	25,000
Furniture and Equipment	63,250	0	0	63,250
<i>Total Capital Assets, being depreciated</i>	1,561,727	0	0	1,561,727
Less Accumulated Depreciation	<u>(1,262,812)</u>	<u>(15,784)</u>	<u>0</u>	<u>(1,278,596)</u>
Total Capital Assets Being Depreciated, Net	<u>298,915</u>	<u>(15,784)</u>	<u>0</u>	<u>283,131</u>
Business-Type Activities Capital Assets, Net	<u>\$347,506</u>	<u>(\$15,784)</u>	<u>\$0</u>	<u>\$331,722</u>

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$900,724
Special	291,728
Support Services:	
Pupils	91,992
Instructional Staff	54,133
Administration	105,608
Fiscal	2,165
Business	1,665
Operation and Maintenance of Plant	193,243
Pupil Transportation	66,711
Central	5,219
Extracurricular Activities	<u>11,490</u>
 Total Depreciation Expense	 <u><u>\$1,724,678</u></u>

**Note 10 - Risk Management**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2002, the School District contracted with various insurance companies through the Ohio Schools Council insurance program. Crum & Foster Insurance provides property, inland marine and crime insurance coverage. There is a \$1,000 deductible on building and contents, along with a \$1,000 deductible for crime insurance. The inland marine coverage has a deductible of \$250.

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

Nationwide Insurance Company provides fleet and liability insurance. Automobile liability has a limit of \$2,000,000 with a \$250 deductible. The general liability provides coverage with a limit of \$2,000,000 per occurrence and \$5,000,000 per year. Coverage provided by these companies was as follows:

Building and Contents-replacement cost	\$59,614,608
Inland Marine Coverage	1,131,878
Boiler and Machinery	30,000,000
Crime Insurance	250,000
Automobile Liability	2,000,000
Uninsured Motorists	2,000,000
General Liability	
Per occurrence	2,000,000
Total per year	5,000,000

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**Note 11 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension system. 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 State statute per 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.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2001, 4.2 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$375,248, \$134,521, and \$172,792 respectively; 56.82 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$162,020 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

***B. State Teachers Retirement System***

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2002, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,033,146, \$958,132, and \$543,624 respectively; 80.53 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. \$201,205 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

**Note 12 - Postemployment Benefits**

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2002, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$489,385 for fiscal year 2002.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2001, (the latest information available) the balance in the Fund was \$3.256 billion. For the year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and STRS had 102,132 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54 percent of covered payroll, a 1.26 percent decrease from fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2002 fiscal year equaled \$345,401.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2001 (the latest information available), were \$161,439,934 and the target level was \$242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of \$315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 13 - Other Employee Benefits**

***A. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, Board of Education policies and State laws. Teachers do not earn vacation. Support staff personnel assigned to work less than 240 days annually do not earn vacation. Support staff personnel assigned to work 240 days or more and managers earn vacation leave from 10 to 20 days, based on years of service. Vacation leave must be used in the contract year earned and may not be accrued or accumulated. Administrators are entitled to 20 to 25 days of vacation leave annually, based on years of service and performance evaluations. Administrators may not accrue or accumulate vacation days.

All regular employees earn sick leave at a rate of one and one-fourth days per month up to a maximum of 245 days. Support staff personnel and managers employed by the School District for a minimum of two years, and eligible to retire pursuant to State statute, are entitled to severance benefits based on accumulated sick leave. These employees receive one-third of the value of the unused sick leave up to a maximum of 75 days at the daily rate of pay at the time of retirement.

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

***B. Life and Medical Insurance***

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

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

**Note 14 - Long-Term Obligations**

The following is a schedule of long-term obligations outstanding at June 30, 2002, for the Rocky River City School District:

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

	Outstanding 6/30/2001	Additions	Deductions	Outstanding 6/30/2002	Due In One Year
<b>Governmental Activities</b>					
General Obligation Bonds:					
1998 \$24,500,000 3.650-05.375%					
School Building Improvement Bonds	\$22,160,000	\$0	(\$895,000)	\$21,265,000	\$930,000
1996 \$9,994,128 4.25%-5.75%					
School Building Improvement Bonds	7,677,409	115,962	(730,000)	7,063,371	770,000
1996 \$9,994,128 4.95%					
Library Bonds	270,000	0	(270,000)	0	0
Total General Obligation Bonds	30,107,409	115,962	(1,895,000)	28,328,371	1,700,000
Compensated Absences	4,288,921	253,990	(405,154)	4,137,757	437,981
Capital Lease Obligation	57,215	0	(27,867)	29,348	29,348
Total Governmental Activities					
Long Term Liabilities	<u>\$34,453,545</u>	<u>\$369,952</u>	<u>(\$2,328,021)</u>	<u>\$32,495,476</u>	<u>\$2,167,329</u>
<b>Business - Type Activities</b>					
Compensated Absences	<u>\$40,963</u>	<u>\$0</u>	<u>(\$135)</u>	<u>\$40,828</u>	<u>\$2,620</u>

In 1998, the School District issued bonds for the renovations of various school buildings. In 1996, the School District issued bonds for the advance refunding of school building improvement bonds. In 1992, the School District issued bonds for the library. All these bonds are paid from the bond retirement fund.

The 1996 general obligation bonds include serial bonds and capital appreciation bonds. This year the additions on these bonds was \$115,962 which represents the annual accretion of discounted interest. The final amount of these bonds will be \$3,340,000, payable through June 2012.

Pursuant to State law, the School District acts as the legal taxing authority for the Rocky River Public Library. As such, tax revenues earmarked for the retirement of the debt are collected by the School District and the debt is retired by the School District.

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

In a prior year, the School District defeased the 1991 series general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School District's financial statements. On June 30, 2002, \$7,770,000 of bonds outstanding are considered defeased.

The School District's overall debt margin was \$32,565,210 with an unvoted debt margin of \$643,190 at June 30, 2002.



**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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

Fiscal Year Ending June 30	Principal	Interest	Total
2003	\$1,837,397	\$1,326,874	\$3,164,271
2004	1,942,796	1,249,589	3,192,385
2005	2,052,886	1,166,904	3,219,790
2006	2,183,532	1,078,745	3,262,277
2007	2,310,777	985,365	3,296,142
2008-2012	9,929,241	3,573,509	13,502,750
2013-2018	9,925,000	1,681,684	11,606,684
Total	<u>\$30,181,629</u>	<u>\$11,062,670</u>	<u>\$41,244,299</u>

**Note 15 - Capital Leases - Lessee Disclosure**

The School District has entered in a capitalized lease for musical equipment. The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases".

The equipment has been originally capitalized in the amount of \$132,658, the present value of the minimum lease payments at the time of acquisition. Accumulated depreciation on this lease was \$106,126 leaving a book value of \$26,532 as of June 30, 2002.

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

Fiscal Year	Amount
Total Minimum Lease Payments	\$30,180
Less: Amount Representing Interest	(832)
Present Value of Minimum Lease Payments	<u>\$29,348</u>

**Note 16 - Interfund Transfers**

A transfer of \$71,778 was made during fiscal year 2002 from the general fund to the building capital projects fund. This transfer was made to move unrestricted balances to support the program.

**Note 17 - Jointly Governed Organizations**

**Lakeshore Northeast Ohio Computer Association** - The Lakeshore Northeast Ohio Computer Association (LNOCA) is a jointly governed computer service bureau owned and operated by sixteen public school districts. The primary function of LNOCA is to provide data services to the eleven member districts. Major areas of service provided by LNOCA include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. Each school is represented on the LNOCA Board of Directors by its superintendent. Each year, the Board of Directors elects a Chairman, a Vice Chairman and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. Rocky River

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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City School District paid \$48,729 to LNOCA during fiscal year 2002. The Cuyahoga County Board of Education serves as the fiscal agent of LNOCA. Each school district supports LNOCA based upon a per pupil charge dependent upon the software packages used. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 5700 West Canal Road, Valleyview, OH 44125.

**Ohio Schools Council** - The Ohio Schools Council Association (Council) is a jointly governed organization among eighty-three school districts. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2002, the School District paid \$750 to the Council. Financial information can be obtained by contacting Albert G. Vasek, the Executive Secretary/Treasurer of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

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

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued \$119,140,000 in debt to purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates its agreement, the district is required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

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

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

### **Note 18 - Insurance Purchasing Pool**

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

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**Note 19 - Related Organization**

***Rocky River Public Library*** - The Rocky River Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Rocky River City School District Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. The Library did not receive any funding from Rocky River City School District during fiscal year 2002. Financial information can be obtained from the Rocky River Public Library, James Wilson, Clerk/Treasurer, at 1600 Hampton, Rocky River, Ohio 44116.

**Note 20 - Contingencies**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund, or other applicable funds. However, in the opinion of management any such disallowed claims will not have a material adverse effect on the overall financial position of the School District as of June 30, 2002.

***B. Litigation***

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

**Note 21 - Set-Aside Calculations and Fund Reserves**

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization. At June 30, 2002, only the unspent portion of certain workers compensation refunds continues to be set aside.

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

**Rocky River City School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2002*

	Budget Stabalization Reserve	Capital Improvements Reserve	Textbooks Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2001	\$101,708	\$0	(\$274,184)
Current Year Set-aside Requirement	0	301,797	301,797
Qualifying Disbursements	0	(577,767)	(327,586)
<b>Total</b>	<b>\$101,708</b>	<b>(\$275,970)</b>	<b>(\$299,973)</b>
Set-aside Balance Carried Forward to Future Fiscal Years	\$101,708	\$0	(\$299,973)
Set-aside Reserve Balance as of June 30, 2002	\$101,708	\$0	\$0

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

**Note 22 – State School Funding Decision**

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

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

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

Combining Statements and  
Individual Fund Schedules

## *Combining Statement -Nonmajor Funds*

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### *Nonmajor Special Revenue Funds*

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

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

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

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

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

***Teacher Development Fund*** This fund accounts for State monies used to provide seminars and workshops for staff development.

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

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

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

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

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

***Title VI-B Fund*** This fund accounts for Federal monies used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

(continued)

## **Combining Statement -Nonmajor Funds (continued)**

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

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

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

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

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

**Goals 2000 Fund** This fund accounts for Federal monies received to encourage and help fund smaller classroom size and additional staffing needs.

### ***Nonmajor Capital Projects Funds***

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

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

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

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

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

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

**Rocky River City School District**

*Combining Balance Sheet*

*Nonmajor Governmental Funds*

*June 30, 2002*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$413,271	\$607,901	\$1,021,172
Accounts Receivable	1,117	0	1,117
Intergovernmental Receivable	7,786	0	7,786
<i>Total Assets</i>	<u>\$422,174</u>	<u>\$607,901</u>	<u>\$1,030,075</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$24,791	\$0	\$24,791
Accrued Wages and Benefits	1,619	0	1,619
Intergovernmental Payable	4,180	0	4,180
Deferred Revenue	3,945	0	3,945
<i>Total Liabilities</i>	<u>34,535</u>	<u>0</u>	<u>34,535</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	53,884	0	53,884
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	333,755	0	333,755
Capital Projects Funds	0	607,901	607,901
<i>Total Fund Balances</i>	<u>387,639</u>	<u>607,901</u>	<u>995,540</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$422,174</u>	<u>\$607,901</u>	<u>\$1,030,075</u>



**Rocky River City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2002*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$1,560,512	\$22,700	\$1,583,212
Interest	8,001	14,895	22,896
Tuition and Fees	49,632	0	49,632
Extracurricular Activities	211,870	0	211,870
Rentals	0	96,492	96,492
Contributions and Donations	49,022	0	49,022
Miscellaneous	42,798	0	42,798
<i>Total Revenues</i>	<u>1,921,835</u>	<u>134,087</u>	<u>2,055,922</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	89,399	0	89,399
Special	213,593	0	213,593
Support Services:			
Pupils	67,711	0	67,711
Instructional Staff	15,549	0	15,549
Central	15,376	0	15,376
Operation of Non-Instructional Services	1,202,083	0	1,202,083
Extracurricular Activities	247,531	0	247,531
Capital Outlay	0	144,981	144,981
<i>Total Expenditures</i>	<u>1,851,242</u>	<u>144,981</u>	<u>1,996,223</u>
<i>Net Change in Fund Balances</i>	70,593	(10,894)	59,699
<i>Fund Balances Beginning of Year</i>	<u>317,046</u>	<u>618,795</u>	<u>935,841</u>
<i>Fund Balances End of Year</i>	<u><u>\$387,639</u></u>	<u><u>\$607,901</u></u>	<u><u>\$995,540</u></u>

**Rocky River City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds*  
*June 30, 2002*

	Public School Support	Career Education	District Managed Student Activities
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$92,125	\$2,435	\$59,664
Receivables:			
Accounts	0	0	1,117
Intergovernmental	0	0	0
<i>Total Assets</i>	<u>\$92,125</u>	<u>\$2,435</u>	<u>\$60,781</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$70	\$0	\$6,945
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	38	192
Deferred Revenue	0	0	0
<i>Total Liabilities</i>	<u>70</u>	<u>38</u>	<u>7,137</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	260	0	1,430
Unreserved, Undesignated (Deficit), Reported in:			
Special Revenue Funds	91,795	2,397	52,214
<i>Total Fund Balances (Deficit)</i>	<u>92,055</u>	<u>2,397</u>	<u>53,644</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$92,125</u>	<u>\$2,435</u>	<u>\$60,781</u>

Auxiliary Services	Teacher Development	Educational Management Information	School Net Development	Ohio Reads Grant
\$192,470	\$0	\$16,090	\$313	\$2,967
0	0	0	0	0
0	0	0	3,450	0
<u>\$192,470</u>	<u>\$0</u>	<u>\$16,090</u>	<u>\$3,763</u>	<u>\$2,967</u>
\$16,119	\$0	\$0	\$0	\$0
0	0	0	0	0
577	67	70	96	255
0	0	0	0	0
<u>16,696</u>	<u>67</u>	<u>70</u>	<u>96</u>	<u>255</u>
21,882	0	0	314	0
<u>153,892</u>	<u>(67)</u>	<u>16,020</u>	<u>3,353</u>	<u>2,712</u>
<u>175,774</u>	<u>(67)</u>	<u>16,020</u>	<u>3,667</u>	<u>2,712</u>
<u>\$192,470</u>	<u>\$0</u>	<u>\$16,090</u>	<u>\$3,763</u>	<u>\$2,967</u>

(continued)

**Rocky River City School District**  
*Combining Balance Sheet*  
*Nonmajor Special Revenue Funds (continued)*  
*June 30, 2002*

	School Conflict Management	Eisenhower Math and Science	Title VI-B
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$530	\$350	\$23,832
Receivables:			
Accounts	0	0	0
Intergovernmental	0	0	1,442
<i>Total Assets</i>	<u>\$530</u>	<u>\$350</u>	<u>\$25,274</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts Payable	\$0	\$0	\$1,071
Accrued Wages and Benefits	0	0	0
Intergovernmental Payable	0	196	0
Deferred Revenue	0	0	1,442
<i>Total Liabilities</i>	<u>0</u>	<u>196</u>	<u>2,513</u>
<b>Fund Balances</b>			
Reserved for Encumbrances	0	0	22,761
Unreserved, Undesignated (Deficit), Reported in: Special Revenue Funds	<u>530</u>	<u>154</u>	<u>0</u>
<i>Total Fund Balances (Deficit)</i>	<u>530</u>	<u>154</u>	<u>22,761</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$530</u>	<u>\$350</u>	<u>\$25,274</u>

Title I	Title VI	Preschool Grant	Title VI-R	Total Nonmajor Special Revenue Funds
\$12,407	\$751	\$6,955	\$2,382	\$413,271
0	0	0	0	1,117
2,503	391	0	0	7,786
<u>\$14,910</u>	<u>\$1,142</u>	<u>\$6,955</u>	<u>\$2,382</u>	<u>\$422,174</u>
\$0	\$586	\$0	\$0	\$24,791
1,619	0	0	0	1,619
1,821	0	0	868	4,180
2,503	0	0	0	3,945
<u>5,943</u>	<u>586</u>	<u>0</u>	<u>868</u>	<u>34,535</u>
116	166	6,955	0	53,884
<u>8,851</u>	<u>390</u>	<u>0</u>	<u>1,514</u>	<u>333,755</u>
<u>8,967</u>	<u>556</u>	<u>6,955</u>	<u>1,514</u>	<u>387,639</u>
<u>\$14,910</u>	<u>\$1,142</u>	<u>\$6,955</u>	<u>\$2,382</u>	<u>\$422,174</u>

**Rocky River City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Public School Support</u>	<u>Career Education</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>
<b>Revenues</b>				
Intergovernmental	\$0	\$0	\$0	\$1,121,688
Interest	0	0	1,543	6,458
Tuition and Fees	0	0	49,632	0
Extracurricular Activities	46,112	0	165,758	0
Contributions and Donations	33,898	9,535	5,589	0
Miscellaneous	0	0	42,798	0
<i>Total Revenues</i>	<u>80,010</u>	<u>9,535</u>	<u>265,320</u>	<u>1,128,146</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	7,713	0	0
Special	0	0	0	0
Support Services:				
Pupils	57,443	0	0	0
Instructional Staff	0	1,906	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	0	0	1,098,143
Extracurricular Activities	0	0	247,531	0
<i>Total Expenditures</i>	<u>57,443</u>	<u>9,619</u>	<u>247,531</u>	<u>1,098,143</u>
<i>Net Change in Fund Balances</i>	22,567	(84)	17,789	30,003
<i>Fund Balances (Deficits) Beginning of Year</i>	<u>69,488</u>	<u>2,481</u>	<u>35,855</u>	<u>145,771</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$92,055</u>	<u>\$2,397</u>	<u>\$53,644</u>	<u>\$175,774</u>

Teacher Development	Educational Management Information	School Net Development	Ohio Reads Grant	School Conflict Management	Eisenhower Math and Science
\$0	\$9,122	\$7,592	\$15,000	\$0	\$10,841
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	9,122	7,592	15,000	0	10,841
0	0	0	10,674	0	0
5,015	0	0	0	0	0
0	0	0	0	0	0
0	0	0	1,160	0	11,519
0	15,376	0	0	0	0
0	0	4,004	0	0	0
0	0	0	0	0	0
5,015	15,376	4,004	11,834	0	11,519
(5,015)	(6,254)	3,588	3,166	0	(678)
4,948	22,274	79	(454)	530	832
(\$67)	\$16,020	\$3,667	\$2,712	\$530	\$154

(continued)

**Rocky River City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Special Revenue Funds (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Title VI-B	Title I	Title VI	Drug Free Schools
<b>Revenues</b>				
Intergovernmental	\$214,085	\$96,151	\$23,570	\$12,396
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>214,085</u>	<u>96,151</u>	<u>23,570</u>	<u>12,396</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	0	0	30,556	0
Special	121,067	87,511	0	0
Support Services:				
Pupils	0	0	0	10,268
Instructional Staff	0	964	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	70,578	22,916	360	2,070
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>191,645</u>	<u>111,391</u>	<u>30,916</u>	<u>12,338</u>
<i>Net Change in Fund Balances</i>	22,440	(15,240)	(7,346)	58
<i>Fund Balances (Deficits) Beginning of Year</i>	<u>321</u>	<u>24,207</u>	<u>7,902</u>	<u>(58)</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$22,761</u>	<u>\$8,967</u>	<u>\$556</u>	<u>\$0</u>



Preschool Grant	Title VI-R	Goals 2000	Total Nonmajor Special Revenue Funds
\$10,967	\$36,600	\$2,500	\$1,560,512
0	0	0	8,001
0	0	0	49,632
0	0	0	211,870
0	0	0	49,022
0	0	0	42,798
<u>10,967</u>	<u>36,600</u>	<u>2,500</u>	<u>1,921,835</u>
0	37,956	2,500	89,399
0	0	0	213,593
0	0	0	67,711
0	0	0	15,549
0	0	0	15,376
4,012	0	0	1,202,083
0	0	0	247,531
<u>4,012</u>	<u>37,956</u>	<u>2,500</u>	<u>1,851,242</u>
6,955	(1,356)	0	70,593
0	2,870	0	317,046
<u>\$6,955</u>	<u>\$1,514</u>	<u>\$0</u>	<u>\$387,639</u>

**Rocky River City School District**  
*Combining Balance Sheet*  
*Nonmajor Capital Projects Funds*  
*June 30, 2002*

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	Permanent Improvement	Power Up Capacity
<b>Assets</b>		
Equity in Pooled Cash and Cash Equivalents	\$595,287	\$2,792
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
<i>Total Liabilities</i>	\$0	\$0
<b>Fund Balances</b>		
Unreserved, Undesignated, Reported in: Capital Projects Funds	595,287	2,792
<i>Total Liabilities and Fund Balances</i>	\$595,287	\$2,792

Net IVDL	Total Nonmajor Capital Projects Funds
<u>\$9,822</u>	<u>\$607,901</u>
\$0	\$0
<u>9,822</u>	<u>607,901</u>
<u>\$9,822</u>	<u>\$607,901</u>

**Rocky River City School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2002*

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	Permanent Improvement	School Net Plus	Power Up Capacity
<b>Revenues</b>			
Intergovernmental	\$0	\$0	\$0
Interest	14,895	0	0
Rentals	96,492	0	0
<i>Total Revenues</i>	111,387	0	0
<b>Expenditures</b>			
Capital Outlay	85,738	9,857	34,439
<i>Net Change in Fund Balances</i>	25,649	(9,857)	(34,439)
<i>Fund Balances Beginning of Year</i>	569,638	9,857	37,231
<i>Fund Balances End of Year</i>	\$595,287	\$0	\$2,792

Net IVDL	Data Communications	Total Nonmajor Capital Projects Funds
\$8,700	\$14,000	\$22,700
0	0	14,895
0	0	96,492
8,700	14,000	134,087
947	14,000	144,981
7,753	0	(10,894)
2,069	0	618,795
\$9,822	\$0	\$607,901

**Rocky River City School District**  
*Statement of Changes in Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Beginning Balance June 30, 2001	Additions	Reductions	Ending Balance June 30, 2002
<b>Student Activities</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$61,501	\$125,717	\$131,893	\$55,325
<b>Liabilities</b>				
Due to Students	\$61,501	\$125,717	\$131,893	\$55,325

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

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Taxes	\$16,420,295	\$16,378,956	\$16,378,956	\$0
Intergovernmental	3,129,475	3,625,331	3,625,331	0
Interest	625,000	314,827	314,827	0
Tuition and Fees	160,000	188,033	188,033	0
Rentals	58,406	62,683	62,683	0
Charges For Services	15,000	57,291	57,291	0
Miscellaneous	1,000	4,380	4,380	0
<i>Total Revenues</i>	<u>20,409,176</u>	<u>20,631,501</u>	<u>20,631,501</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	7,258,776	7,426,303	7,426,303	0
Fringe Benefits	2,004,501	1,891,357	1,891,357	0
Purchased Services	194,067	241,840	241,840	0
Materials and Supplies	312,586	265,777	265,777	0
Capital Outlay - New	68,952	78,876	78,876	0
Capital Outlay - Replacement	7,639	2,301	2,301	0
Other	83,827	35,631	35,631	0
<b>Total Regular</b>	<u>9,930,348</u>	<u>9,942,085</u>	<u>9,942,085</u>	<u>0</u>
Special:				
Salaries and Wages	1,613,928	1,542,416	1,542,416	0
Fringe Benefits	478,778	423,643	423,643	0
Purchased Services	1,110,600	855,834	855,834	0
Materials and Supplies	19,156	23,310	23,310	0
Capital Outlay - New	2,360	6,626	6,626	0
Capital Outlay - Replacement	2,000	0	0	0
<b>Total Special</b>	<u>3,226,822</u>	<u>2,851,829</u>	<u>2,851,829</u>	<u>0</u>
Vocational:				
Purchased Services	303,604	250,636	250,636	0
Capital Outlay - Replacement	20,000	0	0	0
<b>Total Vocational</b>	<u>323,604</u>	<u>250,636</u>	<u>250,636</u>	<u>0</u>
<b>Total Instruction</b>	<u>\$13,480,774</u>	<u>\$13,044,550</u>	<u>\$13,044,550</u>	<u>\$0</u>

(continued)



**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Support Services:				
Pupils:				
Salaries and Wages	\$874,393	\$865,158	\$865,158	\$0
Fringe Benefits	263,823	242,919	242,919	0
Purchased Services	131,357	124,521	124,521	0
Materials and Supplies	14,485	14,254	14,254	0
Capital Outlay - New	300	0	0	0
Other	300	270	270	0
Total Pupils	1,284,658	1,247,122	1,247,122	0
Instructional Staff:				
Salaries and Wages	473,848	477,768	477,768	0
Fringe Benefits	160,626	149,801	149,801	0
Purchased Services	64,374	52,677	52,677	0
Materials and Supplies	37,605	35,294	35,294	0
Capital Outlay - New	25,000	21,232	21,232	0
Total Instructional Staff	761,453	736,772	736,772	0
Board of Education:				
Salaries and Wages	8,000	8,000	8,000	0
Fringe Benefits	1,236	1,270	1,270	0
Purchased Services	17,500	13,263	13,263	0
Materials and Supplies	780	689	689	0
Other	5,930	5,633	5,633	0
Total Board of Education	33,446	28,855	28,855	0
Administration:				
Salaries and Wages	923,354	920,643	920,643	0
Fringe Benefits	344,462	324,566	324,566	0
Purchased Services	20,240	17,761	17,761	0
Materials and Supplies	3,553	2,713	2,713	0
Capital Outlay - Replacement	3,647	86	86	0
Other	1,430	1,445	1,445	0
Total Administration	\$1,296,686	\$1,267,214	\$1,267,214	\$0

(continued)

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Fiscal:</b>				
Salaries and Wages	\$142,754	\$122,951	\$122,951	\$0
Fringe Benefits	310,023	343,485	343,485	0
Purchased Services	38,759	38,667	38,667	0
Materials and Supplies	3,646	3,042	3,042	0
Capital Outlay - New	0	483	483	0
Other	287,859	325,247	325,247	0
<b>Total Fiscal</b>	<b>783,041</b>	<b>833,875</b>	<b>833,875</b>	<b>0</b>
<b>Business:</b>				
Salaries and Wages	85,815	82,992	82,992	0
Fringe Benefits	37,502	32,762	32,762	0
Purchased Services	129,722	166,948	166,948	0
Materials and Supplies	22,856	20,635	20,635	0
Capital Outlay - New	0	805	805	0
Other	11,610	14,167	14,167	0
<b>Total Business</b>	<b>287,505</b>	<b>318,309</b>	<b>318,309</b>	<b>0</b>
<b>Operation and Maintenance of Plant:</b>				
Salaries and Wages	883,999	995,041	995,041	0
Fringe Benefits	345,836	315,198	315,198	0
Purchased Services	1,100,454	1,083,791	1,083,791	0
Materials and Supplies	162,075	226,810	226,810	0
Capital Outlay - New	3,000	4,613	4,613	0
Other	2,510	0	0	0
<b>Total Operation and Maintenance of Plant</b>	<b>2,497,874</b>	<b>2,625,453</b>	<b>2,625,453</b>	<b>0</b>
<b>Pupil Transportation:</b>				
Salaries and Wages	521,124	538,412	538,412	0
Fringe Benefits	168,993	152,186	152,186	0
Purchased Services	137,447	159,187	159,187	0
Materials and Supplies	130,237	97,349	97,349	0
Capital Outlay - New	2,269	269	269	0
Capital Outlay - Replacement	17,279	14,286	14,286	0
Other	600	151	151	0
<b>Total Pupil Transportation</b>	<b>\$977,949</b>	<b>\$961,840</b>	<b>\$961,840</b>	<b>\$0</b>

(continued)

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Central:				
Salaries and Wages	\$362,705	\$409,176	\$409,176	\$0
Fringe Benefits	154,896	97,795	97,795	0
Purchased Services	132,612	126,304	126,304	0
Materials and Supplies	25,859	19,968	19,968	0
Capital Outlay - New	8,820	5,101	5,101	0
Capital Outlay - Replacement	10,200	11,567	11,567	0
<b>Total Central</b>	<b>695,092</b>	<b>669,911</b>	<b>669,911</b>	<b>0</b>
<b>Total Support Services</b>	<b>8,617,704</b>	<b>8,689,351</b>	<b>8,689,351</b>	<b>0</b>
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	76,655	64,413	64,413	0
Fringe Benefits	11,600	9,450	9,450	0
<b>Total Academic and Subject Oriented Activities</b>	<b>88,255</b>	<b>73,863</b>	<b>73,863</b>	<b>0</b>
Sports Oriented Activities:				
Salaries and Wages	287,202	292,528	292,528	0
Fringe Benefits	44,014	43,789	43,789	0
Capital Outlay - New	200	0	0	0
<b>Total Sports Oriented Activities</b>	<b>331,416</b>	<b>336,317</b>	<b>336,317</b>	<b>0</b>
School and Public Service Co-Curricular Activities:				
Salaries and Wages	102,602	92,909	92,909	0
Fringe Benefits	28,122	28,947	28,947	0
Purchased Services	2,622	1,142	1,142	0
Materials and Supplies	5,849	5,976	5,976	0
Capital Outlay - Replacement	300	0	0	0
<b>Total School and Public Service Co-Curricular Activities</b>	<b>139,495</b>	<b>128,974</b>	<b>128,974</b>	<b>0</b>
<b>Total Extracurricular Activities</b>	<b>\$559,166</b>	<b>\$539,154</b>	<b>\$539,154</b>	<b>\$0</b>

(continued)

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*General Fund (continued)*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Capital Outlay:				
Site Improvement Services:				
Purchased Services	\$5,000	\$0	\$0	\$0
<i>Total Expenditures</i>	22,662,644	22,273,055	22,273,055	0
<i>Excess of Revenues Under Expenditures:</i>	(2,253,468)	(1,641,554)	(1,641,554)	0
<b>Other Financing Sources (Uses):</b>				
Proceeds From the Sale of Fixed Assets				
Advances In	0	9,000	9,000	0
Advances Out	0	(9,000)	(9,000)	0
Operating Transfers Out	(50,000)	(71,778)	(71,778)	0
<i>Total Other Financing Sources (Uses)</i>	(50,000)	(71,778)	(71,778)	0
<i>Net Change In Fund Balance</i>	(2,303,468)	(1,713,332)	(1,713,332)	0
<i>Fund Balance Beginning of Year</i>	3,760,810	3,760,810	3,760,810	0
Prior Year Encumbrances Appropriated	1,099,028	1,099,028	1,099,028	0
<i>Fund Balance End of Year</i>	\$2,556,370	\$3,146,506	\$3,146,506	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Bond Retirement Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Taxes	\$2,941,511	\$2,961,051	\$2,961,051	\$0
Intergovernmental	363,557	408,518	408,518	0
<i>Total Revenues</i>	<u>3,305,068</u>	<u>3,369,569</u>	<u>3,369,569</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Fiscal:				
Other	58,000	38,396	38,396	0
Debt Service:				
Principal Retirement	1,895,000	1,895,000	1,895,000	0
Interest and Fiscal Charges	1,407,000	1,406,532	1,406,532	0
Total Debt Service	<u>3,302,000</u>	<u>3,301,532</u>	<u>3,301,532</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,360,000</u>	<u>3,339,928</u>	<u>3,339,928</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	(54,932)	29,641	29,641	0
<i>Fund Balance Beginning of Year</i>	<u>2,278,191</u>	<u>2,278,191</u>	<u>2,278,191</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,223,259</u></u>	<u><u>\$2,307,832</u></u>	<u><u>\$2,307,832</u></u>	<u><u>\$0</u></u>

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Building Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest	\$25,000	\$20,613	\$20,613	\$0
Miscellaneous	30,000	3,497	3,497	0
<i>Total Revenues</i>	55,000	24,110	24,110	0
<b>Expenditures</b>				
Capital Outlay:				
Architectural and Engineering Services:				
Purchased Services	96,122	64,087	64,087	0
Building Improvement Services:				
Purchased Services	111,418	74,285	74,285	0
Materials and Supplies	2,295	1,530	1,530	0
Capital Outlay - New	1,377,598	918,478	918,478	0
Capital Outlay - Replacement	23,858	15,907	15,907	0
Other	107,658	71,778	71,778	0
<i>Total Building Improvement Services</i>	1,622,827	1,081,978	1,081,978	0
<i>Total Expenditures</i>	1,718,949	1,146,065	1,146,065	0
<i>Excess Of Revenues Under Expenditures</i>	(1,663,949)	(1,121,955)	(1,121,955)	0
<b>Other Financing Sources</b>				
Transfers In	45,000	71,778	71,778	0
<i>Net Change In Fund Balance</i>	(1,618,949)	(1,050,177)	(1,050,177)	0
<i>Fund Balance Beginning of Year</i>	1,006,777	1,006,777	1,006,777	0
Prior Year Encumbrances Appropriated	718,948	718,948	718,948	0
<i>Fund Balance End of Year</i>	\$106,776	\$675,548	\$675,548	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Public School Support Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Extracurricular Activities	\$30,000	\$46,112	\$46,112	\$0
Contributions and Donations	26,000	33,898	33,898	0
<i>Total Revenues</i>	56,000	80,010	80,010	0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	10,000	18,726	18,726	0
Supplies and Materials	30,000	6,738	6,738	0
Other	15,200	32,170	32,170	0
<i>Total Expenditures</i>	55,200	57,634	57,634	0
<i>Net Change In Fund Balance</i>	800	22,376	22,376	0
<i>Fund Balance Beginning of Year</i>	69,289	69,289	69,289	0
Prior Year Encumbrances Appropriated	200	200	200	0
<i>Fund Balance End of Year</i>	\$70,289	\$91,865	\$91,865	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Career Education Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Contributions and Donations	\$18,000	\$9,535	\$9,535	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	1,591	879	879	0
Supplies and Materials	13,922	7,693	7,693	0
Total Instruction	15,512	8,572	8,572	0
Support Services:				
Instructional Staff:				
Salaries and Wages	2,915	1,611	1,611	0
Fringe Benefits	409	226	226	0
Purchased Services	271	150	150	0
Total Support Services	3,596	1,987	1,987	0
<i>Total Expenditures</i>	19,108	10,559	10,559	0
<i>Net Change In Fund Balance</i>	(1,108)	(1,024)	(1,024)	0
<i>Fund Balance Beginning of Year</i>	3,350	3,350	3,350	0
Prior Year Encumbrances Appropriated	108	108	108	0
<i>Fund Balance End of Year</i>	\$2,350	\$2,434	\$2,434	\$0



**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*District Managed Student Activities Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
<b>Revenues</b>				
Interest	\$1,723	\$1,543	\$1,543	\$0
Tuition and Fees	55,417	49,632	49,632	0
Extracurricular Activities	185,080	165,758	165,758	0
Contributions and Donations	6,240	5,589	5,589	0
Miscellaneous	46,540	41,681	41,681	0
<i>Total Revenues</i>	<u>295,000</u>	<u>264,203</u>	<u>264,203</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Extracurricular Activities:				
Academic and Subject Oriented Activities:				
Salaries and Wages	0	0	0	0
Purchased Services	12,958	10,722	10,722	0
Materials and Supplies	22,870	18,924	18,924	0
Capital Outlay - New	1,099	909	909	0
Other	42,806	35,420	35,420	0
Total Academic and Subject Oriented Activities	<u>79,732</u>	<u>65,975</u>	<u>65,975</u>	<u>0</u>
Sports Oriented Activities:				
Salaries and Wages	8,365	6,922	6,922	0
Fringe Benefits	1,194	988	988	0
Purchased Services	65,095	53,863	53,863	0
Materials and Supplies	98,028	81,114	81,114	0
Capital Outlay - New	30,516	25,251	25,251	0
Other	17,953	14,855	14,855	0
Total Sports Oriented Activities	<u>221,151</u>	<u>182,993</u>	<u>182,993</u>	<u>0</u>
<i>Total Expenditures</i>	<u>300,883</u>	<u>248,968</u>	<u>248,968</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	(5,883)	15,235	15,235	0
<i>Fund Balance Beginning of Year</i>	31,673	31,673	31,673	0
Prior Year Encumbrances Appropriated	<u>5,882</u>	<u>5,882</u>	<u>5,882</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$31,672</u>	<u>\$52,790</u>	<u>\$52,790</u>	<u>\$0</u>

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Auxiliary Services Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$1,240,000	\$1,121,688	\$1,121,688	\$0
Interest	10,000	6,458	6,458	0
<i>Total Revenues</i>	<u>1,250,000</u>	<u>1,128,146</u>	<u>1,128,146</u>	<u>0</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Salaries and Wages	95,000	22,126	22,126	0
Fringe Benefits	22,000	5,757	5,757	0
Purchased Services	572,823	553,311	553,311	0
Supplies and Materials	682,770	426,693	426,693	0
Capital Outlay - New	37,626	129,877	129,877	0
Other	0	18,390	18,390	0
<i>Total Expenditures</i>	<u>1,410,219</u>	<u>1,156,154</u>	<u>1,156,154</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	(160,219)	(28,008)	(28,008)	0
<i>Fund Balance Beginning of Year</i>	23,948	23,948	23,948	0
Prior Year Encumbrances Appropriated	<u>160,219</u>	<u>160,219</u>	<u>160,219</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$23,948</u>	<u>\$156,159</u>	<u>\$156,159</u>	<u>\$0</u>

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Teacher Development Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$34,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	18,240	2,735	2,735	0
Fringe Benefits	2,574	386	386	0
Purchased Services	14,085	2,112	2,112	0
<i>Total Expenditures</i>	<u>34,900</u>	<u>5,233</u>	<u>5,233</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	(900)	(5,233)	(5,233)	0
<i>Fund Balance Beginning of Year</i>	4,333	4,333	4,333	0
Prior Year Encumbrances Appropriated	<u>900</u>	<u>900</u>	<u>900</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$4,333</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Educational Management Information Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$10,000	\$9,122	\$9,122	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Salaries and Wages	5,500	2,402	2,402	0
Fringe Benefits	1,000	369	369	0
Purchased Services	1,000	756	756	0
Supplies and Materials	1,500	589	589	0
Capital Outlay - New	6,000	11,385	11,385	0
<i>Total Expenditures</i>	15,000	15,501	15,501	0
<i>Net Change In Fund Balance</i>	(5,000)	(6,379)	(6,379)	0
<i>Fund Balance Beginning of Year</i>	22,470	22,470	22,470	0
<i>Fund Balance End of Year</i>	\$17,470	\$16,091	\$16,091	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*School Net Development Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$5,000	\$4,145	\$4,145	\$0
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services				
Community Services:				
Salaries and Wages	3,500	3,379	3,379	0
Fringe Benefits	250	529	529	0
Purchased Services	500	0	0	0
Supplies and Materials	750	314	314	0
<i>Total Expenditures</i>	<u>5,000</u>	<u>4,222</u>	<u>4,222</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	0	(77)	(77)	0
<i>Fund Balance Beginning of Year</i>	<u>77</u>	<u>77</u>	<u>77</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$77</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Ohio Reads Grant Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$30,000	\$15,000	\$15,000	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	10,000	9,418	9,418	0
Fringe Benefits	6,000	1,455	1,455	0
Total Instruction	16,000	10,873	10,873	0
Support Services:				
Instructional Staff:				
Purchased Services	14,000	1,160	1,160	0
Total Expenditures	30,000	12,033	12,033	0
Net Change In Fund Balance	0	2,967	2,967	0
Fund Balance Beginning of Year	0	0	0	0
Fund Balance End of Year	\$0	\$2,967	\$2,967	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*School Conflict Management Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,500	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Supplies and Materials	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>530</u>	<u>530</u>	<u>530</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$530</u></u>	<u><u>\$530</u></u>	<u><u>\$530</u></u>	<u><u>\$0</u></u>

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Eisenhower Math and Science Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$11,000	\$10,841	\$10,841	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Salaries and Wages	6,899	7,166	7,166	0
Fringe Benefits	1,232	1,280	1,280	0
Purchased Services	2,976	3,091	3,091	0
<i>Total Expenditures</i>	<u>11,107</u>	<u>11,537</u>	<u>11,537</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	(107)	(696)	(696)	0
<i>Fund Balance Beginning of Year</i>	938	938	938	0
Prior Year Encumbrances Appropriated	<u>107</u>	<u>107</u>	<u>107</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$938</u></u>	<u><u>\$349</u></u>	<u><u>\$349</u></u>	<u><u>\$0</u></u>



**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VI-B Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$190,000	\$214,085	\$214,085	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Purchased Services	124,317	143,828	143,828	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	61,004	70,578	70,578	0
<i>Total Expenditures</i>	185,321	214,406	214,406	0
<i>Net Change In Fund Balance</i>	4,679	(321)	(321)	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
Prior Year Encumbrances Appropriated	321	321	321	0
<i>Fund Balance End of Year</i>	\$5,000	\$0	\$0	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title I Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$110,000	\$96,151	\$96,151	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	80,000	68,701	68,701	0
Fringe Benefits	19,000	17,838	17,838	0
Total Instruction	99,000	86,539	86,539	0
Support Services:				
Instructional Staff:				
Purchased Services	6,000	523	523	0
Materials and Supplies	2,580	627	627	0
Total Support Services	8,580	1,150	1,150	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	12,000	7,864	7,864	0
Materials and Supplies	500	214	214	0
Other	0	14,850	14,850	0
Total Operation of Non-Instructional Services	12,500	22,928	22,928	0
<i>Total Expenditures</i>	120,080	110,617	110,617	0
<i>Net Change In Fund Balance</i>	(10,080)	(14,466)	(14,466)	0
<i>Fund Balance Beginning of Year</i>	26,678	26,678	26,678	0
Prior Year Encumbrances Appropriated	80	80	80	0
<i>Fund Balance End of Year</i>	\$16,678	\$12,292	\$12,292	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VI Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$30,000	\$23,179	\$23,179	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Materials and Supplies	14,265	13,853	13,853	0
Capital Outlay - New	21,026	18,896	18,896	0
Total Instruction	35,291	32,749	32,749	0
Operation of Non-Instructional Services:				
Community Services:				
Materials and Supplies	4,360	360	360	0
<i>Total Expenditures</i>	39,651	33,109	33,109	0
<i>Excess of Revenues Under Expenditures</i>	(9,651)	(9,930)	(9,930)	0
<b>Other Financing Sources (Uses)</b>				
Advances In	0	9,000	9,000	0
Advances Out	0	(9,000)	(9,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0	0
<i>Net Change In Fund Balance</i>	(9,651)	(9,930)	(9,930)	0
<i>Fund Balance Beginning of Year</i>	279	279	279	0
Prior Year Encumbrances Appropriated	9,651	9,651	9,651	0
<i>Fund Balance End of Year</i>	\$279	\$0	\$0	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Drug Free Schools Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$15,000	\$12,396	\$12,396	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	12,492	10,377	10,377	0
Materials and Supplies	223	185	185	0
Total Support Services	<u>12,714</u>	<u>10,562</u>	<u>10,562</u>	<u>0</u>
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	1,902	1,580	1,580	0
Materials and Supplies	590	490	490	0
Total Operation of Non-Instructional Services	<u>2,492</u>	<u>2,070</u>	<u>2,070</u>	<u>0</u>
<i>Total Expenditures</i>	<u>15,206</u>	<u>12,632</u>	<u>12,632</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	(206)	(236)	(236)	0
<i>Fund Balance Beginning of Year</i>	30	30	30	0
Prior Year Encumbrances Appropriated	<u>206</u>	<u>206</u>	<u>206</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$30</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Preschool Grant Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	<u>\$12,000</u>	<u>\$10,967</u>	<u>\$10,967</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Purchased Services	8,000	6,955	6,955	0
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	<u>4,000</u>	<u>4,012</u>	<u>4,012</u>	<u>0</u>
<i>Total Expenditures</i>	<u>12,000</u>	<u>10,967</u>	<u>10,967</u>	<u>0</u>
<i>Net Change In Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Title VI-R Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$31,000	\$36,600	\$36,600	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	28,000	32,749	32,749	0
Fringe Benefits	3,000	5,261	5,261	0
<i>Total Expenditures</i>	31,000	38,010	38,010	0
<i>Net Change In Fund Balance</i>	0	(1,410)	(1,410)	0
<i>Fund Balance Beginning of Year</i>	3,792	3,792	3,792	0
<i>Fund Balance End of Year</i>	\$3,792	\$2,382	\$2,382	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Goals 2000 Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$0	\$2,500	\$2,500	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Supplies and Materials	0	2,500	2,500	0
<i>Net Change In Fund Balance</i>	0	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Permanent Improvement Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$18,000	\$14,895	\$14,895	\$0
Rentals	90,000	119,466	119,466	0
<i>Total Revenues</i>	108,000	134,361	134,361	0
<b>Expenditures</b>				
Current:				
Support Services:				
Pupil Transportation:				
Capital Outlay	81,438	85,738	85,738	0
<i>Net Change In Fund Balance</i>	26,562	48,623	48,623	0
<i>Fund Balance Beginning of Year</i>	546,664	546,664	546,664	0
<i>Fund Balance End of Year</i>	<u>\$573,226</u>	<u>\$595,287</u>	<u>\$595,287</u>	<u>\$0</u>



**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*School Net Plus Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$35,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	24,000	10,000	10,000	0
<i>Net Change In Fund Balance</i>	11,000	(10,000)	(10,000)	0
<i>Fund Balance Beginning of Year</i>	10,000	10,000	10,000	0
<i>Fund Balance End of Year</i>	\$21,000	\$0	\$0	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Power Up Capacity Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$37,000	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Purchased Services	5,632	5,200	5,200	0
Supplies and Materials	4,952	4,572	4,572	0
Capital Outlay	26,716	24,667	24,667	0
<i>Total Expenditures</i>	37,300	34,439	34,439	0
<i>Net Change In Fund Balance</i>	(300)	(34,439)	(34,439)	0
<i>Fund Balance Beginning of Year</i>	37,231	37,231	37,231	0
<i>Fund Balance End of Year</i>	\$36,931	\$2,792	\$2,792	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Net IVDL Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$3,000	\$8,700	\$8,700	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Capital Outlay	0	947	947	0
<i>Net Change In Fund Balance</i>	3,000	7,753	7,753	0
<i>Fund Balance Beginning of Year</i>	2,069	2,069	2,069	0
<i>Fund Balance End of Year</i>	\$5,069	\$9,822	\$9,822	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget (Non-GAAP) and Actual*  
*Data Communications Fund*  
*For the Fiscal Year Ended June 30, 2002*

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

**Rocky River City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Food Service Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Sales	\$357,000	\$355,762	\$355,762	\$0
Interest	3,000	2,602	2,602	0
Operating Grants	48,000	37,750	37,750	0
<i>Total Revenues</i>	<u>408,000</u>	<u>396,114</u>	<u>396,114</u>	<u>0</u>
<b>Expenses</b>				
Salaries	129,121	120,741	120,741	0
Fringe Benefits	39,950	37,357	37,357	0
Purchased Services	12,069	11,286	11,286	0
Materials and Supplies	257,049	240,365	240,365	0
<i>Total Expenses</i>	<u>438,190</u>	<u>409,749</u>	<u>409,749</u>	<u>0</u>
<i>Net Change In Fund Equity</i>	(30,190)	(13,635)	(13,635)	0
<i>Fund Equity Beginning of Year</i>	101,282	101,282	101,282	0
Prior Year Encumbrances Appropriated	10,189	10,189	10,189	
<i>Fund Equity End of Year</i>	<u>\$81,281</u>	<u>\$97,836</u>	<u>\$97,836</u>	<u>\$0</u>

**Rocky River City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Uniform School Supplies Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Sales	\$32,000	\$23,396	\$23,396	\$0
<b>Expenses</b>				
Materials and Supplies	36,823	29,731	29,731	0
<i>Net Change In Fund Equity</i>	(4,823)	(6,335)	(6,335)	0
<i>Fund Equity Beginning of Year</i>	8,269	8,269	8,269	0
Prior Year Encumbrances Appropriated	3,823	3,823	3,823	0
<i>Fund Equity End of Year</i>	<u>\$7,269</u>	<u>\$5,757</u>	<u>\$5,757</u>	<u>\$0</u>

**Rocky River City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Community Programs Fund*  
*For the Fiscal Year Ended June 30, 2002*

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Tuition	\$21,000	\$13,971	\$13,971	\$0
Sales	196,000	190,371	190,371	0
Charges For Services	15,000	10,904	10,904	0
Miscellaneous	38,000	1,858	1,858	0
<i>Total Revenues</i>	270,000	217,104	217,104	0
<b>Expenses</b>				
Salaries	29,000	26,732	26,732	0
Fringe Benefits	5,000	4,475	4,475	0
Purchased Services	106,919	90,986	90,986	0
Materials and Supplies	130,546	111,037	111,037	0
Other	31,000	20,539	20,539	0
<i>Total Expenses</i>	302,465	253,769	253,769	0
<i>Net Change In Fund Equity</i>	(32,465)	(36,665)	(36,665)	0
<i>Fund Equity Beginning of Year</i>	54,007	54,007	54,007	0
Prior Year Encumbrances Appropriated	12,465	12,465	12,465	0
<i>Fund Equity End of Year</i>	\$34,007	\$29,807	\$29,807	\$0

**Rocky River City School District**  
*Schedule of Revenues, Expenses and Changes*  
*In Fund Equity - Budget (Non-GAAP) and Actual*  
*Special Trust Fund*  
*For the Fiscal Year Ended June 30, 2002*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Interest	\$3,000	\$769	\$769	\$0
Contributions and Donations	32,000	28,100	28,100	0
<i>Total Revenues</i>	35,000	28,869	28,869	0
<b>Expenses</b>				
Current:				
Operation of Non-Instructional Services:				
Community Services:				
Other	35,000	24,850	24,850	0
<i>Net Change In Fund Balance</i>	0	4,019	4,019	0
<i>Fund Balance Beginning of Year</i>	28,104	28,104	28,104	0
<i>Fund Balance End of Year</i>	\$28,104	\$32,123	\$32,123	\$0



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

	<u>2002</u>	<u>2001</u>
Program Revenues		
Charges for Services	\$658,216	\$557,591
Operating Grants and Contributions	1,613,584	1,487,474
Capital Grants and Contributions	39,323	124,308
 General Revenues		
Taxes	22,202,315	19,985,894
Intergovernmental	4,043,817	3,831,578
Investment Earnings	412,505	988,182
Gain on Sale of Capital Asset	0	6,016
Miscellaneous	<u>52,078</u>	<u>153,417</u>
 Total	<u><u>\$29,021,838</u></u>	<u><u>\$27,134,460</u></u>
 Expenses		
Current:		
Instruction:		
Regular	\$11,149,432	\$6,732,218
Special	2,992,102	2,938,803
Vocational	254,075	339,407
Support Services:		
Pupils	1,372,246	1,441,604
Instructional Staff	715,646	1,197,071
Board of Education	130,178	20,275
Administration	1,268,525	2,374,172
Fiscal	676,445	799,415
Business	481,778	1,052,019
Operation and Maintenance of Plant	2,725,763	2,967,923
Pupil Transportation	852,648	896,795
Central	648,400	2,303,118
Operation of Non-Instructional Services	1,244,624	1,196,061
Extracurricular Activities	812,311	808,624
Interest and Fiscal Charges	<u>1,510,459</u>	<u>1,585,232</u>
 Total	<u><u>\$26,834,632</u></u>	<u><u>\$26,652,737</u></u>

Source: School District Financial Records

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

	2002	2001	2000	1999
<b>Revenues</b>				
Taxes	\$18,501,926	\$16,321,910	\$14,739,813	\$14,828,925
Intergovernmental	3,625,331	3,478,108	3,192,238	2,850,877
Interest	344,468	912,817	1,075,825	1,491,192
Tuition and Fees	188,033	165,032	112,045	76,811
Rentals	54,378	68,457	47,086	138,780
Charges for Services	57,811	50,026	47,832	50,087
Contributions and Donations	0	0	4,000	0
Miscellaneous	5,783	1,034	924	5,318
<b>Total</b>	<b>\$22,777,730</b>	<b>\$20,997,384</b>	<b>\$19,219,763</b>	<b>\$19,441,990</b>
<b>Expenditures</b>				
<b>Current:</b>				
Instruction	\$12,512,414	\$11,884,829	\$11,485,411	\$10,475,192
<b>Support Services:</b>				
Pupils	1,249,362	1,187,076	1,077,231	964,165
Instructional Staff	714,836	682,993	733,502	671,078
Board of Education	24,156	20,275	18,970	28,064
Administration	1,246,165	1,110,961	1,152,030	972,060
Fiscal	645,247	572,253	941,808	449,018
Business	284,907	290,860	264,947	229,784
Operation and Maintenance of Plant	2,632,355	2,445,296	2,474,137	2,250,286
Pupil Transportation	871,363	932,466	896,073	747,354
Central	651,949	442,158	633,510	652,620
Extracurricular Activities	499,831	508,765	517,938	453,384
Capital Outlay	0	0	0	0
<b>Debt Service:</b>				
Principal Retirement	27,867	26,461	25,125	23,857
Interest and Fiscal Charges	2,313	3,719	5,055	6,323
<b>Total</b>	<b>\$21,362,765</b>	<b>\$20,108,112</b>	<b>\$20,225,737</b>	<b>\$17,923,185</b>

Source: School District Financial Records

1998	1997	1996	1995	1994	1993
\$14,255,378	\$13,281,292	\$12,215,597	\$12,108,238	\$11,840,679	\$10,301,133
2,520,536	2,436,851	2,273,398	2,329,013	2,243,075	2,149,761
773,732	261,786	279,928	276,490	200,601	160,015
13,264	13,793	15,426	39,325	37,532	68,011
40,875	39,885	0	0	0	0
56,614	46,047	0	0	0	0
0	0	0	0	0	0
200,921	15,313	86,246	101,275	55,595	85,960
<u>\$17,861,320</u>	<u>\$16,094,967</u>	<u>\$14,870,595</u>	<u>\$14,854,341</u>	<u>\$14,377,482</u>	<u>\$12,764,880</u>
\$9,543,069	\$8,750,966	\$8,564,230	\$7,761,358	\$7,394,124	\$6,933,230
865,259	875,978	771,073	768,148	742,503	705,814
646,513	621,191	577,442	533,453	546,851	528,458
31,735	29,835	35,854	44,780	14,178	11,503
1,033,329	1,036,815	936,592	946,685	899,334	913,570
522,526	399,496	318,168	421,517	399,980	431,092
203,369	227,293	268,768	270,106	315,920	292,907
2,286,880	2,238,259	2,143,505	1,901,023	1,993,012	1,846,377
727,042	840,714	739,719	591,708	797,305	629,289
492,323	614,600	484,400	524,219	379,006	365,987
581,969	463,038	422,300	367,890	393,357	371,601
3,600	92,675	54,124	190,869	164,573	12,242
0	0	49,109	46,578	44,047	41,516
0	0	2,532	5,063	7,594	10,125
<u>\$16,937,614</u>	<u>\$16,190,860</u>	<u>\$15,367,816</u>	<u>\$14,373,397</u>	<u>\$14,091,784</u>	<u>\$13,093,711</u>

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

Year (2)	Current Levy	Delinquent Levy	Total Levy	Current Collections	Percent of Current Levy Collected
2001	\$22,372,013	\$1,309,954	\$23,681,967	\$21,772,318	77.32%
2000	21,734,779	701,301	22,436,080	21,407,883	98.50
1999	19,446,461	919,915	20,366,376	18,924,826	97.52
1998	19,225,206	1,112,513	20,337,719	18,730,169	97.42
1997	16,831,137	1,075,158	17,906,295	16,276,398	96.70
1996	15,555,703	1,033,787	16,589,490	15,233,043	97.93
1995	15,634,407	1,013,074	16,647,481	15,218,587	97.34
1994	15,378,860	919,195	16,298,055	14,966,492	97.32
1993	15,208,085	666,575	15,874,660	14,949,405	98.30
1992	13,486,774	643,029	14,129,803	13,213,219	97.97

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) 2002 information cannot be presented because all collections have not been made by June 30.

<u>Delinquent Collections</u>	<u>Total Collections</u>	<u>Total Collection As a Percent of Current Levy</u>
\$446,303	\$22,218,621	97.32%
208,654	21,616,537	99.46
597,807	19,522,633	99.24
606,605	19,336,774	100.00
249,068	16,525,466	98.18
262,991	15,496,034	99.62
273,746	15,492,333	99.09
189,530	15,156,022	98.55
143,398	15,092,803	99.24
205,384	13,418,603	99.49

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

Year	Real Property		Public Utility Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2002	\$610,185,370	\$1,743,386,771	\$10,476,890	\$11,905,557
2001 (2)	601,385,550	1,718,244,429	13,190,950	14,989,716
2000	524,675,910	1,499,074,029	12,877,130	14,633,102
1999	520,815,150	1,488,043,286	14,147,550	16,076,761
1998 (3)	517,522,350	1,478,635,286	14,559,700	16,545,114
1997	474,869,360	1,356,769,600	15,216,930	17,291,966
1996	469,970,430	1,342,772,657	15,759,370	17,908,375
1995 (2)	468,577,200	1,338,792,000	17,452,450	19,832,330
1994	410,479,720	1,172,799,200	17,148,540	19,486,977
1993	408,740,030	1,167,828,657	17,441,320	19,819,682

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

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

Real Estate is assessed at 35 percent of actual value.

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

Tangible personal property is assessed at 25 percent of actual value for 1995 - 2002.

(2) Reappraisal of property values

(3) Triennial update of property values

Tangible Personal Property		Total		Ratio
Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	
\$22,528,229	\$90,112,916	\$643,190,489	\$1,845,405,244	35 %
21,603,344	86,413,376	636,179,844	1,819,647,520	35
21,160,548	84,642,192	558,713,588	1,598,349,323	35
22,236,921	88,947,684	557,199,621	1,593,067,731	35
20,997,223	83,988,892	553,079,273	1,579,169,292	35
21,196,321	84,785,284	511,282,611	1,458,846,850	35
20,538,848	82,155,392	506,268,648	1,442,836,424	35
20,552,352	82,209,408	506,582,002	1,440,833,738	35
18,898,646	72,687,100	446,526,906	1,264,973,277	35
18,588,105	71,492,712	444,769,455	1,259,141,051	35

**Rocky River City School District**  
*Property Tax Rates - Direct and Overlapping Governments*  
*(per \$1,000 of Assessed Valuation)*  
*Last Ten Calendar Years*

<u>Year</u>	<u>School Levy</u>	<u>Library Levy</u>	<u>County Levy</u>	<u>City Levy</u>	<u>Total Levy</u>	<u>Debt Service Included in Total Levy</u>		
						<u>School</u>	<u>County</u>	<u>Total</u>
2002	\$67.50	\$4.70	\$16.20	\$9.90	\$98.30	\$5.03	\$0.86	\$5.89
2001	68.00	4.70	16.20	9.90	98.80	5.53	0.79	6.32
2000	68.60	4.70	15.30	9.90	98.50	6.13	0.85	6.98
1999	64.70	3.80	15.30	9.90	93.70	6.13	0.72	6.85
1998	64.40	3.80	16.60	9.90	94.70	5.83	0.60	6.43
1997	60.90	3.80	16.60	9.90	91.20	2.33	0.90	3.23
1996	58.40	3.80	16.60	9.90	88.70	3.33	0.87	4.20
1995	58.90	3.80	16.80	9.90	89.40	3.83	0.76	4.59
1994	59.40	2.60	16.80	9.90	88.70	4.33	0.68	5.01
1993	59.50	2.60	16.80	8.90	87.80	4.43	0.71	5.14

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



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

Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Ratio of Debt Service to General Fund Expenditures (Percentages)
2002	\$1,895,000	\$1,406,532	\$3,301,532	\$21,362,765	15.45%
2001	1,825,000	1,488,786	3,313,786	20,108,112	16.48
2000	1,760,000	1,566,201	3,326,201	20,225,737	16.45
1999	1,300,000	1,630,604	2,930,604	17,923,185	16.35
1998	265,000	847,047	1,112,047	16,937,614	6.57
1997	1,165,000	376,767	1,541,767	16,190,860	9.52
1996	1,065,000	834,261	1,899,261	15,367,816	12.36
1995	1,030,000	897,088	1,927,088	14,373,397	13.41
1994	1,000,000	957,419	1,957,419	14,091,784	13.89
1993	780,000	1,009,288	1,789,288	13,093,711	13.67

Source: School District Financial Records

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

Year	Gross General Obligation Bonded Debt	Less: Balance of Debt Service Fund	Net General Obligation Bonded Debt	Assessed Value
2002	\$28,328,371	\$3,006,437	\$25,321,934	\$643,190,489
2001	30,107,409	2,594,000	27,513,409	636,179,844
2000	31,881,394	2,418,709	29,462,685	558,713,588
1999	33,511,927	2,582,292	30,929,635	557,199,621
1998	34,775,591	2,127,551	32,648,040	553,079,273
1997	10,476,539	397,202	10,079,337	511,282,611
1996	12,260,000	1,061,030	11,198,970	506,268,648
1995	13,325,000	1,582,374	11,742,626	506,582,002
1994	14,355,000	1,712,876	12,642,124	446,526,906
1993	15,355,000	1,118,580	14,236,420	444,769,455

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

<u>Population (1)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
20,735	3.94%	\$1,221
20,735	4.32	1,327
20,410	5.27	1,444
20,410	5.55	1,515
20,410	5.90	1,600
20,410	1.97	494
20,410	2.21	549
20,410	2.32	575
20,410	2.83	619
20,410	3.20	698

**Rocky River City School District**  
*Computation of Legal Debt Margin*  
*June 30, 2002*

Assessed Valuation	\$643,190,489
Overall Debt Limit - 9% of Assessed Value (1)	\$57,887,144
Amount of Debt Applicable to Debt Limit:	
General Obligation Bond	(28,328,371)
Amount Available in Debt Service Fund	3,006,437
Overall Debt Margin	\$32,565,210
Unvoted Debt Limit - .10% of Assessed Value (1)	\$643,190
Amount of Debt Applicable	0
Unvoted Debt Margin	\$643,190

Source: Cuyahoga County Auditor and School District Financial Records

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

**Rocky River City School District**

*Computation of Direct and Overlapping General Obligation Bonded Debt*

*December 31, 2001*

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
<u>Direct:</u>			
Rocky River City School District	<u>\$28,328,371</u>	100.00%	<u>\$28,328,371</u>
<u>Overlapping:</u>			
City of Rocky River	9,930,000	100.00	9,930,000
Cuyahoga County	216,544,636	2.24	4,850,600
Regional Transit Authority	<u>123,915,000</u>	2.24	<u>2,775,696</u>
Total Overlapping	<u>350,389,636</u>		<u>17,556,296</u>
Total	<u><u>\$378,718,007</u></u>		<u><u>\$45,884,667</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2002 collection year.

**Rocky River City School District**

*Property Value, Construction*

*and Bank Deposits*

*Last Ten Calendar Years*

<u>Year</u>	<u>Number of Commercial Units</u>	<u>Construction Value (a)</u>	<u>Number of Residential Units</u>	<u>Construction Value (a)</u>	<u>Cuyahoga County Bank Deposits (b) (Amount in 000's)</u>
2001	5	\$6,469,000	16	\$6,646,000	\$88,346,368
2000	2	6,119,202	7	2,476,750	61,942,764
1999	3	1,917,500	14	5,810,000	57,021,360
1998	5	5,485,000	24	5,220,000	56,770,353
1997	3	3,287,001	16	4,123,500	53,941,971
1996	4	3,859,826	75	8,109,237	27,068,211
1995	1	6,651,500	24	8,437,749	22,458,573
1994	3	7,411,380	15	4,952,867	20,885,453
1993	1	3,262,600	33	5,281,834	21,009,421
1992	1	4,481,100	26	5,682,538	19,379,280

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

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

(c) Cuyahoga County Auditor

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

<u>Tax Valuation Residential/ Agricultural (c)</u>	<u>Tax Valuation Commercial/ Other (c)</u>	<u>Total Assessed Real Property</u>
\$488,381,960	\$121,803,410	\$610,185,370
484,330,340	117,055,210	601,385,550
425,295,680	99,380,230	524,675,910
421,812,000	99,003,150	520,815,150
419,217,480	98,304,870	517,522,350
381,460,810	93,408,550	474,869,360
379,938,520	90,031,910	469,970,430
379,573,240	89,003,960	468,577,200
332,704,350	77,775,370	410,479,720
330,612,300	78,127,730	408,740,030

**Rocky River City School District**

*Principal Property Taxpayers*

*Real Estate Tax*

*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Real Assessed Value</u>
Westgate Joint Venture	\$16,698,490	2.74%
Rockport Associates, Ltd.	6,281,240	1.03
Westwood Towne Center Inc.	5,340,310	0.88
Normandy Associates, Ltd.	4,649,260	0.76
Presidential Apartments, Ltd.	3,927,840	0.64
Gross Management	2,964,820	0.49
Linden Apartments Company	2,744,460	0.45
Higbee Company	2,458,890	0.40
Missouri River Corporation	2,239,830	0.37
Harbor Court	<u>1,999,310</u>	<u>0.33</u>
Total	<u><u>\$49,304,450</u></u>	<u><u>8.08%</u></u>
Total Real Estate Valuation	<u><u>\$610,185,370</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for calendar year 2002.



**Rocky River City School District**

*Principal Taxpayers*

*Tangible Personal Property Tax*

*December 31, 2001*

<u>Name of Taxpayer</u>	<u>Assessed Value (1)</u>	<u>Percent of Tangible Assessed Value</u>
Higbee Company	\$2,908,050	12.91%
Target Corporation	856,050	3.80
Cox Cable of Cleveland	801,750	3.56
Kohl's Department Store	693,580	3.08
Hyland Software	688,020	3.05
Riser Foods	667,370	2.96
Marc Glassman Inc.	409,630	1.82
Heinens, Inc.	363,080	1.61
Rite Aid of Ohio, Inc.	287,210	1.27
OfficeMax Inc.	<u>269,450</u>	<u>1.20</u>
Total	<u><u>\$7,944,190</u></u>	<u><u>35.26%</u></u>
Total Tangible Assessed Valuation	<u><u>\$22,528,229</u></u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for calendar year 2002.

**Rocky River City School District**  
*Principal Taxpayers*  
*Public Utilities Real and Tangible Property Tax*  
*December 31, 2001*

Name of Taxpayer	Assessed Value (1)	Percentage of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$4,735,790	45.20%
Ohio Bell Telephone Company	3,566,540	34.04
East Ohio Gas Company	623,830	5.95
American Transmission Systems Company	570,190	5.44
	<u>\$9,496,350</u>	<u>90.64%</u>
Total Public Utility Assessed Value	<u>\$10,476,890</u>	

Source: Cuyahoga County Auditor

(1) Assessed values are for calendar year 2002.

**Rocky River City School District**

*Per Pupil Cost*

*Last Ten Fiscal Years*

<u>Year</u>	<u>General Fund Expenditures</u>	<u>Official Enrollment</u>	<u>Per Pupil Cost</u>
2002	\$21,362,765	2,517	\$8,487
2001	20,108,112	2,458	8,181
2000	20,225,737	2,397	8,438
1999	17,923,185	2,341	7,656
1998	16,937,614	2,213	7,654
1997	16,190,860	2,167	7,472
1996	15,367,816	2,124	7,235
1995	14,373,397	2,031	7,077
1994	14,091,784	1,997	7,056
1993	13,093,711	1,971	6,643

Source: School District Financial Records.

**Rocky River City School District**  
*Certificated Staff Education and Experience*  
*June 30, 2002*

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

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

**Rocky River City School District**

*Student Demographic Information*

*June 30, 2002*

<u>Grade</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
CCB Preschool Handicapped	24	10	34
Kindergarten	78	77	155
First Grade	95	82	177
Second Grade	95	106	201
Third Grade	111	80	191
Fourth Grade	88	88	176
Fifth Grade	105	115	220
Sixth Grade	114	93	207
Seventh Grade	101	105	206
Eighth Grade	91	90	181
Ninth Grade	123	91	214
Tenth Grade	98	116	214
Eleventh Grade	86	107	193
Twelfth Grade	71	77	148
School District Total	<u>1,280</u>	<u>1,237</u>	<u>2,517</u>

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

Source: School District Student Records

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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Facsimile 614-466-4490

**ROCKY RIVER CITY SCHOOL DISTRICT**

**CUYAHOGA COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 9, 2003**