



Dave Yost • Auditor of State

**STRONGSVILLE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Federal Awards Receipts and Expenditures Schedule.....	1
Notes to the Federal Awards Receipts and Expenditures Schedule	2
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	3
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	5
Schedule of Findings.....	9
Corrective Action Plan.....	11

This Page Intentionally Left Blank.

STRONGSVILLE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Receipts	Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed Through the Ohio Department of Education:			
Special Education Cluster			
Special Education - Grants to States	84.027	\$81,139	\$80,948
		<u>1,077,519</u>	<u>1,077,156</u>
Total Special Education -Grants to States		1,158,658	1,158,104
Special Education - Preschool Grants	84.173	(732)	1,125
		<u>28,743</u>	<u>28,743</u>
Total Special Education - Preschool Grants		28,011	29,868
Total Special Education Cluster		<u>1,186,669</u>	<u>1,187,972</u>
Title I Grants to Local Educational Agencies	84.010	34,681	36,387
		<u>415,937</u>	<u>417,447</u>
Total Title I Grants to Local Educational Agencies		450,618	453,834
English Language Acquisition State Grants	84.365	46,455	61,303
		<u>16,375</u>	<u>16,375</u>
Total English Language Acquisition State Grants		62,830	77,678
Improving Teacher Quality State Grants	84.367	6,613	3,641
		<u>88,535</u>	<u>82,802</u>
Total Improving Teacher Quality State Grants		95,148	86,443
Total U.S. Department of Education		<u>1,795,265</u>	<u>1,805,927</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	534,149	534,149
Non-Cash Assistance		100,590	100,590
School Breakfast Program	10.553	95,577	95,577
Total Child Nutrition Cluster		<u>730,316</u>	<u>730,316</u>
Team Nutrition Grants	10.574	1,200	1,200
Total U.S. Department of Agriculture		<u>731,516</u>	<u>731,516</u>
Totals		<u>\$2,526,781</u>	<u>\$2,537,443</u>

The accompanying notes are an integral part of this schedule.

**STRONGSVILLE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
2 CFR 200.510(b)(6)
FISCAL YEAR ENDED JUNE 30, 2016**

NOTE A – BASIS OF PRESENTATION

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) includes the federal award activity of the Strongsville City School District, Cuyahoga County, Ohio, (the District) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Receipts and expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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

NOTE E - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with the Ohio Department of Education's (ODE) consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. These transfers resulted in the Schedule reporting negative receipts. The District transferred the following amounts from 2015 to 2016 program:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred From 2015 to 2016</u>
Special Education- Preschool Grants	84.173	\$732



Dave Yost • Auditor of State

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

Strongsville City School District
Cuyahoga County
18199 Cook Avenue
Strongsville, Ohio 44136

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Strongsville City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 29, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2016-001 to be a material weakness.

Compliance and Other Matters

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

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

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



Dave Yost
Auditor of State
Columbus, Ohio

December 29, 2016



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Strongsville City School District
Cuyahoga County
18199 Cook Avenue
Strongsville, Ohio 44136

To the Board of Education:

Report on Compliance for the Major Federal Program

We have audited the Strongsville City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Strongsville City School District's major federal program for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Major Federal Program

In our opinion, the Strongsville City School District, Cuyahoga County, Ohio, complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Federal Awards Receipts and Expenditures Schedule Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Strongsville City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 29, 2016. We conducted our audit to opine on the District's basic financial statements as a whole. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 29, 2016

This page intentionally left blank.

**STRONGSVILLE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2016**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR §200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster, CFDA 84.027 and 84.173.
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	Yes

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

FINDING NUMBER 2016-001

Material Weakness - Financial Statement Adjustments

Management is responsible for implementing and maintaining an internal control system designed to enable management to determine the accuracy of the District's financial statement transactions. Management is also responsible for developing and maintaining complete and accurate financial records.

Accounts payable and corresponding expenses were understated by \$1,730,162 in the Building Fund and Governmental Activities opinion unit. The error was the result of the improper exclusion of an expense paid in fiscal year 2017 for services performed in fiscal year 2016. The financial statements were adjusted by management to correct this error. The error also resulted in an increase in non-depreciable capital assets for construction in progress and net investment in capital assets in the governmental activities opinion unit, which were not material, but were also adjusted in the financial statements by management.

In addition to the material audit adjustment for accounts payable, we noted the following immaterial errors also adjusted by management:

- In the Governmental Activities opinion unit, the compensated absences liability (due in more than one year) and corresponding expenses were overstated by \$53,449. The error was due to the duplication of a portion of the liability for two employees used in the calculation.
- In the Governmental Activities opinion unit, deferred outflows of resources related to pension were overstated by \$1,446,834, deferred inflows of resources related to pension were overstated by \$2,710,833, and corresponding expenses were overstated by \$1,264,049. The errors were due to miscalculations in the deferred inflows and outflows of resources related to pension.

Failure to properly record transactions in the accounting records and of management to review the draft journal entries and financial statements hinders management's ability to monitor financial performance and may result in financial statement errors.

The District should exercise due care when posting transactions to help ensure the transactions are correct and posted to the proper funds and accounts. Management should also review the draft journal entries and financial statements to help ensure they are supported by sufficient documentation, reconciled to the trial balances, free of obvious errors and omissions, and consistent with their financial expectations. These procedures should help avoid financial statement errors and help ensure more accurate financial reporting.

Official's Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**STRONGSVILLE CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511 (c)
JUNE 30, 2016**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2016-001	<p>Accounts Payable: Due to old instructions in the accounts payable desk manual, the invoice cut-off date to mark an invoice for the prior or current year was listed as of June 28. The June 28 date is incorrect and should have been June 30. Since then, the desk manual has been updated.</p> <p>Compensated Absences: This calculation will be reviewed in the future as compensated absences are prepared.</p> <p>GASB 68: This calculation will be reviewed in the future as GASB 68 is prepared.</p>	<p>Completed</p> <p>During FY 17 Conversation</p> <p>During FY 17 Conversation</p>	<p>George Anagnostou / Robert Showalter.</p> <p>George Anagnostou / Robert Showalter.</p> <p>George Anagnostou / Robert Showalter.</p>

This page intentionally left blank.

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016



Strongsville City Schools
18199 Cook Avenue
Strongsville, OH 44136
440.572.7000
www.strongnet.org

Strong Schools. Strong Community. Strongsville.

Back of front cover.

Comprehensive Annual Financial Report

Of the
Strongsville City School District

For the
**FISCAL YEAR ENDED
JUNE 30, 2016**

Prepared by

Treasurer's Office

George K. Anagnostou
Treasurer / CFO

Robert D. Showalter, Jr.
Assistant Treasurer

18199 Cook Avenue * Strongsville, Ohio 44136

Strongsville Board of Education



Mr. Carl W. Naso
President



Mr. Richard O. Micko
Vice President



Colonel Duke Evans



Mr. George A. Grozan



Mrs. Jane L. Ludwig



Mr. Cameron M. Ryba
Superintendent



Mr. George K. Anagnostou
Treasurer/CFO

INTRODUCTORY SECTION



Back of divider page.

**STRONGSVILLE CITY SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2016**

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	T 1
Letter of Transmittal	T 5
Board Members	T 18
Senior Appointed Officials	T 19
Organizational Chart	T 20

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	5

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position	19
Statement of Activities	20

Fund Financial Statements

Balance Sheet - Governmental Funds	21
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	22
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	23
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures and Changes in Fund Balances Budget Basis (Non-GAAP) and Actual - General Fund	25
Statement of Fund Net Position - Internal Service Fund	26
Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Fund	27
Statement of Cash Flows - Internal Service Fund	28
Statement of Fiduciary Assets and Liabilities- Agency Funds	29

Notes to the Basic Financial Statements	31
---	----

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the School District's Proportionate Share of the Net Pension Liability	
School Employees Retirement System of Ohio	66
State Teachers Retirement System of Ohio	67
Schedule of the School District's Contributions	
School Employees Retirement System of Ohio	68
State Teachers Retirement System of Ohio	70

**STRONGSVILLE CITY SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2016**

TABLE OF CONTENTS
(Continued)

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Combining Statements - Nonmajor Governmental Funds:

Fund Descriptions	73
Combining Balance Sheet - Nonmajor Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	77
Combining Balance Sheet - Nonmajor Special Revenue Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	82

Combining Statements - Nonmajor Fiduciary Funds:

Fund Descriptions	86
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	87

Individual Fund Schedules of Revenues, Expenditures and Changes in
Fund Balances - Budget (Non-GAAP) Basis and Actual

Building Fund	88
Food Service Fund	89
Other Grants Fund	90
District Managed Student Activities Fund	91
Auxiliary Service Fund	92
Data Communications Fund	93
Alternative Schools Fund	94
Miscellaneous State Grants Fund	95
IDEA Part B Fund	96
Title III, Limited English Proficiency Fund	97
Title I, Disadvantaged Youth Fund	98
IDEA Preschool for the Handicapped Fund	99
Improving Teacher Quality Fund	100
Uniform School Supplies Fund	101
Rotary Fund	102
Public School Support Fund	103
Termination Benefits Fund	104
Bond Retirement Fund	105
Permanent Improvement Fund	106

**STRONGSVILLE CITY SCHOOL DISTRICT
FOR THE YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS
(Concluded)**

STATISTICAL SECTION

Narrative	S 1
Financial Trends	
Net Position by Component	S 2
Expenses, Program Revenues, and Net (Expenses) Revenue	S 4
General Revenues and Total Change in Net Position	S 6
Fund Balances - Governmental Funds - Last seven years	S 8
Fund Balances - Governmental Funds - Last three years	S 10
Revenue Capacity	
Governmental Funds Revenues by Source	S 12
Governmental Funds Expenditures and Debt Service Ratio	S 14
Other Financing Sources and(Uses) and Net Change in Fund Balances - Governmental Funds	S 16
Assessed and Estimated Actual Value of Taxable Property	S 18
Property Tax Rates - Direct and Overlapping Governments	S 20
Principal Taxpayers - Real Estate Tax	S 21
Property Tax Levies and Collections	S 22
Debt Capacity	
Outstanding Debt by Type, Net Bonded Debt Per Capita and Average Daily Enrollment	S 24
Legal Debt Margin	S 26
Computation of Direct and Overlapping General Obligation Debt	S 28
Demographic and Economic Information	
Demographic and Economic Statistics	S 29
Principal Employers	S 30
Operating Information	
Full-Time Equivalent District Employees by Function	S 32
Operating Statistics	S 34
Teacher Base Salaries	S 36
School Building Information	S 38
Capital Asset Information	S 40

THIS PAGE INTENTIONALLY LEFT BLANK.

Strongsville City Schools

ADMINISTRATIVE OFFICES

Cameron M. Ryba, Superintendent
cryba@scsmustangs.org

George K. Anagnostou, Treasurer
ganagnostou@scsmustangs.org



18199 Cook Avenue ♦ Strongsville, Ohio 44136

Phone 440.572.7000 ♦ Fax 440.238.7242

www.strongnet.org

December 29, 2016

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Strongsville City School District (the "School District") for the fiscal year ended June 30, 2016. This CAFR, which includes financial statements and other financial and statistical data, conforms to accounting principles generally accepted in the United States in America (GAAP) 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 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 Strongsville Public Library, the Strongsville Chamber of Commerce, rating agencies, and other interested organizations. Copies will be made available to all residents of the School District or any other interested party through the School District's web site at www.strongnet.org.

State statute requires the School District to be audited at least every two years by an independent auditor. An annual audit serves to maintain and strengthen the School District's accounting and budgetary controls. Independent Auditor Dave Yost, Auditor of State, was selected to render an opinion on the School District's financial statements as and for the year ended June 30, 2016. The opinion appears at the beginning of the financial section of this report.

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

The School District

The Board of Education and Administration

The School District was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under an elected Board of Education consisting of five members which are elected at large for overlapping four-year terms. The Board of Education elects their president and vice president annually and appoints two officials, the Superintendent and Treasurer.

The School District's Administrative Leadership Team (ALT) is made up of seven members from the Central Office Leadership Team (COLT) and eight building principals who report directly to the Superintendent.

The Central Office Leadership Team is made up of the Superintendent, Treasurer, Assistant Superintendent, Business Manager, Director of Curriculum and Instruction, Director of Instructional Technology, and the Director of Special Education.

The School District, Mission, and Goals

The City of Strongsville is approximately 25 square miles and is located in Cuyahoga County in northeastern Ohio, approximately 23 miles southwest of the City of Cleveland. Strongsville was founded in 1816, became a township in 1818, a village in 1927, and became a city in 1961 under the laws of the State of Ohio. In 2010 the U.S Census Bureau reported that Strongsville had a population of 44,750, up 2 percent from 43,858 in 2000.

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided by Section 3301.07 (D) of the Ohio Revised Code, to provide educational services authorized by charter and further mandated by State and Federal agencies. Under Ohio Law, the School District is a separate and district unit of government with its own taxing authority.

In fiscal year 2016, the School District enrolled 5,460 students (compared to 5,635 the previous year) in one preschool, six elementary schools, two middle schools, and one senior high school. During fiscal year 2016, the School District continued a massive school facility construction/renovation project, which is described in more detail in the ***Management's Discussion and Analysis*** section. The project commenced in 2013 to address the condition and age of the existing classroom facilities, as well as a declining enrollment trend. For additional information regarding the School District's building's, such as age, square feet, usage, and capacity, please refer the statistical section of this report.

The Board of Education has adopted the Strongsville City Schools 2020 Strategic Plan for 2016-2017 School Year.

Destination 2020 – Strongsville City Schools will be a district of excellence and innovation that embodies the educational priorities of our students and community and is built on the foundation of academic emphasis, collective trust, and shared accountability. Through our collective efforts as a School District, Strongsville City School will rank in the top 10% of all school districts in Ohio by June 2020.

Mission – Strongsville City Schools in partnership with the community, will ensure all students reach their fullest potential through challenging curriculum and activities, provided by a highly qualified, motivated staff, in a safe, supportive environment with up-to-date facilities and technology.

Core Beliefs – We believe in:

- Shared leadership and collaborative problem-solving.
- Data-based decisions and evidence-based practices.
- An approach to teaching and learning that is engaging, exciting and fun for all students.
- All students accessing innovating, high quality instruction in all classrooms.
- Meeting the individualized learning needs of our students.
- The ability of all students to grow and achieve.

Excellent school districts focus improvement efforts on a limited number of goals. While goals may remain constant year to year, objectives will be developed annually that align to district goals established by the Board of Education, Superintendent and Treasurer. Objectives will be developed based on school data, survey results, focus group meetings, and urgent needs. Each objective has correlated action steps and evaluation criteria. Strongsville City Schools' district goals and objectives for the 2016-17 school year are:

Academic Achievement and Growth

Engage learners in rigorous curriculum and quality instruction that will maximize the achievement and growth across all academic areas and enable all students to graduate from high school prepared for success in college and career.

- 1) Ensure students are college and career ready after four years of high school.
- 2) Integrate the use of technology to support instructional practices and student learning.
- 3) Expand professional learning opportunities that align with district goals and meet individual learning needs.
- 4) Oversee the implementation of the Strongsville City Schools Instructional Innovation Plan.

Financial Prudence

Ensure sound financial management practices while maintaining high-quality educational experiences for all students through the alignment of district resources to district initiatives and investments.

- 5) Develop and maintain organizational structures that support district-wide efficiency and effectiveness.
- 6) Develop a comprehensive capital improvement and maintenance plan that prioritizes initiatives with associated costs per building.
- 7) Maintain financial management practices and a culture of budget consciousness that ensure focused spending.
- 8) Develop and implement a renewal levy campaign for November 2016.

Community Engagement

Actively partner and communicate with our parents and residents to strengthen school-community bonds.

- 9) Expand and enrich the active partnerships between the district and the residents, businesses, community, and civic/youth organizations.
- 10) Engage Strongsville Alumni to create and support active partnerships for the betterment of our district.
- 11) Engage and support the use of multiple methods of communication among and between parents, students, staff, and community.
- 12) Implement a customer service training program.

Employee Relations

As of June 30, 2016 the School District had 728 full and part-time employees (compared to 752 the previous year). In the fiscal year ended June 30, 2016, the School District paid \$42.1 million in salaries and wages and \$17.1 million for fringe benefits such as employer retirement contributions, health care, life insurance, and certain other benefits.

The School District's leadership staff (such as principals, assistant principals, and central office staff) are not members of any bargaining unit. Instead, those employees are subject to the terms defined in the Administrative and Leadership Handbooks, which was updated during fiscal year 2016 and the terms of which will remain in effect until July 31, 2019.

Teachers are represented by the Strongsville Education Association (SEA). In May 2016, the School District and the SEA announced the ratification of a three-year collective bargaining agreement. The agreement will be in effect from August 1, 2016 through July 31, 2019. Included in the three-year agreement are updates to teacher evaluation procedures, removal of medical insurance caps, streamlining personal leaves, integration of collaborative teacher-based teams into the school day, finalization of grades K-5th and grades 6th-8th elective course scheduling, removal of retirement incentives, reduction of severance pay for resigning employees, salary increases of 1.5% in 2016-2017, 1.5% increase in 2017-2018, 1% in 2018-2019, and agreed upon ground rules for 2019 negotiations. SEA members are responsible for 15% of the monthly medical premium and 100% of the monthly dental and vision premiums.

Classified employees (education aides, cafeteria staff, secretarial-clerical, custodial, maintenance, transportation, and technology staff) of the School District are represented for collective bargaining purposes by the Ohio Association of Public School Employees (OAPSE), Locals 290 and 028. There is a three year agreement in place from July 1, 2014 through June 30, 2017. This contract provided a 2% wage increase in each year of the contract. OAPSE full time members are responsible for 10% of the monthly medical premium capped at \$80 for individual and \$160 for family coverage. Monthly dental and vision premiums are covered by the School District. The monthly health care premium for part time members adjusts based on the number of hours worked.

The Reporting Entity

The School District issues its financial report based on Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61 "The Financial Reporting Entity: Omnibus". The School District is associated with various educational organizations and government entities within Cuyahoga County that may be construed as being part of the School District's financial reporting when in fact they are not. For this reason, management has decided to differentiate between the organizations whose financial position will be incorporated within this report and the organizations that will not.

Excluded from this report for which the School District is not a member, but may be viewed as a member, are the City of Strongsville, the Strongsville Education Foundation, and the various Parent Teacher Organizations. Also excluded from this report for which the School District is a member are the Ohio School Boards Association and the Ohio Schools Council.

The School District is an independent city school district and is not a component unit of another government. A complete discussion of the School District's reporting entity is provided in Note 1 to the basic financial statements.

Economic Condition and Outlook

The School District's primary sources of revenues are from the State of Ohio through the State Foundation program and through the levying of property taxes on real property (including state property tax reimbursements) located within the School District. These two sources combined represent approximately 95 percent of the School District's fiscal year 2016 budget basis General Fund operating revenues. The following discussion provides additional information pertaining to these revenue sources.

Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions generally occur in a new fiscal year. Property taxes include amounts levied against all real and public utility located in the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1st, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year were levied April 1st and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years.

A table showing the assessed valuation of property in the School District subject to ad valorem taxes by the Board for the most recent ten years is presented in the statistical section.

Fiscal year 2017 property taxes are currently estimated by the Cuyahoga County Fiscal Officer based on a current collection rate of 96.6%, up from 95.8%. The forecast through 2021 assumes a current collection rate of 96.6%. The Ohio Revised Code and Ohio Administrative Code mandate Cuyahoga County to conduct a re-appraisal every six years, an update every three years and annual valuation of improvements based upon building permits received from each city annually. The last update took place in 2015, with the next re-appraisal scheduled for the year 2018.

State law grants tax relief to property owners (property tax rollbacks) in the form of a 10% reduction in real property tax bills. In addition, a 2.5% rollback is granted for owner occupied homesteads (total of 12.5%). The State reimburses the School District for the loss of real property taxes as a result of the rollback provision. HB 66 eliminated the 10% rollback on commercial property; hence the School District will no longer receive a State reimbursement for those dollars, as it will receive those payments directly from commercial property owners. The new law states that the ten percent and two and one-half percent rollbacks will no longer apply to new levies that are enacted after August 31, 2013.

House Bill 66 phases out the tax on the tangible personal property of general businesses, telephone and telecommunications, and railroads. The tax on general business and railroad property was eliminated in 2009, and the tax on telephone and telecommunications property was eliminated in 2011. The tax is phased out by reducing the assessment rate on the property each year. HB 66 makes provision to replace revenue lost due to the phase out of the tangible personal property tax. Businesses are now subject to a commercial activity tax (CAT) that will provide some replacement income to school districts for the lost tangible property revenues.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation implementing a 1980 constitutional amendment classifies real property between (1) residential and agricultural and (2) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class. These credits apply to certain voted levies on real property, and do not apply to unvoted tax levies or voted tax levies to pay debt service on general obligation debt.

Additionally, in 1976 the General Assembly passed House Bill 920. This law provides that real property owners receive tax credits equal to any tax increase caused by an increase in value of all real property in taxing districts as a result of reappraisal, update or readjustment. This does not apply to inside non-voted millage, tangible property or new construction. In effect, H.B. 920 removes inflationary revenue growth from the applicable real property by requiring an adjustment to the voted millage rate, thereby resulting in a lower effective millage rate.

Property tax levies and collections for the last ten years are shown in comparative format in the statistical section.

School Foundation

The State's School Foundation Program is another major source of revenue for the School District's General Fund. The State assists public school districts under a statutory program, which includes direct payments to districts based upon a statutory formula. Such payments are made through the School Foundation Program established by the Ohio Revised Code. School Foundation Program funds distributed to a School District are required to be used for current operating expenses, unless specifically allocated by the State for some other purpose.

Basic eligibility for School Foundation Program payments is based on a School District's compliance with State-mandated minimum standards.

Under the funding formula in the State Budget Act, the State Department of Education (the Department) will compute and pay to each city, exempted village and local school district, an amount of State Education Aid based on a base amount of spending per pupil multiplied by (i) the school district's "average daily membership" (ADM), generally a full-time equivalent number of students to be certified by each school district to the Department, and (ii) an index (the State Share Index) dependent on factors such as a school district's tax valuation percentage of the base amount for school districts with less tax valuation or lower median income residents. For Fiscal Year 2016, the base amount was \$5,900 and for Fiscal Year 2017 the base amount is \$6,000. As of July 1, 2014, school districts will be required to report student enrollment (rather than average daily membership) data to the State as of the last day of October, March and June of each year.

In addition to the funding amount of State Education Aid described above (known as an “Opportunity Grant”), under the new core funding formula school districts may also receive, as applicable, State Education Aid in the form of (i) targeted assistance based on tax valuation and income factors, (ii) targeted assistance based on a percentage of a school district’s agricultural property, (iii) a specific amount based on six categories of disabilities for special education and related services, (iv) kindergarten through third grade literacy funds, (v) economically disadvantage funds, (vi) a specific amount for each of three English proficiency categories, (vii) career-technical categories, and (viii) career-technical education associated services funds. As with Opportunity Grant funds, special education, kindergarten through third grade literacy, limited English proficiency and career-technical funds are subject to the State Share Index. Certain other categories of funding, including pupil transportation funding, are funded in whole or in part by the State outside of the core funding formula.

Notwithstanding the amount of State Education Aid a school district is scheduled to receive under the funding formula, funding increases for core funding are capped at not more than 7.5% of the previous years’ State aid. All school districts are guaranteed to receive at least the amount of State aid as they received in Fiscal Year 2015. The School District receives its State Foundation based on the guaranteed amount.

There can be no assurance concerning future funding levels for or the details of State funding for school districts. As has been the case in the past, funding can also be subject to adjustment during a biennium. As indicated above, the General Assembly has the power to amend the system of State school funding. The School District cannot predict whether, when or in what form any future system of State school funding will be enacted into law.

City Profile

The City of Strongsville is served by diversified transportation facilities, including two State highways, U.S. Highway 42 and 82, and Interstate Highways I-71 and I-80 (the Ohio Turnpike). It is served by CSX Railroad for freight rail services, Amtrak for passenger rail services located in nearby Cleveland, and is served by passenger and freight air services at Cleveland Hopkins International Airport, located within five miles of the City, and Burke Lakefront Airport located in downtown Cleveland. Public mass transit for the area is provided by the Greater Cleveland Regional Transit Authority.

Within a 30-minute drive from the City are the locations of the Rock and Roll Hall of Fame, Progressive Loans Field, Quicken Loans Arena, FirstEnergy Stadium, the world-class Cleveland Orchestra, the Cleveland Museum of Art, the National History Museum, the Western Reserve Historical Society, the Cleveland Playhouse and Karamu House, a multi-racial performing arts center. These and other facilities in the area offer an extensive variety of cultural and education programs to the residents of Strongsville, as well as professional sports including baseball, basketball, and football.

The City of Strongsville owns three parks offering residents a variety of activities to improve health and fitness. The 57-acre Strongsville Recreation Park has three baseball diamonds and tennis courts. Surrarer Park, on the City’s east side, has a baseball diamond, tennis courts, and a covered pavilion. Volunteer Park, on the City’s west side, has six baseball diamonds, a covered picnic area, bocce ball court and horseshoe pits. The Youth Sports Park also on the City’s west side has a regulation football field, three youth baseball fields and a covered picnic area. The Strongsville Business & Technology Park, home of the Strongsville Soccer Organization, offers residents many opportunities for fitness related activities. City residents can also take advantage of the Cleveland Metroparks that are located within minutes of the City. Located in the City section of the park system are the popular toboggan chutes, Mill Stream Run and facility for year round recreational activities, the Chalet. Gardenview Horticultural Park is a botanical park located on 16 acres near the south end of the City. Visitors can view more than 500 species of trees and plants.

Local Economy

The City of Strongsville is home to a diverse, growing local economy that maintains a solid tax base through established business parks and a thriving commercial sector. Development in the City of Strongsville has closely followed the City's Comprehensive Master Plan, which was first developed in the early 1960s and has been modified regularly to accommodate changes in the economic climate. As part of that plan, four industrial development areas totaling over 2,362 acres, have been established within the City featuring large setbacks and ample green space, resulting in a "park-like" atmosphere. A summary of each section of the four business parks is listed below:

The Strongsville Business & Technology Park

- 1,693 acres: 70% developed
- 3,422,143 SF of built-out with a 2.16% vacancy rate
- Home to over 70 companies that employ over 3,000 employees
- Ranked as the #1 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2015)
- Over 500 acres of undeveloped, greenfield land available for future industrial development
- Major employers in the park: Momentive Performance Material's Quartz Division, Vitamix, Foundation Software, Clark Reliance's Corporate Headquarters, Sparton Medical Devices, CCL Label, and Eberhard Manufacturing

The Dow Circle Research & Development Park

- 258 acres: 95% developed
- 972,812 SF of built-out with a 0.66% vacancy rate
- Home to over 30 companies that employ over 2,600 employees
- Major employers in the park: Regional Headquarters for Enterprise Rental Car, Lumitex, Akzo Nobel Coatings, and PNC Bank's Technology Center

The Progress Drive Business Park

- 325 acres: 96% developed
- 1,508,326 SF of built-out with a 5.99% vacancy rate
- Home to over 40 companies that employ over 2,000 employees
- Ranked as the #8 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2014)
- Major employers in the park: Corporate Headquarters of Atlantic Tool & Die, PPG Industries, and Insight/Chemical Services

Park 82

- 86 acres: 100% developed
- 953,450 SF of built-out with a 4.17% vacancy rate
- Home to over 19 companies that employ over 1,000 employees
- Ranked as the #8 industrial park in Northeast Ohio by Crain's Cleveland Business (9/2014)
- Major employers in the park: Darice Inc., HMI, Intralot, and Dealer Park

Overall, Strongsville's business parks are home to 6,856,731 SF of industrial/high tech build-out with a vacancy rate of 3.07%, as of January 31, 2016.

Job growth within the business parks continued to be robust in 2015. A highlight of several projects within the business parks include:

Akzo Nobel Global RD&I Center

- *Company Description:* Research Development & Innovation Center for Industrial Coatings
- *Business Park:* Dow Circle Research & Development Park
- Converting 77,500 SF of former warehouse space into high-tech labs
- \$10 million investment

Quadax

- *Company Description:* Medical Billing Specialist
- *Business Park:* Dow Circle Research & Development Park
- Leased 11,000 SF of office space
- Relocating 72 employees to Strongsville

Solar X

- *Company Description:* Sun Glass Distributor
- *Business Park:* Strongsville Business & Technology Park
- Leased 28,100 SF of distribution space
- Relocating 50 employees to Strongsville

Clark-Reliance Expansion

- *Company Description:* Manufacturer of level indication/filtration products
- *Business Park:* Strongsville Business & Technology Park
- 22,676 SF expansion to existing 86,000 SF manufacturing facility
- Expansion includes 11,000 SF, two story office expansion
- \$3.6 million investment

Artwall

- *Company Description:* Online Art Printer/Reproducer
- *Business Park:* Strongsville Business & Technology Park
- Leased 33,680 SF facility
- Relocated 35 employees to Strongsville

Automation Manufacturing Solutions

- *Company Description:* Designer & Builders of Automated Machine Technologies
- *Business Park:* Progress Drive Business Park
- Purchased 15,180 SF manufacturing facility
- Relocated 15 technical manufacturing positions to Strongsville

Kiwi Creative

- *Company Description:* Firm specializing in branding, graphic design, and online marketing
- *Business Park:* Strongsville Business & Technology Park
- Relocated 10 employees to Strongsville

To facilitate the expansion and attraction of economic development projects, the City utilizes four tax incentive programs:

- *Community Reinvestment Area (CRA) Program:* The City has established nineteen (19) Pre-1994 CRA's within and surrounding Strongsville's business parks. Improvements within these CRAs are granted an exemption from real estate property taxes for 100% of the incremental increase in assessed value for a period of 15 years.
- *Strongsville Job/Payroll Creation Incentive Grant Program:* In 2013, the City of Strongsville created a new incentive program designed to attract large end-users with significant payroll to the community. Under the Strongsville Job/Payroll Creation Incentive Grant Program, a company that creates and maintains over \$6 million in new annual payroll within the City is eligible for annual grant payment based on a percentage of the annual payroll withholding taxes generated by the project.
- *Enterprise Zone Program:* The City's Enterprise Zone Program provides tax incentives in a designated Enterprise Zone to businesses that agree to invest capital improvements and create or retain jobs. Tax incentives under this program are negotiated and can provide tax abatements of up to 75% for a term of up to ten years, subject to City, County, and State approval.
- *Foreign Trade Zone:* The City have seven (7) established FTZs within the City's business parks. FTZs allow companies to defer, reduce, or eliminate US Customs' duties.

In addition to the local tax incentive programs, the City of Strongsville utilizes County programs such as the Storefront Renovation Program and Brownfield Redevelopment Funds, as well as State programs for job creation and workforce development.

Major Initiatives

What's New for 2016-2017:

A lot has changed since the end of last school year and heading into the upcoming school year. Below is a list of what's new for 2016-2017 by School District goal.

- ***Academic Achievement and Growth***
 - *New SMS Courses:*
 - ✓ Honors Courses at 6th grade and updated entrance requirements in grades 6-8 (ELA, Math Science, Social Studies).
 - ✓ Robotics and Medical Detectives
 - ✓ Principles in Food
 - ✓ Career Connections
 - *New SHS Courses*
 - ✓ Air Force JROTC (\$165,000 District investment)
 - ✓ Principles in Food
 - ✓ Career Connections
 - ✓ Offer 24 AP Courses
 - *Textbook Adoptions (\$500,000 District investment)*
 - ✓ Social Studies Adoption K-12
 - ✓ Music Adoption PK-5/Secondary
 - ✓ German Adoption
 - ✓ AP Art History
 - ✓ AP Environmental Science
 - *Technology Integration (\$700,000 District investment)*
 - ✓ 1:1 Chromebook Initiative
 - ✓ Strongsville Academy (\$200,000 repurposing from Ohio Online Program)
 - ✓ Interactive Projector Project
 - ✓ Instructional Technology Coaches
 - ✓ Student Production Studios.
- ***Community Engagement***
 - *Implementation of Comprehensive Communications Plan:*
 - ✓ Six (6) "Community Conversations" throughout the City.
 - ✓ Homeowners Association Meeting Visits.
 - ✓ Establishing a Student Advisory Committee, Community Advisory Committee, and a Curriculum Advisory Committee.
 - ✓ Initiating two community-wide mailings to Strongsville residents (Quality Profile, Annual Report).
 - ✓ State of the Schools presentation from Strongsville Community.
 - ✓ Alumni Outreach campaign.
 - ✓ Volunteer plans developed and implemented at all levels.
 - ✓ SPOT committee to focus on school-community partnership projects.
 - ✓ Student-based video development and cable broadcasting.

- **Financial Prudence**

- *Organizational Efficiency Efforts:*

- ✓ Student fee collection procedures implemented.
- ✓ Transition to Chartwells for food service operations (Eliminate general fund annual subsidy of \$100,000 - \$200,000 from current operations).
- ✓ Creation of Budget Book to increase financial transparency.
- ✓ Opening of New SMS, renovation of nearing completion at SHS (\$73 million multi-year community investment).
- ✓ New turf fields at SHS and SMS (\$1.8 million multi-year community investment).

Significant Accomplishments

- District Awards:
 - State of Ohio Board of Education Momentum Award Winner.
 - Recognized by the State of Ohio Board of Education as a school district that has exceeded expectations in student growth and received straight A's on every value-added measure included on Ohio's district report cards (2015 State Report Card results).
 - One of only 7 school districts in Cuyahoga County and one of only 53 school districts in the state recognized with this honor.
 - 2015-2016 US News & World Report High School Rankings Silver Award Winner.
 - #25 ranked public high school in the Cleveland area.
 - #140 ranked public high school in Ohio.
 - Ranked in the Top 2,500 public high schools in the US.
 - NAMM "Best Communities in Music Education"
 - 2016 marks the third straight year The School District has been recognized by the National Association of Music Merchants (NAMM) Foundation for outstanding commitment to music education.
 - One of nine school districts in the Cleveland area to be recognized.
 - One of 476 school districts across the country to receive this honor.
 - SHS science teacher, Mr. Joe Yuska, was awarded an Advance Ohio Crystal Apple Award in 2016. Based on a nomination submitted by SHS senior Chris Vento, Mr. Yuska was selected as one twelve teachers in northeast Ohio to receive the award, recognizing extraordinary area teachers.
- Over 200 SHS 2016 graduates were awarded college scholarships. Total scholarship money earned by the SHS Class over 2016 totaled \$3,802,094.
- 93% of SHS Class of 2016 are moving on to 57 different 4-year or 2-year college/universities.
- In 2015-2016, SHS instrumental and choral groups earned the following ratings in state competitions:
 - SHS Wind Ensemble, II (Excellent)
 - SHS Women's Chorale, II (Excellent)
 - SHS String Orchestra, I (Superior)
 - SHS Symphony Orchestra, I (Superior)
 - SHS Chamber Strings, I (Superior)
- In 2015-2016, 264 SHS student-athletes earned an All-Conference Academic Award (earning a varsity letter and maintaining above a 3.4 GPA).

- Over 25 SHS 2016 graduates made commitments to further their playing careers as student-athletes at the college/university level.
- Strongsville elementary school students raised more than \$30,000 for the American Heart Association in a “Jump Rope for Heart” week during the 2015-2016 school year.
- Over \$5,000 was raised by an elementary “Food Fight” – a drive in collaboration with Strongsville Rotary, benefitting the Strongsville Food Bank.
- \$17,000 was donated to University Hospital’s Seidman Cancer Center as part of the SHS Swimming & Diving team’s 2016 “Splash Out Cancer” event.
- Over \$1.6 million has been raised by the business community and through private donations to fund new turf playing fields at Strongsville High School and Strongsville Middle School.

Long-Term Financial Planning

The Board of Education has assigned responsibility for annual and long-term financial planning to the Treasurer/CFO. The policies require that the first objective of financial management planning is to provide for the education of the School District’s children. We are expected to use the best available techniques for budget development and management, as well as to engage in strategic, long-term financial planning which attempts to forecast the need for future educational and capital expenditures.

As part of the School District’s long-term planning, the Treasurer/CFO prepares a five-year financial forecast. This document provides a snapshot of historical and projected revenues and expense over the next five years and is accompanied by the financial assumption notes. The Board of Education approves this document on a semi-annual basis.

Relevant Financial Policies

Budget Development Process

In January of each year, the school district is required to develop a Tax Budget that is submitted to the Cuyahoga County Fiscal Officer. The purpose of the tax budget is to identify available resources, and to establish the need for tax revenues by identifying estimated budget for the upcoming fiscal year (July 1 to June 30th) for each fund.

In February and March of each year, the School District administration determines staffing levels for the upcoming school year based on enrollment estimates and course offerings. Staffing level determinations are led by the Assistant Superintendent and ultimately approved by the Superintendent.

In March, central office departments and school buildings will receive their general fund non-personnel building allocations. School building allocations are determined by the total amount available for buildings and allocated based on a per pupil amount. The total amount available for building allocations in fiscal year 2017 is \$547,050 which is a \$1,500 decrease from fiscal year 2016. The per pupil amount for fiscal year 2017 is \$105 which is a \$5 increase to fiscal year 2016. Textbooks, instructional supplies, and custodial supplies are allocated within the central office departmental budgets. Central office departmental and school building budgets are due back to the Treasurer’s office by mid-April.

Once staffing is complete, the Treasurer’s office updates the five-year forecast for the current fiscal year and the following years. The Board of Education must adopt and submit the updated five-year forecast to the Ohio Department of Education, no later than May 31st.

After the completion of the five-year forecast, all central office and school building budgets are reviewed and then aggregated into a Temporary Appropriation which must be adopted by the Board of Education no later than June 30th. By state law, the Board of Education must adopt a Temporary Appropriation on or before June 30th for the fiscal year beginning on July 1st. The temporary appropriation consists of 50% of the annual salary and benefits estimates and 100% of the non-personnel items. By law, the School District must adopt the annual appropriation measure by October 1st of the fiscal year.

Over the course of the summer, staffing adjustments are made due to employees who either retire and/or resign and as student enrollment is finalized for the upcoming school year. After the summer staffing period has been completed, the annual budget is finalized and adopted by the Board of Education in September. During the year, appropriations are subject to amendment as funds become available, or as needs arise, departments and/or schools need to adjust their budgets. At the end of the fiscal year and no later than June 30th, the School District will adopt a final appropriation. This is done to comply with state law to assure no expenditures plus encumbrances exceed the appropriation amount and no appropriation total by fund exceeds the available resources. The School District's legal level of budgetary control is at the fund level.

In conjunction with the annual budget, the Board of Education must adopt and submit the annual five-year forecast to the Ohio Department of Education no later than October 31st.

BUDGET TIMELINE	
DATE	ACTION
January	Tax Budget Approval for all funds with available resources
February / March	Prepare staffing estimates based on enrollment projects.
March / April	Distribute and collect central office departmental and school buildings budgets for all funds. Staffing is finalized.
May	Board of Education adopts updated Five-Year Forecast
June	Board of Education adopts final appropriation for current fiscal year ending and temporary appropriation for upcoming fiscal year.
July / August	Summer staffing adjustments are completed and finalized.
September	Board of Education adopts annual appropriation.
October	Board of Education adopts current year Five-Year Forecast.

Budget Management Process

Throughout the course of the year, there are various factors that impact expenditures which could impact the budget and five-year forecast from the original projections. It is critical that the administration and Board of Education constantly monitor the budget to identify inconsistencies and make the appropriate adjustments when needed.

At the end of each month, the Treasurer's Office publishes a monthly board financial report which is then presented and approved monthly at the Board of Education regular meetings. Included in the report is a monthly comparison of revenue and expenditures by category and object for the current year and the previous two years. Revenues to date are compared to the five year forecast and then projected for the remaining of the fiscal year. Expenditures are measured based on two analysis 1) the time elapsed, the percent of the number of months have passed compared to the percent of the budget spent and encumbered 2) the payroll test, the percent of the number of pay periods that have passed compared to the percent of the budget spent and encumbered. Any discrepancies are investigated and explained in the monthly Board report.

Central office departments and school buildings are responsible for managing their budget and submitting budget adjustments. Budget adjustments are only permitted within the same fund and if resources are available. Deficit spending is prohibited, if a deficit does occur, a budget adjustment will be made.

Internal Controls

Management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse. The internal control structure ensures that accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and county financial assistance, the School District is also responsible for maintaining a rigorous internal control structure that ensures full compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and external auditors. The School District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act and *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*." The information related to the Single Audit, including the schedule of federal awards expenditures, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in a separate report.

Acknowledgments

The publication of this report signifies a professionalizing of the School District's financial reporting. It enhances the School District's accountability to taxpayers, investors, and other internal and external users of such information.

The preparation of this report would not have been possible without the assistance and support of the entire Treasurer's office staff of Dawn Evangelista, Ruthann Franczak, Judy Jurcago, Joan Kohuth, Karen Rich, Marie Matzke, and Robert Showalter.

Finally, we would like to acknowledge the Board of Education's commitment to excellence to the School District and support for this project.

Respectfully submitted,



George K. Anagnostou
Treasurer/CFO



Cameron M. Ryba
Superintendent of Schools

Strongsville City School District
Board Members
Elected At Large For Overlapping Four-Year Terms

<u>Name</u>	<u>Began Service as a Board Member</u>	<u>Present Term Expires December 31</u>
Mr. Carl W. Naso, Board President	2011	2019
Mr. Richard O. Micko, Vice President	2012	2019
Colonel Duke Evans	2014	2017
Mr. George A. Grozan	2014	2017
Mrs. Jane L. Ludwig	2014	2019

Strongsville City School District
Senior Appointed Officials

Appointed Positions by the Board of Education:

Mr. Cameron M. Ryba	Superintendent
Mr. George K. Anagnostou	Treasurer/CFO

Central Office Leadership Team (COLT) Appointed by the Superintendent:

Mrs. Jennifer Pelko	Assistant Superintendent
Mr. Mark Donnelly	Business Manager
Mrs. Erin Green	Director of Curriculum and Instruction
Mr. Andy Trujillo	Director of Special Education
Ms. Vicki A. Turner	Director of Instructional Technology

Building Principals Appointed by the Superintendent:

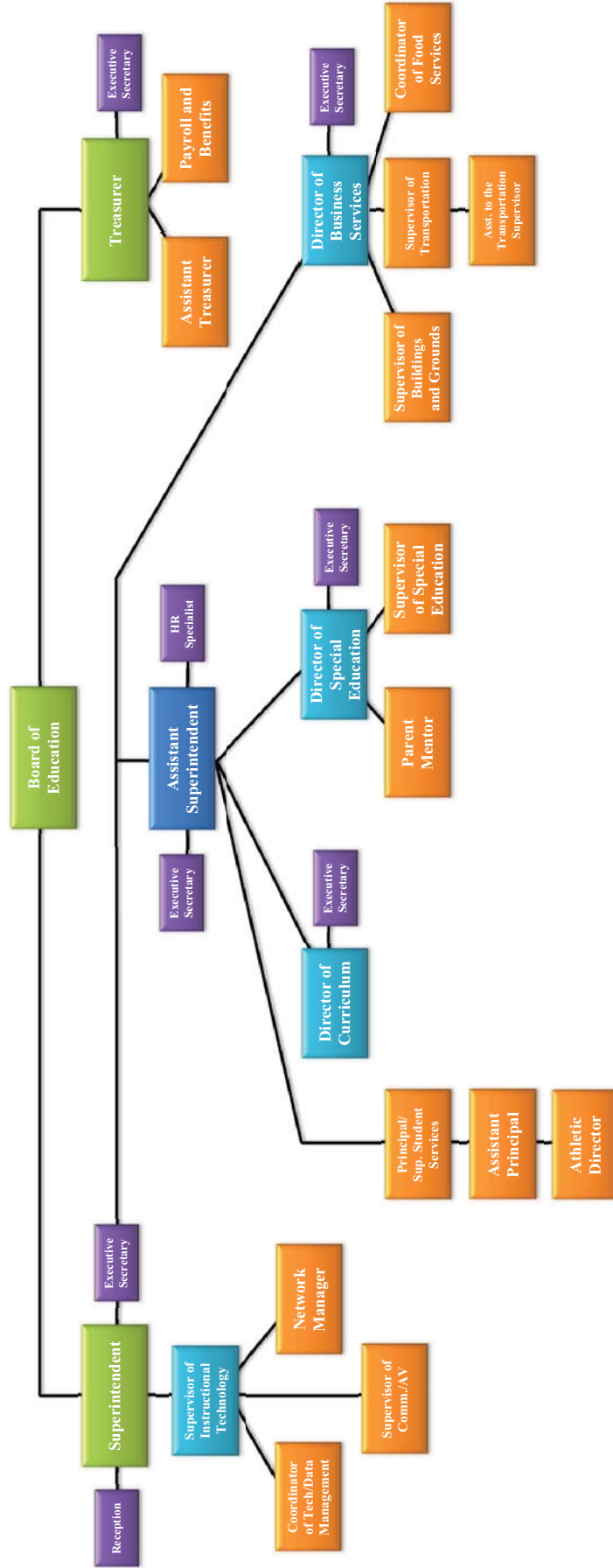
Mr. Greg Pollock	Chapman Elementary
Mr. Adam Marino	Kinsner Elementary
Mrs. Justina Peters	Muraski Elementary
Dr. Denise Abboud	Strongsville Early Learning Preschool
Mr. Mark E. Smithberger	Strongsville High School
Mr. Steve Deitrick	Strongsville Middle School (a)
Dr. Sally Raso	Surrarer Elementary
Mr. Glen L. Stacho	Whitney Elementary

(a) Strongsville Middle School opened during fiscal year 2017.

Strongsville City Schools Organizational Chart

Board of Education/Administration

2015-16



FINANCIAL SECTION



Back of divider page.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Strongsville City School District
Cuyahoga County
18199 Cook Avenue
Strongsville, Ohio 44136

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Strongsville City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Strongsville City School District, Cuyahoga County, Ohio, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2016 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 29, 2016

THIS PAGE INTENTIONALLY LEFT BLANK.

STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

The discussion and analysis of Strongsville City School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. 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 financial statements and notes to those respective statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial Highlights for 2016 are as follows:

- In total, net position increased by \$ 15,718,811.
- Revenues for governmental activities totaled \$ 93,557,059 in 2016. Of this total, 93.4 percent consisted of general revenues while program revenues accounted for the balance of 6.6 percent.
- Program expenses totaled \$ 77,838,248. Instructional expenses made up 52.2 percent of this total while support services accounted for 37.3 percent. Other expenses rounded out the remaining 10.5 percent.
- Outstanding long-term obligations, excluding net pension liability, had a net decrease of \$ 3,414,811.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during 2016?" The *Statement of Net Position* and the *Statement of Activities* answers this question. These statements include all non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's performance, demographic and socioeconomic factors and willingness of the community to support the School District. On the other hand, financial factors may include the School District's financial position, liquidity and solvency, fiscal capacity and risk and exposure. In the *Statement of Net Position* and the *Statement of Activities*, the School District is classified into governmental activities. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food service, community services and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 14. 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 and the Building fund.

STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

Governmental Funds

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

The School District as a Whole

You may recall that the *Statement of Net Position* provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2016 compared to 2015.

Table I
Net Position
Governmental Activities

	<u>2016</u>	<u>2015</u>
Assets		
Current and other assets	\$ 105,033,406	\$ 137,426,757
Total capital assets, net	<u>102,242,798</u>	<u>66,081,671</u>
Total assets	<u>207,276,204</u>	<u>203,508,428</u>
Deferred outflows of resources		
Deferred charge on refunding	81,730	86,032
Pension	<u>9,590,467</u>	<u>6,343,593</u>
Total deferred outflows of resources	<u>9,672,197</u>	<u>6,429,625</u>
Liabilities		
Current liabilities	12,146,106	11,350,839
Long term liabilities		
Due within one year	2,632,460	2,927,188
Net pension liability	101,516,891	90,444,363
Due in more than one year	<u>90,658,807</u>	<u>93,778,890</u>
Total liabilities	<u>206,954,264</u>	<u>198,501,280</u>
Deferred inflows of resources		
Property taxes levied for next year	37,188,483	48,520,907
Pension	<u>7,198,045</u>	<u>13,027,068</u>
Total deferred inflows of resources	<u>44,386,528</u>	<u>61,547,975</u>
Net position		
Net investment in capital assets	35,068,282	34,020,381
Restricted	7,649,482	6,428,992
Unrestricted	<u>(77,110,155)</u>	<u>(90,560,575)</u>
Total net position	<u>\$ (34,392,391)</u>	<u>\$ (50,111,202)</u>

STRONGSVILLE CITY SCHOOL DISTRICT*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

Details of Table I
Net Position
Governmental Activities

	2016	2015	Change
Assets			
Equity in pooled cash	\$ 49,184,752	\$ 79,837,777	\$ (30,653,025)
Accounts receivable	17,403	17,127	276
Due from other governments	30,091	221,808	(191,717)
Taxes receivable	55,801,160	57,350,045	(1,548,885)
Capital assets			
Nondepreciable capital assets	68,301,104	30,580,981	37,720,123
Depreciable capital assets	33,941,694	35,500,690	(1,558,996)
Total assets	207,276,204	203,508,428	3,767,776
Deferred outflows of resources			
Deferred charge on refunding	81,730	86,032	(4,302)
Pension	9,590,467	6,343,593	3,246,874
Total deferred outflows of resources	9,672,197	6,429,625	3,242,572
Liabilities			
Accounts and contracts payable	4,829,818	4,778,094	51,724
Accrued salaries, wages and benefits	4,946,055	3,955,387	990,668
Claims payable	999,000	986,000	13,000
Accrued interest payable	270,600	278,300	(7,700)
Intergovernmental payable	1,100,633	1,353,058	(252,425)
Long-term liabilities			
Due within one year	2,632,460	2,927,188	(294,728)
Net pension liability	101,516,891	90,444,363	11,072,528
Due in more than one year	90,658,807	93,778,890	(3,120,083)
Total liabilities	206,954,264	198,501,280	8,452,984
Deferred inflows of resources			
Property taxes levied for next year	37,188,483	48,520,907	(11,332,424)
Pension	7,198,045	13,027,068	(5,829,023)
Total deferred inflows of resources	44,386,528	61,547,975	(17,161,447)
Net position			
Net investment in capital assets	35,068,282	34,020,381	1,047,901
Restricted	7,649,482	6,428,992	1,220,490
Unrestricted	(77,110,155)	(90,560,575)	13,450,420
Total net position	\$ (34,392,391)	\$ (50,111,202)	\$ 15,718,811

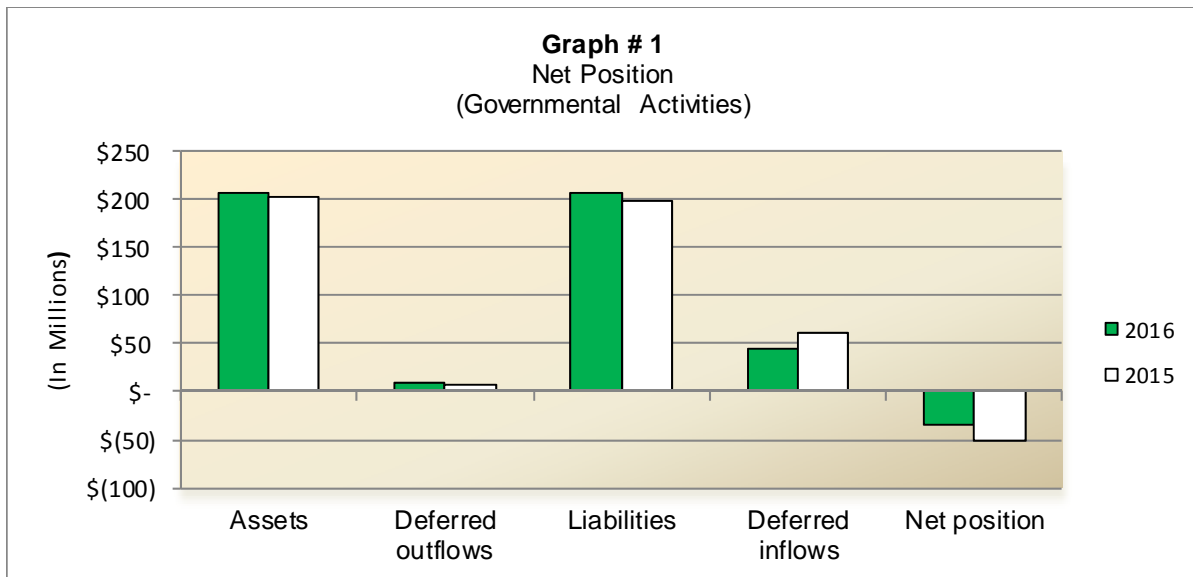
STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

Net Position
(in Millions)

	2016	2015
Assets	\$ 207.3	\$ 203.5
Deferred outflows	9.7	6.4
Liabilities	207.0	198.5
Deferred inflows	44.4	61.5
Net position	<u>\$ (34.4)</u>	<u>\$ (50.1)</u>



The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2016 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

GASB 68 requires the net pension liability to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the School District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

Total assets increased by \$ 3,767,776. This increase is due to a net increase of \$ 36,161,127 in capital assets, which was offset with a decrease of \$ 30,653,025 in equity in pooled cash and a net decrease of \$ 1,740,326 in receivables.

Total liabilities increased by \$ 8,452,984. This increase is due to an increase of \$ 11,072,528 in net pension liability and \$ 990,668 in accrued salaries, wages and benefits. These increases were offset with decreases of \$ 3,414,811 in long-term liabilities and \$ 252,425 intergovernmental payable.

The vast majority of revenue supporting all governmental activities is general revenue. General revenue totaled \$ 87,380,041 or 93.4 percent of total revenue. The most significant portion of the general revenue is local property tax. The remaining amount of revenue received was in the form of program revenues, which equated to \$ 6,177,018 or only 6.6 percent of total revenue.

STRONGSVILLE CITY SCHOOL DISTRICT*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

Table 2 shows the changes in net position for fiscal years 2016 and 2015.

Table 2
Changes in Net Position
Governmental Activities

	2016	2015	Change
Revenues			
Program revenues			
Charges for services and sales	\$ 2,856,496	\$ 2,861,457	\$ (4,961)
Operating grants, interest and contributions	3,320,522	3,226,892	93,630
Total program revenues	<u>6,177,018</u>	<u>6,088,349</u>	<u>88,669</u>
General revenues			
Property taxes	64,387,134	47,532,437	16,854,697
Grants and entitlements not restricted to specific purposes	20,205,928	20,515,068	(309,140)
Payments in lieu of taxes	2,113,540	2,936,033	(822,493)
Investment earnings	216,918	109,454	107,464
Miscellaneous	456,521	214,628	241,893
Total general revenues	<u>87,380,041</u>	<u>71,307,620</u>	<u>16,072,421</u>
Total revenues	<u>93,557,059</u>	<u>77,395,969</u>	<u>16,161,090</u>
Program expenses			
Instruction			
Regular	29,420,756	26,947,220	2,473,536
Special	10,605,450	9,413,173	1,192,277
Vocational	556,455	474,334	82,121
Other instruction	33,532	117,156	(83,624)
Supporting services			
Pupil	5,194,604	5,070,679	123,925
Instructional staff	3,129,567	2,927,523	202,044
Board of education	30,998	30,812	186
Administration	4,395,090	4,611,018	(215,928)
Fiscal services	1,488,167	1,602,771	(114,604)
Business	704,418	566,078	138,340
Operation and maintenance	7,918,626	7,496,974	421,652
Pupil transportation	4,709,998	4,308,928	401,070
Central services	1,504,052	1,399,260	104,792
Operation of non-instructional services			
Food service operation	1,767,925	1,655,077	112,848
Community services	629,041	591,274	37,767
Other non-instructional services	981,433	24,682	956,751
Extracurricular activities	1,585,027	1,616,007	(30,980)
Interest and fiscal charges	3,183,109	3,358,588	(175,479)
Total program expenses	<u>77,838,248</u>	<u>72,211,554</u>	<u>5,626,694</u>
Increase in net position	15,718,811	5,184,415	10,534,396
Net position at beginning of year	(50,111,202)	(55,295,617)	5,184,415
Net position at end of year	<u>\$ (34,392,391)</u>	<u>\$ (50,111,202)</u>	<u>\$ 15,718,811</u>

STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

Governmental Activities

General Revenues

General revenues for the School District are comprised almost entirely of property taxes collections and grants from various sources. Property taxes made up 73.7 percent and 66.7 percent and grants made up 23.1 percent and 28.77 percent of general revenues for governmental activities for the School District in fiscal years 2016 and 2015, respectively.

The unusual nature of property tax legislation in the State of Ohio creates the need to routinely seek voter approval for increases in operating funds to maintain a constant level of service. As a result of legislation enacted in 1976, the overall revenue generated by a voted millage does not increase as a result of inflation. As an example, a homeowner with a home valued at \$ 100,000 (assessed value of \$ 35,000) and taxed at 1.0 mill would pay \$ 35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (assessed value of \$ 70,000) the effective tax rate would become 0.5 mill and the owner would still pay \$ 35.00. Because of this taxation methodology, real property tax assessments due to the School District have held steady for the past several years.

The voters of the City of Strongsville approved a new property tax levy in August 2002. This is a 6 mill 5 year renewal operating levy which generates an estimated amount of \$ 7.9 million dollars per year if collected at 100 percent. Collections began in the second half of fiscal year 2002. This levy was renewed in November 2006 and again in March 2012. The levy is set to expire in November of collection year 2017, if not renewed prior.

The voters of the City of Strongsville approved a new property tax levy in November 2007. This is a 6.5 mill continuing operating levy which is estimated to generate approximately \$ 9.2 million dollars per year if collected at 100 percent. Collections began in the second half of fiscal year 2007.

The voters of the City of Strongsville approved a new property tax levy in November 2012. This was a \$ 81,000,000 bond issue for the purpose of constructing Strongsville Middle School, renovation of Strongsville High School, improvements and technology upgrades to elementary buildings, and demolition of closed facilities. Collections began in the second half of fiscal year 2012 and the levy is set to expire in November of collection year 2045.

The primary source of grant revenue is State general operating aid known as the "Foundation Program Aid". Established by Ohio law and funded by the biennial appropriations, the Foundation Program is a statutory program through which the State currently makes direct payments to school districts based upon a statutory formula. Moneys distributed to a school district under the existing Foundation Program are required to be used for current operating expenses, unless specifically allocated by the State for some other purpose.

Program Revenues

Program revenues comprise 6.6 percent of total revenues. Program revenues are made up of a combination of operating grants from the federal government and charges for services by the School District for specific services/programs such as student fees for consumables and student fundraiser for specific student activities. These amounts can vary from year to year depending on the amount that is made available for grants and the needs of the School District.

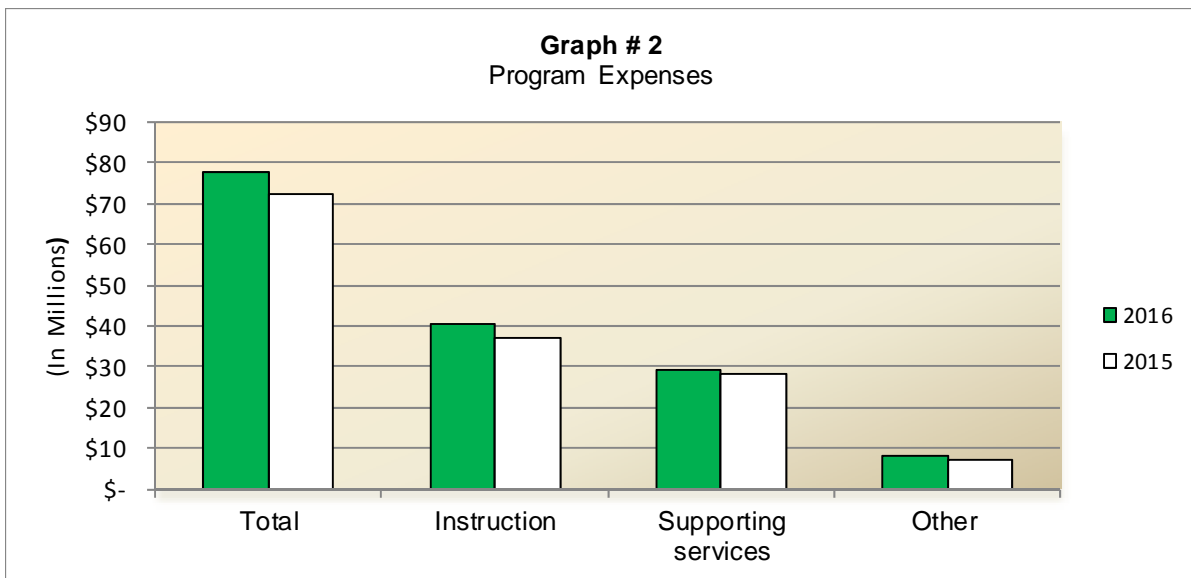
STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

**Program Expenses
(in millions)**

	2016	2015
Instruction	\$ 40.6	\$ 37.0
Supporting services	29.1	28.0
Other	8.1	7.2
Total	\$ 77.8	\$ 72.2



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

Approximately 52.2 percent of the School District's budget is used to fund instructional expenses. Additional supporting services for pupils, staff and business operations encompass an additional 37.3 percent. The remaining amount of program expenses, roughly 10.5 percent, is budgeted to facilitate other obligations of the School District such as food services, community services, interest and fiscal charges and numerous extracurricular activities.

STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services 2016	Net Cost of Services 2016
Governmental activities:		
Instruction		
Regular	\$ 29,420,756	\$ (28,020,043)
Special	10,605,450	(9,717,145)
Vocational	556,455	(556,455)
Other instruction	33,532	(11,379)
Supporting services		
Pupil	5,194,604	(4,835,692)
Instructional staff	3,129,567	(2,843,553)
Board of education	30,998	(30,998)
Administration	4,395,090	(4,184,991)
Fiscal services	1,488,167	(1,488,167)
Business	704,418	(704,418)
Operation and maintenance	7,918,626	(7,918,626)
Pupil transportation	4,709,998	(4,709,998)
Central services	1,504,052	(1,504,052)
Operation of non-instructional services		
Food service operation	1,767,925	(107,672)
Community services	629,041	(15,701)
Other non-instructional services	981,433	(981,433)
Extracurricular activities	1,585,027	(847,798)
Interest and fiscal charges	3,183,109	(3,183,109)
Total	<u>\$ 77,838,248</u>	<u>\$ (71,661,230)</u>

As one can see, the reliance upon local tax revenues for governmental activities is crucial. Approximately 82.7 percent of expenses are directly supported by local property taxes. Grant and entitlements not restricted to specific programs support 26.0 percent. Program revenues only account for 7.9 percent of all governmental expenses. Investment and other miscellaneous type revenues support the remaining activity costs.

Clearly, the Strongsville community is by far the greatest source of financial support for the students of the Strongsville City Schools.

STRONGSVILLE CITY SCHOOL DISTRICT*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

School District's funds

Information regarding the School District's major funds can be found on page 21. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$ 95,315,759 and expenditures of \$ 115,656,101, exclusive of other financing sources (uses). A two year comparison of revenues, expenditures, other financing sources (uses), and changes in fund balances for the General Fund and the Building Fund are presented on the following pages.

	General Fund		
	2016	2015	Change
Revenue			
Taxes	\$ 60,219,725	\$ 42,984,143	\$ 17,235,582
Payment in lieu of taxes	2,113,540	2,936,033	(822,493)
Tuition and fees	1,000,564	996,652	3,912
Interest	37,333	16,558	20,775
Intergovernmental	19,886,479	20,086,505	(200,026)
Extracurricular	362,231	332,121	30,110
Other	250,106	217,015	33,091
Total revenues	<u>83,869,978</u>	<u>67,569,027</u>	<u>16,300,951</u>
Expenditures			
Current			
Instruction	38,568,070	38,547,201	20,869
Supporting services	26,807,824	27,280,275	(472,451)
Operation of non-instructional services	703,069	24,682	678,387
Extracurricular activities	1,124,532	1,160,536	(36,004)
Debt service			
Principal	374,604	356,284	18,320
Interest	180,209	196,754	(16,545)
Total expenditures	<u>67,758,308</u>	<u>67,565,732</u>	<u>192,576</u>
Excess (deficiency) of revenues over expenditures	<u>16,111,670</u>	<u>3,295</u>	<u>16,108,375</u>
Other financing sources (uses)			
Transfers out	-	(210,000)	210,000
Proceeds sale of capital assets	35,543	103,657	(68,114)
Total other financing sources (uses)	<u>35,543</u>	<u>(106,343)</u>	<u>141,886</u>
Net change in fund balances	16,147,213	(103,048)	16,250,261
Fund balances, beginning of year	<u>12,144,298</u>	<u>12,247,346</u>	<u>(103,048)</u>
Fund balances, end of year	<u>\$ 28,291,511</u>	<u>\$ 12,144,298</u>	<u>\$ 16,147,213</u>

The increase in the General Fund's fund balance is mainly due to an increase in property tax revenue received and amount available for advance from the county fiscal officer.

STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

	Building Fund		
	2016	2015	Change
Revenue			
Interest	\$ 167,820	\$ 85,291	\$ 82,529
Total revenues	<u>167,820</u>	<u>85,291</u>	<u>82,529</u>
Expenditures			
Current			
Supporting services	84,638	1,948,389	(1,863,751)
Capital outlay	<u>37,711,986</u>	<u>20,215,019</u>	<u>17,496,967</u>
Total expenditures	<u>37,796,624</u>	<u>22,163,408</u>	<u>15,633,216</u>
Net change in fund balances	(37,628,804)	(22,078,117)	(15,550,687)
Fund balances, beginning of year	<u>53,083,559</u>	<u>75,161,676</u>	<u>(22,078,117)</u>
Fund balances, end of year	<u>\$ 15,454,755</u>	<u>\$ 53,083,559</u>	<u>\$ (37,628,804)</u>

The School District has a multi-year building improvement plan funded by a voter approved \$ 82 million bond issue, which proceeds were received in 2013. The Building Fund will be used to construct a new middle school for grades 6-8, renovate the high school and also make improvements to the elementary schools. As part of these changes the district will demolish the two current 7th and 8th grade middle schools and the Board of Education has also approved closing an elementary school at the end of the 2015 school year and another at the end of the 2016 school year, leaving five elementary schools in the district.

STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

General Fund Budgeting Highlights

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

The School District uses a site-based style of budgeting and has in place systems that are designed to tightly control expenditures but provide flexibility for site-based decision and management.

For the General Fund, the original and final budget basis revenue and other sources estimate totaled \$ 71,732,380 and \$ 72,100,816, respectively. Actual revenues and other sources were \$ 72,882,558 which was \$ 781,742 higher than the final budgeted amount. The original and final budget basis expenditures and other uses estimate totaled \$ 71,376,449 and \$ 71,376,449 respectively. Actual budget basis expenditures and other uses were \$ 67,861,632 which was \$ 3,514,817 less than the final budgeted appropriations.

The General Fund unencumbered ending cash balance totaled \$ 17,378,116.

Capital Assets and Debt Administration

Capital Assets

At the end of Fiscal Year 2016, the School District had \$ 102,242,798 invested in land, construction in progress, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal 2016 values compared to 2015.

Table 4
Capital Assets
(Net of Accumulated Depreciation)

	June 30, 2016	June 30, 2015
Land	\$ 2,690,686	\$ 2,767,186
Construction in progress	65,610,418	27,813,795
Buildings and improvements	30,709,659	32,214,978
Furniture and equipment	1,550,952	1,621,974
Vehicles	1,681,083	1,663,738
Total net capital assets	<u>\$ 102,242,798</u>	<u>\$ 66,081,671</u>

All capital assets, except land and construction in progress are reported net of depreciation. As one can see, the main decrease in capital assets during the fiscal year occurred in the categories of building and improvements and furniture and equipment. For additional information, see Note 9 of the Notes to the Basic Financial Statements.

STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

Debt

At June 30, 2016, the School District had \$ 194,808,158 of long-term obligations outstanding.

Table 5
Outstanding Debt Year-End

	June 30, 2016	June 30, 2015
Bonds payable	\$ 80,190,049	\$ 81,884,653
Certificates of participation	3,800,000	3,940,000
Unamortized bond premium	3,318,138	3,429,995
Net pension liability	101,516,891	90,444,363
Compensated absences	5,983,080	7,451,430
	<u>\$ 194,808,158</u>	<u>\$ 187,150,441</u>

Outstanding bonds consist of general obligation bonds for building issues. General obligation bonds are direct obligations of the School District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property of the School District. General obligation bonds will be paid from the Debt Service Fund with property taxes revenue. The certificates of participation are not general obligations of the School District, but are paid from the Debt Service Fund.

For additional debt obligation information see Notes 14 and 15 of the Notes to the Basic Financial Statements.

School District Outlook

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast and the School District Continuous Improvement Plan.

In SY 2013 the District earned 5 Fs, 3Bs and 1 A. In SY 2014 the District earned: 6As, 3Bs, 1C, which was a significant advance from the previous year. The District was one of eight in the state of Ohio to improve six or more letter grades on the report card between SY 2013 and SY 2014.

In 2015 the District continued its high performance and earned 6As, 3Bs and a C. For the 2016 state report card, the District earned 3 Cs, 1 A, 1 B and 1 F. Despite this drop from the 2015 report card, this aligned to trends in the State results. From this recent report card data, the district has designed a 3 year instructional innovation plan and 8 individual building plans to address deficits and increase test scores and student gains.

The financial future of the School District is not without its challenges though. These challenges are internal and external in nature. The internal challenges will continue to exist as the School District must rely heavily on local property taxes to fund its operations. External challenges are mostly centered on state funding. The School District has lost 27.4 percent or \$ 4,866,000 of its state funding since fiscal year 2009 and 4.5 percent or \$ 3,389,000 of its total General Fund revenues since fiscal year ended June 30, 2009 compared to fiscal year 2017 forecasted estimates.

The School District has communicated to the community that the School District relies upon their support for the majority of its operations, and will continue to work diligently to plan expenses, staying carefully within the School District's financial five-year plan.

STRONGSVILLE CITY SCHOOL DISTRICT

*Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016*

(Unaudited)

Due to the enrollment decline, the School District has increased efficiencies by eliminating six (6) buildings and will repurpose one (1) building to save resources and maximize educational offerings. Allen Elementary was closed in fiscal year (FY) 2010, Zellers Elementary was closed in FY 2015 and repurposed into administration office in FY 2016, Drake Elementary, OPS and Board office closed in FY 2016. In addition Albion and Center Middle Schools closed and consolidated into the new Strongsville Middle School in FY 2016. Along with the savings of operational costs due to the closing of buildings the district anticipates reducing positions by: 24 in FY 2016, 26 in FY 2017, 5 in FY 2018 and 9 in FY 2019.

The School District does not anticipate any significant growth from the state due to the economic climate. In June 2006, the State of Ohio enacted legislation, portions of which take effect at various times, that phased out the taxation of tangible personal property used in business (other than certain public utility tangible personal property) over four years from tax year 2007 to tax year 2011. To compensate local government units for the foregone revenue, the enacted legislation provides for State reimbursements from revenue generated by the enacted commercial activities tax. Recently, under the recent changes within H.B 64 and S.B 208, the School District is scheduled to lose State Tangible Personal Property Tax Reimbursements in the amounts of \$ 500,000 in FY 2017 and an additional \$ 3,100,000 in FY 2018 for a total loss of revenue of \$ 3,600,000.

The Strongsville residents approved a 6 mill, 5 year operating renewal levy in the spring of 2012, which will expire in November 2017 if not renewed. With the recent building closures and reduction of positions, the School District has prolonged any future deficits until FY 2020 assuming the renewal levy is approved. The School District will continue to explore efficiencies and revenue options to alleviate future year deficits.

As a result of the challenges mentioned above, it is imperative the School District's management continue to carefully and prudently plan in order to provide the resources required to meet student needs over the next several years.

In summary, the Strongsville City School District Board of Education has committed to the goals of Student Achievement and Growth, and Financial Prudence.

Contacting the School District's Financial Management

This financial report is designated to provide our citizens, taxpayers and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact George K. Anagnostou, Treasurer/CFO at Strongsville City School District, 18199 Cook Avenue, Strongsville, OH 44136, and (440) 572-7021 or by email ganagnostou@scsmustangs.org.

STRONGSVILLE CITY SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2016

	<u>Governmental Activities</u>
Assets	
Equity in pooled cash	\$ 49,184,752
Accounts receivable	17,403
Due from other governments	30,091
Taxes receivable	55,801,160
Capital assets	
Nondepreciable capital assets	68,301,104
Depreciable capital assets	33,941,694
Total assets	<u>207,276,204</u>
Deferred outflow s of resources	
Deferred charge on refunding	81,730
Pension	9,590,467
Total deferred outflow s of resources	<u>9,672,197</u>
Liabilities	
Accounts and contracts payable	4,829,818
Accrued salaries, w ages and benefits	4,946,055
Claims payable	999,000
Accrued interest payable	270,600
Intergovernmental payable	1,100,633
Long-term liabilities	
Due w ithin one year	2,632,460
Net pension liability	101,516,891
Due in more than one year	90,658,807
Total liabilities	<u>206,954,264</u>
Deferred inflow s of resources	
Property taxes levied for next year	37,188,483
Pension	7,198,045
Total deferred inflow s of resources	<u>44,386,528</u>
Net position	
Net investment in capital assets	35,068,282
Restricted for:	
Debt service	6,314,457
Capital projects	655,132
Food service	108,139
Extracurricular activities	252,715
State grants	69,707
Donations	249,332
Unrestricted	(77,110,155)
Total net position	<u>\$ (34,392,391)</u>

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Interest and Contributions	
Governmental activities:				
Instruction				
Regular	\$ 29,420,756	\$ 1,135,618	\$ 265,095	\$ (28,020,043)
Special	10,605,450	-	888,305	(9,717,145)
Vocational	556,455	-	-	(556,455)
Other instruction	33,532	-	22,153	(11,379)
Supporting services				
Pupil	5,194,604	-	358,912	(4,835,692)
Instructional staff	3,129,567	-	286,014	(2,843,553)
Board of education	30,998	-	-	(30,998)
Administration	4,395,090	-	210,099	(4,184,991)
Fiscal services	1,488,167	-	-	(1,488,167)
Business	704,418	-	-	(704,418)
Operation and maintenance	7,918,626	-	-	(7,918,626)
Pupil transportation	4,709,998	-	-	(4,709,998)
Central services	1,504,052	-	-	(1,504,052)
Operation of non-instructional services				
Food service operation	1,767,925	990,699	669,554	(107,672)
Community services	629,041	-	613,340	(15,701)
Other non-instructional services	981,433	-	-	(981,433)
Extracurricular activities	1,585,027	730,179	7,050	(847,798)
Interest and fiscal charges	3,183,109	-	-	(3,183,109)
Total	<u>\$ 77,838,248</u>	<u>\$ 2,856,496</u>	<u>\$ 3,320,522</u>	<u>(71,661,230)</u>

General revenues	
Property taxes levied for:	
General purposes	58,615,225
Debt service	4,529,756
Capital improvements	1,242,153
Grants and entitlements not restricted to specific purposes	20,205,928
Payments in lieu of taxes	2,113,540
Investment earnings	216,918
Miscellaneous	456,521
Total general revenues	<u>87,380,041</u>
Change in net position	15,718,811
Net position at beginning of year	(50,111,202)
Net position at end of year	<u>\$ (34,392,391)</u>

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in pooled cash	\$ 19,493,238	\$ 20,051,941	\$ 6,473,766	\$ 46,018,945
Receivables, net of allowance				
Taxes, current	49,273,871	-	4,805,889	54,079,760
Taxes, delinquent	1,568,400	-	153,000	1,721,400
Accounts and other	17,403	-	-	17,403
Due from other governments	-	-	30,091	30,091
Interfund receivables	30,091	-	900	30,991
Total assets	\$ 70,383,003	\$ 20,051,941	\$ 11,463,646	\$ 101,898,590
Liabilities				
Accounts and contracts payable	\$ 113,973	\$ 4,597,186	\$ 118,659	\$ 4,829,818
Accrued salaries, wages and benefits	4,705,183	-	240,872	4,946,055
Intergovernmental payable	1,025,359	-	75,274	1,100,633
Interfund payable	900	-	30,091	30,991
Compensated absences	718,872	-	-	718,872
Total liabilities	6,564,287	4,597,186	464,896	11,626,369
Deferred inflows of resources				
Property taxes levied for next year and unavailable resources	35,527,205	-	3,382,678	38,909,883
Total deferred inflows of resources	35,527,205	-	3,382,678	38,909,883
Fund balances (deficits)				
Restricted	-	15,454,755	7,791,930	23,246,685
Committed	500,336	-	-	500,336
Assigned	1,188,057	-	-	1,188,057
Unassigned	26,603,118	-	(175,858)	26,427,260
Total fund balances (deficits)	28,291,511	15,454,755	7,616,072	51,362,338
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 70,383,003	\$ 20,051,941	\$ 11,463,646	\$ 101,898,590

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2016

Total governmental fund balances	\$ 51,362,338
Amount reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	102,242,798
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflow s in the funds. These deferrals are primarily attributed to property taxes.	1,721,400
Unamortized deferred charges on refundings are not recognized in the funds.	81,730
In the statement of activities, interest is accrued on outstanding long-term obligations, w hereas in governmental funds, an interest expenditure is reported w hen due.	(270,600)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	2,166,807
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflow s/outflow s are not reported in governmental funds.	
Deferred outflow s - pension	9,590,467
Deferred inflow s - pension	(7,198,045)
Net pension liability	(101,516,891)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences payable	(5,264,208)
Bonds payable and certificates of participation	(83,990,049)
Unamortized bond premium	(3,318,138)
	(92,572,495)
Net position of governmental activities	\$ (34,392,391)

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenue				
Taxes	\$ 60,219,725	\$ -	\$ 5,926,109	\$ 66,145,834
Payment in lieu of taxes	2,113,540	-	-	2,113,540
Tuition and fees	1,000,564	-	-	1,000,564
Interest	37,333	167,820	11,765	216,918
Intergovernmental	19,886,479	-	3,639,971	23,526,450
Extracurricular	362,231	-	347,475	709,706
Charges for services	-	-	980,482	980,482
Other	250,106	-	372,159	622,265
Total revenues	<u>83,869,978</u>	<u>167,820</u>	<u>11,277,961</u>	<u>95,315,759</u>
Expenditures				
Current				
Instruction				
Regular	28,665,063	-	35,551	28,700,614
Special	9,373,494	-	994,815	10,368,309
Vocational	529,513	-	-	529,513
Other instruction	-	-	32,978	32,978
Supporting services				
Pupil	4,720,356	-	360,377	5,080,733
Instructional staff	2,712,597	-	286,464	2,999,061
Board of education	29,531	-	-	29,531
Administration	4,184,452	-	256,570	4,441,022
Fiscal services	1,380,984	-	60,228	1,441,212
Business	706,945	-	-	706,945
Operation and maintenance	6,978,839	-	661,966	7,640,805
Pupil transportation	4,674,104	84,638	-	4,758,742
Central services	1,420,016	-	-	1,420,016
Operation of non-instructional services				
Food service operation	-	-	1,739,487	1,739,487
Community services	-	-	617,079	617,079
Other non-instructional services	703,069	-	-	703,069
Extracurricular activities	1,124,532	-	409,024	1,533,556
Capital outlay	-	37,711,986	68,475	37,780,461
Debt service				
Principal	374,604	-	1,460,000	1,834,604
Interest	180,209	-	3,118,155	3,298,364
Total expenditures	<u>67,758,308</u>	<u>37,796,624</u>	<u>10,101,169</u>	<u>115,656,101</u>
Excess (deficiency) of revenues over expenditures	<u>16,111,670</u>	<u>(37,628,804)</u>	<u>1,176,792</u>	<u>(20,340,342)</u>
Other financing sources				
Proceeds from sale of capital assets	35,543	-	-	35,543
Total other financing sources	<u>35,543</u>	<u>-</u>	<u>-</u>	<u>35,543</u>
Net change in fund balances	16,147,213	(37,628,804)	1,176,792	(20,304,799)
Fund balances, beginning of year	12,144,298	53,083,559	6,439,280	71,667,137
Fund balances, end of year	<u>\$ 28,291,511</u>	<u>\$ 15,454,755</u>	<u>\$ 7,616,072</u>	<u>\$ 51,362,338</u>

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds		\$ (20,304,799)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which net capital outlay exceeded depreciation expense in the current period.		
	Capital outlay, net	\$ 38,424,043
	Depreciation expense	<u>(2,262,917)</u>
		36,161,126
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Property taxes	(1,758,700)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
	Bond principal	1,694,604
	Certificate of participation principal	<u>140,000</u>
		1,834,604
Accrued interest in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. Bond premium is reported in the governmental fund when bonds are issued, whereas these amounts are amortized in the statement of activities.		
	Accrued interest	7,700
	Amortization of bond premium	111,857
	Amortization of deferred charges	<u>(4,302)</u>
		115,255
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		
		5,607,651
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(7,604,281)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
	Compensated absences	1,141,505
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal revenue fund is allocated among the governmental activities.		
		<u>526,450</u>
Change in net position of governmental activities		<u>\$ 15,718,811</u>

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET BASIS (NON-GAAP) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Taxes	\$ 47,786,681	\$ 48,155,117	\$ 49,761,999	\$ 1,606,882
Payment in lieu of taxes	3,000,000	3,000,000	2,113,540	(886,460)
Tuition and fees	665,050	665,050	673,271	8,221
Interest	10,000	10,000	37,333	27,333
Intergovernmental	19,971,899	19,971,899	19,886,479	(85,420)
Extracurricular	200,000	200,000	215,738	15,738
Other	87,750	87,750	96,959	9,209
Total revenues	<u>71,721,380</u>	<u>72,089,816</u>	<u>72,785,319</u>	<u>695,503</u>
Expenditures				
Current				
Instruction				
Regular	28,071,350	28,117,584	26,986,485	1,131,099
Special	10,108,609	10,107,723	9,438,767	668,956
Vocational	540,932	599,413	514,077	85,336
Supporting services				
Pupil	4,875,286	4,919,708	4,783,188	136,520
Instructional staff	3,077,007	3,105,906	2,870,764	235,142
Board of education	43,887	28,816	28,816	-
Administration	4,372,036	4,406,571	4,193,665	212,906
Fiscal services	2,239,394	2,219,177	1,669,377	549,800
Business	722,912	749,286	700,982	48,304
Operation and maintenance	7,263,264	7,333,571	7,207,874	125,697
Pupil transportation	4,974,837	4,989,288	4,820,351	168,937
Central services	1,913,414	1,956,842	1,867,641	89,201
Extracurricular activities	1,168,498	1,170,127	1,107,208	62,919
Debt service				
Principal	374,784	374,604	374,604	-
Interest	180,239	180,209	180,209	-
Total expenditures	<u>69,926,449</u>	<u>70,258,825</u>	<u>66,744,008</u>	<u>3,514,817</u>
Excess (deficiency) of revenues over expenditures	<u>1,794,931</u>	<u>1,830,991</u>	<u>6,041,311</u>	<u>4,210,320</u>
Other financing sources (uses)				
Refund of prior year expenditures	-	-	61,696	61,696
Transfers out	(1,450,000)	(1,117,624)	(1,117,624)	-
Proceeds from sale of capital assets	11,000	11,000	35,543	24,543
Total other financing sources (uses)	<u>(1,439,000)</u>	<u>(1,106,624)</u>	<u>(1,020,385)</u>	<u>86,239</u>
Net change in fund balances	355,931	724,367	5,020,926	4,296,559
Prior year encumbrances	1,092,092	1,092,092	1,092,092	-
Fund balances, beginning of year	11,265,098	11,265,098	11,265,098	-
Fund balances, end of year	<u>\$ 12,713,121</u>	<u>\$ 13,081,557</u>	<u>\$ 17,378,116</u>	<u>\$ 4,296,559</u>

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUND
JUNE 30, 2016

	<u>Self Insurance</u>
Assets	
Current assets	
Equity in pooled cash	\$ 3,165,807
Liabilities	
Current liabilities	
Claims payable	<u>999,000</u>
Net position	
Unrestricted	<u><u>\$ 2,166,807</u></u>

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	Self Insurance
Operating revenues	
Charges for services	\$ 9,950,118
Operating expenses	
Claims	9,423,668
Total operating expenses	9,423,668
Operating income	526,450
Net position, beginning of year	1,640,357
Net position, end of year	\$ 2,166,807

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Self Insurance
Cash flows from operating activities	
Cash received from interfund services	\$ 9,950,118
Cash payments for claims	(9,410,668)
Net cash provided by operating activities	539,450
Net increase in cash and cash equivalents	539,450
Cash and cash equivalents, beginning of year	2,626,357
Cash and cash equivalents, end of year	\$ 3,165,807
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 526,450
Adjustments	
Increase in claims payable	13,000
Total adjustments	13,000
Net cash provided by operating activities	\$ 539,450

See accompanying notes to the basic financial statements.

STRONGSVILLE CITY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES -
 AGENCY FUNDS
 JUNE 30, 2016

	Agency Funds
Assets	
Equity in pooled cash	\$ 134,431
Total assets	\$ 134,431
Liabilities	
Due to students	\$ 133,110
Due to others	1,321
Total liabilities	\$ 134,431

THIS PAGE INTENTIONALLY LEFT BLANK

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Strongsville City School District (the School District) was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under an elected Board of Education consisting of five members and is responsible for providing public education to residents of the School District. Pre K through 12 enrollment, on or as of, October 1, 2015 was 5,460. The School District employs 377 certificated and 351 non-certificated employees.

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure 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 the District, this includes general operations, food service, and student related activities of the District.

Within the School District boundaries, there are various nonpublic schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the School District on behalf of the nonpublic schools by the Treasurer of the School District, as directed by the nonpublic schools. These transactions are reported as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations' 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 organizations' 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 School District has no component units.

The School District is associated with the Metropolitan Educational Technology Association, the Polaris Career Center, the Strongsville Education Foundation, and the Ohio Schools Council which are considered to be jointly governed organizations. The School District also participates in a public risk pool managed by the Ohio Bureau of Workers' Compensation (BWC) Group-Retrospective Rating Program. These organizations and their relationships with the School District are described in more detail in Notes 11 and 16 to these financial statements.

B. BASIS OF PRESENTATION

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

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. BASIS OF PRESENTATION (continued)

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the Internal Service Fund is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

The statement of net position presents the financial condition of the governmental 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. 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 for the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

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

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. FUND ACCOUNTING

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets and deferred outflows of resources are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities and deferred inflows of resources 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. The general fund is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building Fund – the building fund is used to account for bond proceeds to be used for the acquisition, construction, or improvement of major capital facilities.

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

Proprietary Fund Type

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows and are classified as either enterprise or internal service. The School District only has an Internal Service Fund.

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost-reimbursement basis. The School District utilizes an internal service fund to account for the operation of the School District's self insurance fund's reserve balance for employee insurance related benefits.

Fiduciary Funds

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

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. MEASUREMENT FOCUS

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

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

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

E. 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. The fiduciary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unavailable 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. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. BASIS OF ACCOUNTING (continued)

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 12).

Expenditures/Expenses

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

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. 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 set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds.

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 statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate that were in effect at the time the final appropriations were passed by the Board of Education.

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

G. CASH AND INVESTMENTS

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

During fiscal year investments were limited to Federal Home Loan Bank (FHLB) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, U.S. Treasury notes and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2016.

Investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

Under existing Ohio statutes, interest earnings are allocated to funds based on average monthly cash balances. Interest revenue credited to the General Fund during fiscal year 2016 amounted to \$ 37,333 of which \$ 6,601 was assigned from other School District Funds.

H. RESTRICTED ASSETS

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The District has no restricted assets.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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 position but are not reported on the fund financial statements.

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

All reported capital assets, other than 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:

Descriptions	Estimated Lives
Land improvements	15 -50 years
Buildings and improvements	20 - 50 years
Furniture and equipment	8 - 20 years
Vehicles	10 years

J. 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 column of the statement of net position.

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

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported.

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

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

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

M. NET POSITION

Net position is the residual amount when comparing assets and deferred outflows of resources to liabilities and deferred inflows of resources. The investment in capital assets component of net position 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. The restricted component of net position is reported 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 government-wide statement of net position reports \$ 7,649,482 of restricted net position, none of which is restricted by enabling legislation.

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

N. FUND BALANCE RESERVES AND DESIGNATIONS

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. FUND BALANCE RESERVES AND DESIGNATIONS (continued)

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education.

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

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

O. INTERFUND TRANSACTIONS

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

P. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Q. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services for health insurance in the Internal Service Fund. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

R. ESTIMATES

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

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 2016, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application,” GASB Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” and GASB Statement No. 82, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the School District’s fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the School District’s financial statements.

GASB Statement No. 79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and also establishes additional note disclosure requirements for governments that participate in those pools. The School District participates in STAR Ohio which implemented GASB Statement No. 79 for the fiscal year 2016. The School District incorporated the corresponding GASB 79 guidance into their fiscal year 2016 financial statements; however, there is not effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the School District’s fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance

NOTE 3 – COMPLIANCE AND ACCOUNTABILITY

Not apparent in the basic financial statements are the following deficit fund equity balances:

Special Revenue Funds		
Idea Part B	\$	105,096
Limited English Proficiency	\$	9,350
Title I	\$	56,234
Improving Teacher Quality	\$	5,178

The General Fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. These deficit fund balances resulted from reflecting expenditures in accordance with the modified accrual basis of accounting, which are larger than amounts recognized on the budget basis. The School District, in accordance with its budget basis, will appropriate such expenditures from resources of the subsequent year.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances/net position 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 Balances - Budget (Non-GAAP Basis) 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 statements are the following:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than assigned or committed fund balance (GAAP basis).
4. Some funds are included in the General Fund (GAAP Basis), but have separate legally adopted budgets (Budget basis)

The following table summarizes the adjustments necessary to reconcile the budgetary basis statement to the GAAP basis statement for the General Fund.

Net Change in Fund Balance	
	General Fund
Budget basis	\$ 5,020,926
Adjustments, increase (decrease)	
Revenue accruals	10,464,264
Expenditure accruals	52,788
Funds budgeted elsewhere **	(379,379)
Encumbrances	988,614
GAAP basis, as reported	\$ 16,147,213

** As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a GAAP basis. These include the Public School Support Fund, Uniform School Supplies Fund, Rotary Fund, and the Termination Benefits Fund.

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 5 – FUND BALANCES

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

Fund balances	General Fund	Building Fund	Nonmajor Governmental Funds	Total
Restricted				
Food service operations	\$ -	\$ -	\$ 132,987	\$ 132,987
Athletics	-	-	252,715	252,715
State grants	-	-	69,707	69,707
Local grants	-	-	249,332	249,332
Debt service	-	-	6,464,957	6,464,957
Capital improvements	-	15,454,755	622,232	16,076,987
Total restricted	-	15,454,755	7,791,930	23,246,685
Committed				
Termination benefits	500,336	-	-	500,336
Assigned				
Student instruction	92,354	-	-	92,354
Student and staff support	797,650	-	-	797,650
Public school support	157,475	-	-	157,475
Uniform school supplies	26,095	-	-	26,095
Other purposes	114,483	-	-	114,483
Total assigned	1,188,057	-	-	1,188,057
Unassigned (deficit)	26,603,118	-	(175,858)	26,427,260
Total fund balances	\$ 28,291,511	\$ 15,454,755	\$ 7,616,072	\$ 51,362,338

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 6 - DEPOSITS AND INVESTMENTS

A. LEGAL REQUIREMENTS

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

Interim 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 the repayment of all public monies deposited with the institution.

Interim monies may be invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 2 percent and be marked to market daily, and 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 division (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 (STAR Ohio);
7. Commercial paper and bankers' acceptances (if authorized by the Board of Education), 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.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

A. LEGAL REQUIREMENTS (continued)

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.

At fiscal year end, the School District had \$ 4,450 in cash on hand which is included on the balance sheet of the School District as part of "Equity in Pooled Cash".

B. DEPOSITS

Custodial credit risk is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. The School District does not have a deposit policy for custodial credit risk. At fiscal year end, the carrying amount of the School District's deposits was \$ 33,262,989 and the bank balance was \$ 33,432,284. Of the bank balance, \$ 15,649,128 was covered by federal depository insurance and \$ 17,783,156 was uninsured. Of the remaining balance, \$ 17,674,580 was collateralized with securities held by the pledging institution's trust department not in the School District's name.

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

C. INVESTMENTS

As of June 30, 2016, the School District had the following investments:

	Fair Value	Investment Maturities Less than 1 year
STAR Ohio	\$ 7,011,551	\$ 7,011,551
Federal securities	9,040,193	9,040,193
	\$ 16,051,744	\$ 16,051,744

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2016. As discussed further in Note 1G, STAR Ohio is reported at its share price. All other investments of the School District are valued using quoted market prices (Level 1 inputs).

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 6 - DEPOSITS AND INVESTMENTS (continued)

C. INVESTMENTS (continued)

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

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that would further limit its investment choices.

The School District places no limit on the amount that may be invested in any one issuer. The following is the School District's allocation as of June 30, 2016:

	<u>Percentage of Investments</u>
STAR Ohio	43.7%
Federal securities	56.3%
	<u>100.0%</u>

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the School District. Real property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2015, on the assessed value listed as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or later payment dates to be established.

Public utility property tax revenue received in calendar year 2016 represents collections of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 become a lien December 31, 2014, were levied after April 1, 2015 and are collected in 2016 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 7 - PROPERTY TAXES (continued)

The School District receives property taxes from Cuyahoga and Lorain Counties. The County Fiscal Officer/Auditor periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, public utility property, and tangible personal property taxes which were measurable as of June 30, 2016 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at June 30, nor were they levied to finance fiscal year 2016 operations. The receivable is therefore offset by a credit to deferred inflows for that portion not intended to finance current year operations. The amount available as an advance was recognized as revenue. The amount available as an advance at June 30, 2016, was \$ 15,315,066 in the General Fund, \$ 1,234,121 in the Debt Service Fund and \$ 342,090 in the Permanent Improvements Fund.

The assessed values upon which the fiscal year 2016 taxes were collected are:

	2015 Second- Half Collections			2016 First - Half Collections	
	Amount	%		Amount	%
Agricultural/Residential and Other Real Estate	\$ 1,384,407,350	97.66	%	\$ 1,412,554,890	97.65
Public Utilities	33,230,900	2.34		34,026,660	2.35
Total Assessed Value	<u>\$ 1,417,638,250</u>	<u>100.00</u>	%	<u>\$ 1,446,581,550</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	<u>\$ 81.78</u>			<u>\$ 81.78</u>	

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 8 – RECEIVABLES

Receivables at June 30, 2016, consisted of property taxes and amounts due from other governments. All receivables are considered substantially collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables are expected to be collected within one year.

At June 30, 2016 due from other government receivables consisted of:

Fund	Amount
Title I	\$ 30,091
Due from other governments	\$ 30,091

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Disposals	Balance June 30, 2016
Governmental Activities				
Nondepreciable capital assets				
Land	\$ 2,767,186	\$ 68,691	\$ 145,191	\$ 2,690,686
Construction in progress	27,813,795	37,796,623	-	65,610,418
Total capital assets, not being depreciated	30,580,981	37,865,314	145,191	68,301,104
Depreciable capital assets				
Buildings and improvements	63,873,601	100,320	79,800	63,894,121
Furniture and equipment	8,580,913	199,576	325,000	8,455,489
Vehicles	6,027,544	439,355	413,684	6,053,215
Total capital assets being depreciated	78,482,058	739,251	818,484	78,402,825
Less accumulated depreciation				
Buildings and improvements	31,658,623	1,597,393	71,554	33,184,462
Furniture and equipment	6,958,939	270,598	325,000	6,904,537
Vehicles	4,363,806	394,926	386,600	4,372,132
Total accumulated depreciation	42,981,368	2,262,917	783,154	44,461,131
Depreciable capital assets, net of accumulated depreciation	35,500,690	(1,523,666)	35,330	33,941,694
Governmental activities capital assets, net	\$ 66,081,671	\$ 36,341,648	\$ 180,521	\$ 102,242,798

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 9 - CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental functions as follows:

Instruction		
Regular	\$	981,712
Special		112,665
Vocational		9,591
Supporting services		
Pupil		89,374
Instructional staff		114,844
Board of education		451
Administration		136,354
Fiscal		28,604
Business		19,729
Operation and maintenance of plant		151,627
Pupil transportation		454,155
Central services		33,270
Operation of noninstructional services		
Food service operation		35,649
Community services		12,813
Extracurricular activities		82,079
Total depreciation expense	\$	<u>2,262,917</u>

NOTE 10 - INTERFUND BALANCES

On the fund financial statements at June 30, 2016, interfund balances consisted of the following:

	Due From:		
	General	Nonmajor Governmental	Total
Due to:	Fund	Funds	
General Fund	\$ -	\$ 30,091	\$ 30,091
Nonmajor Governmental Funds	900	-	900
Total	<u>\$ 900</u>	<u>\$ 30,091</u>	<u>\$ 30,991</u>

\$ 900 due from the General Fund to a Nonmajor governmental fund is the result of an advance from the Athletic/Music Fund to the Uniform School Supplies program in a prior year and is not scheduled to be collected in the subsequent year. General Fund loans made to non-major governmental funds were made to support programs and projects in the Special Revenue Funds and are scheduled to be repaid in the subsequent year.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 11 - RISK MANAGEMENT

A. PROPERTY AND LIABILITY

The School District is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2016, the School District contracted with Liberty Mutual for property insurance. Liberty Mutual also provides coverage for boiler and machinery with a per breakdown limit of \$ 50,000,000 and \$ 1,000 deductible. Crime coverage is under two policies. The first is with Liberty Mutual and has a limit of \$ 50,000, with a \$ 500 deductible, for employee dishonesty, forgery and altercation. An Excess Crime policy is provided by Cincinnati Insurance with a \$ 250,000 limit and a \$1,000 deductible.

General liability is protected by Liberty Mutual with a \$ 2,000,000 annual aggregate and \$ 1,000,000 per occurrence limit with no deductible. Vehicles are covered by Ohio Casualty and hold a \$ 1,000 deductible for comprehensive and collision on buses. Automobile liability has a \$ 1,000,000 combined single limit of liability. The School District also has a \$ 6,000,000 umbrella policy with Ohio Casualty which goes over the \$ 1,000,000 general liability and the \$ 1,000,000 automobile liability limits. This umbrella policy has a self-insured retention of \$ 10,000. There has not been any significant reductions in insurance coverage from the prior year. Settlements have not exceeded insurance coverage in any of the preceding three years.

B. WORKERS' COMPENSATION

The District participates in the Bureau of Workers' Compensation (BWC) Group-Retrospective Rating Program. Employers pay their own individual premiums and have the opportunity to receive retrospective premium adjustments based upon the combined performance of the group. Depending on that performance, the participating employers can receive either a premium refund or assessment.

C. EMPLOYEE MEDICAL BENEFITS

The School District provides employee medical, surgical, and prescription drug coverage through a self-insurance program administered by Medical Mutual of Ohio. The District limits its liability for medical and surgical claims by maintaining a specific stop-loss threshold of \$ 150,000.

The claim liability of \$ 999,000 reported at June 30, 2016 was estimated by Medical Mutual of Ohio and is based on the requirements of Governmental Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in the balance of claims liability during the year ended June 30, 2016 are summarized below. Incurred claims and claims payments are not segregated between current and prior years' claims due to the impracticability of obtaining such information.

	2016	2015
Unpaid claims, beginning of year	\$ 986,000	\$ 1,105,072
Incurred claims	9,423,668	8,937,751
Claims payment	(9,410,668)	(9,056,823)
Unpaid claims, end of year	\$ 999,000	\$ 986,000

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. NET PENSION LIABILITY

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

B. PLAN DESCRIPTION - SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to retire on or before August 1, 2017*	Eligible to retire on or after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

B. PLAN DESCRIPTION - SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) (continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent.

The School District's contractually required contribution to SERS was \$ 1,667,514 fiscal year 2016. Of this amount \$ 181,520 is reported as an intergovernmental payable.

C. PLAN DESCRIPTION - STATE TEACHERS RETIREMENT SYSTEM (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

C. PLAN DESCRIPTION - STATE TEACHERS RETIREMENT SYSTEM (STRS) (continued)

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. Effective July 1, 2016, the statutory maximum employee contribution rate was increased to 14 percent. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$ 3,094,137 for fiscal year 2016. Of this amount \$ 676,793 is reported as an intergovernmental payable.

D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	
Proportion of the net pension liability			
Prior measurement date	0.39056600%	0.29057600%	
Current measurement date	<u>0.38340720%</u>	<u>0.28816112%</u>	
Change in proportionate share	<u>-0.00715880%</u>	<u>-0.00241488%</u>	
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$ 21,877,586	\$ 79,639,305	\$ 101,516,891
Pension expense	\$ 1,793,674	\$ 5,810,607	\$ 7,604,281

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

D. PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

At June 30, 2016, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 352,269	\$ 3,630,547	\$ 3,982,816
School District contributions subsequent to the measurement date	1,667,514	3,940,137	5,607,651
Total deferred outflows of resources	<u>\$ 2,019,783</u>	<u>\$ 7,570,684</u>	<u>\$ 9,590,467</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	\$ 724,876	\$ 5,727,572	\$ 6,452,448
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	306,151	439,446	745,597
	<u>\$ 1,031,027</u>	<u>\$ 6,167,018</u>	<u>\$ 7,198,045</u>

\$ 5,607,651 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year			
June 30:	SERS	STRS	Total
2017	\$ (233,008)	\$ (1,175,347)	\$ (1,408,355)
2018	(233,008)	(1,175,347)	(1,408,355)
2019	(288,750)	(1,716,577)	(2,005,327)
2020	76,008	1,530,800	1,606,808
	<u>\$ (678,758)</u>	<u>\$ (2,536,471)</u>	<u>\$ (3,215,229)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage inflation	3.25 percent
Future salary increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment rate of return	7.75 percent of net of investments expense, including inflation
Actuarial cost method	Early age normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

E. ACTUARIAL ASSUMPTIONS – SERS (continued)

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	1.00%	0.00%
U.S. stocks	22.50%	5.00%
Non-U.S. stocks	22.50%	5.50%
Fixed income	19.00%	1.50%
Private equity	10.00%	10.00%
Real assets	10.00%	5.00%
Multi-asset strategies	15.00%	7.50%
	<u>100.00%</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
School District's proportionate share of the net pension liability	<u>\$ 30,336,351</u>	<u>\$ 21,877,586</u>	<u>\$ 14,754,610</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS - STRS

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment rate of return	7.75 percent, net of investment expenses
Cost-of-living adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic equity	31.00%	8.00%
International equity	26.00%	7.85%
Alternatives	14.00%	8.00%
Fixed income	18.00%	3.75%
Real estate	10.00%	6.75%
Liquidity reserves	1.00%	3.00%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 12 - DEFINED BENEFIT PENSION PLANS (continued)

F. ACTUARIAL ASSUMPTIONS - STRS

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	<u>\$ 110,625,002</u>	<u>\$ 79,639,305</u>	<u>\$ 53,436,277</u>

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, 0 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$ 23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the School District's surcharge obligation was \$ 187,800.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 13 - POSTEMPLOYMENT BENEFITS (continued)

A. SCHOOL EMPLOYEES RETIREMENT SYSTEM (continued)

The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015 and 2014 were \$ 0, \$ 82,906, and \$ 173,252, respectively. For fiscal year 2016, 88.7 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2015 and 2014.

B. STATE TEACHERS RETIREMENT SYSTEM

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$ 0, \$ 0 and \$ 302,098, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

NOTE 14 – PRIOR YEAR DEFEASANCE OF DEBT

In 2015, the School District defeased certificates of participation by placing the proceeds from new certificates of participation in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased certificates of participation are not included in the School District's financial statements. As of June 30, 2016, \$ 3,740,000 of certificates of participation are considered to be defeased.

NOTE 15 - LONG-TERM OBLIGATIONS

The original issue date, interest rate, original issuance and date of maturity for each of the School District's long-term obligations follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General obligation bonds				
School Improvements and vehicle purchase	2005	2.82 - 5.00%	\$ 1,660,000	2036
Energy conservation	2006	4.40%	\$ 895,000	2020
Energy conservation	2008	4.79%	\$ 3,645,420	2023
School Improvements	2013	3.0 - 5.0%	\$ 81,000,000	2045
Certificates of participation - refunding	2015	1.0 - 4.0%	\$ 3,940,000	2034

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

Changes in the School District's long-term obligations during fiscal year 2016 were as follows:

	Outstanding June 30, 2015	Additions	Retired	Outstanding June 30, 2016	Amounts Due In One Year
Bonds, 2.820% to 5.000% issued 2005, matures 2035	\$ 1,065,000	\$ -	\$ 80,000	\$ 985,000	\$ 35,000
Bonds, 4.40%; issued 2006, matures 2020	410,459	-	67,356	343,103	70,421
Bonds, 4.79%; issued 2008, matures 2023	2,484,194	-	227,248	2,256,946	238,133
Bonds, 3.0% to 5.0% issued 2013 matures 2045	77,925,000	-	1,320,000	76,605,000	1,375,000
Total bonds	<u>81,884,653</u>	<u>-</u>	<u>1,694,604</u>	<u>80,190,049</u>	<u>1,718,554</u>
Refunding certificates of participation, 1.0% - 4.0%, issued 2015, matures 2034	3,940,000	-	140,000	3,800,000	155,000
Total certificates of participation	<u>3,940,000</u>	<u>-</u>	<u>140,000</u>	<u>3,800,000</u>	<u>155,000</u>
Unamortized bond premium	3,429,995	-	111,857	3,318,138	-
Net pension liability					
STRS	70,678,041	8,961,265	-	79,639,306	-
SERS	19,766,322	2,111,264	-	21,877,586	-
Total net pension liability	<u>90,444,363</u>	<u>11,072,529</u>	<u>-</u>	<u>101,516,892</u>	<u>-</u>
Compensated absences	7,451,430	2,122,391	3,590,741	5,983,080	758,906
Total	<u>\$ 187,150,441</u>	<u>\$ 13,194,920</u>	<u>\$ 5,537,202</u>	<u>\$ 194,808,159</u>	<u>\$ 2,632,460</u>

Outstanding bonds consist of general obligation bonds for building issues. General obligation bonds are direct obligations of the School District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property of the School District. General obligation bonds will be paid from the General Fund and Debt Service Fund from property taxes.

Certificates of participation are not a general obligation of the School District but are payable only from appropriations by the School District for repayment. The certificates of participation were paid from the Capital Projects Fund.

The School District pays obligations related to employee compensation from the fund benefitting from their service.

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 15 - LONG-TERM OBLIGATIONS (continued)

The School District's overall legal debt margin was \$ 56,467,248 and the unvoted legal debt margin was \$ 461,582 at June 30, 2016.

Principal and interest requirements to retire long-term obligations outstanding at June 30, 2016, are as follows:

Year June 30,	General Obligation Bonds		Certificates of Participation		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 1,718,554	\$ 3,093,911	\$ 155,000	\$ 117,819	\$ 1,873,554	\$ 3,211,730
2018	1,783,164	3,021,750	155,000	115,881	1,938,164	3,137,631
2019	1,858,468	2,946,568	160,000	113,319	2,018,468	3,059,887
2020	1,934,497	2,875,956	160,000	110,319	2,094,497	2,986,275
2021	1,958,745	2,794,401	170,000	106,169	2,128,745	2,900,570
2022 - 2026	10,331,621	12,528,806	910,000	447,895	11,241,621	12,976,701
2027 - 2031	11,480,000	10,348,711	1,080,000	269,965	12,560,000	10,618,676
2032 - 2036	13,825,000	7,967,227	1,010,000	72,099	14,835,000	8,039,326
2037 - 2041	16,010,000	5,370,351	-	-	16,010,000	5,370,351
2042 - 2046	19,290,000	1,989,400	-	-	19,290,000	1,989,400
	<u>\$80,190,049</u>	<u>\$52,937,081</u>	<u>\$3,800,000</u>	<u>\$1,353,466</u>	<u>\$83,990,049</u>	<u>\$54,290,547</u>

NOTE 16 - JOINTLY GOVERNED ORGANIZATION

A. METROPOLITAN EDUCATIONAL TECHNOLOGY ASSOCIATION

The School District is a participant in Metropolitan Educational Technology Association (META) which is a computer consortium that was the result of a merger between Tri-Rivers Educational Computer Association (TRECA) and the Metropolitan Educational Council (MEC). META develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eight of the member districts. During fiscal year 2016, the School District paid META \$ 63,841 for services. Financial information can be obtained from Metropolitan Educational Technology Association, 100 Executive Drive, Marion, Ohio 43302.

B. POLARIS CAREER CENTER

The Polaris Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special needs of the students. Its Board of Education consists of representatives from the board of each participating school district. The Board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities. Strongsville City School District students may attend the vocational school. Each school district's control is limited to its representation on the Board. Financial information can be obtained by contacting the Polaris Career Center, 7285 Old Oak Blvd., Middleburg Heights, Ohio 44130. The School District did not contribute to the Polaris Career Center during fiscal year 2016.

STRONGSVILLE CITY SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 16 - JOINTLY GOVERNED ORGANIZATION (continued)

C. STRONGSVILLE EDUCATION FOUNDATION

The Strongsville City School Foundation (Foundation) is a jointly governed organization established under the Ohio Revised Code to support and enhance educational opportunities for the youth of the Strongsville community. The Foundation Board of Trustees consists of at least three but not more than seventeen trustees. The current Superintendent of the Strongsville City Schools shall be on the Board of Trustees and serve as Executive Director. At least one Trustee shall be a member of the Board of Education of the Strongsville City School District. A majority of the Trustees shall at all times be persons other than "substantial contributors," as defined in Section 507(d)(2) of the Internal Revenue Code. Each Trustee has one vote. The board is responsible for approving its own budgets, appointing personnel, and accounting and finance related activities.

D. OHIO SCHOOLS COUNCIL

The Ohio Schools Council (Council) is a jointly governed organization among one hundred fifty seven school districts. The Council was formed to offer supplies and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee for the services provided. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2016 the School District paid \$ 372,324 to the Council. Financial information can be obtained by contacting David A. Cottrell, the Executive Director/Treasurer of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Energy USA served as the natural gas supplier and program manager from October 1, 2008 to September 30, 2010. In June 2010, the Council entered into an agreement with Compass Energy Gas Services LLC to be the natural gas supplier and program manager beginning October 1, 2010 through March 31, 2013. The contract with Compass Energy Gas Services LLC was extended for an additional three years beginning April 1, 2013 through March 31, 2016. There are currently 151 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). School Districts that paid more in estimated billings than their actual billings are issued credits on future billings in September until the credits are exhausted and School Districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

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

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 17 - CONTINGENCIES

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 at June 30, 2016.

NOTE 18 - SET-ASIDES

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

The following cash basis information identifies the changes in the fund balance reserve for capital improvements during fiscal year 2016.

	Capital Maintenance
Balance June 30, 2015	\$ -
Required set aside	947,073
Offsetting credit	(1,187,529)
Qualifying expenditures	(1,974,015)
Balance June 30, 2016	\$ (2,214,471)

Although the School District had offsets and/or qualifying disbursements during the year that reduced the capital improvements reserve set-aside amount below zero, this amount cannot be carried forward to reduce the set-aside requirements for future years.

NOTE 19 – RETIREMENT INCENTIVE PLAN

The School District adopted a retirement incentive plan which became effective July 1, 2010 and provides for an early retirement incentive cash benefit to be paid in three equal, consecutive January installments of \$ 13,000 each, beginning with the January following the employee's effective date of retirement. Employees who as of July 1, 2010 were eligible to retire with STRS and who had at least ten years of consecutive service with the School District were eligible to participate. Employees who became eligible to retire with STRS after July 1, 2010 were eligible for the retirement incentive benefit only in the school year the employee first became eligible to retire under STRS. However, teachers who are first eligible for the retirement incentive at age fifty-five with twenty five years of service are eligible to participate at any year thereafter or until the teacher accrues thirty years of service under STRS guidelines. The retirement incentive plan was only in effect for employees who had retired as of June 30, 2016. As of June 30, 2016 the School District's liability related to this retirement incentive plan was \$ 559,000.

STRONGSVILLE CITY SCHOOL DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2016

NOTE 20 – FOUNDATION FUNDING

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, rather than a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

NOTE 21 – CONTRACTUAL COMMITMENTS

At June 30, 2016 the School District had the following contractual commitments:

	Contracted Amount	Expended	Remaining Obligation
Building construction and renovations	\$ 78,337,568	\$ 61,321,951	\$ 17,015,617

REQUIRED SUPPLEMENTARY INFORMATION

STRONGSVILLE CITY SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 SCHOOL EMPLOYEES RETIREMENT SYSTEM

LAST THREE FISCAL YEARS (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's proportion of the net pension liability	0.3834072%	0.390566%	0.390566%
School District's proportionate share of the net pension liability	\$ 21,877,586	\$ 19,766,323	\$ 23,225,706
School District's covered-employee payroll	\$ 11,435,844	\$ 11,413,478	\$ 9,981,113
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	191.31%	173.18%	232.70%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available

STRONGSVILLE CITY SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 STATE TEACHERS RETIREMENT SYSTEM

LAST THREE FISCAL YEARS (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's proportion of the net pension liability	0.28816112%	0.2905760%	0.290576%
School District's proportionate share of the net pension liability	\$ 79,639,305	\$ 70,678,040	\$ 84,191,219
School District's covered-employee payroll	\$ 28,996,249	\$ 33,716,638	\$ 27,256,769
School District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	274.65%	209.62%	308.88%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

(1) Information prior to 2013 is not available

STRONGSVILLE CITY SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
 SCHOOL EMPLOYEES RETIREMENT SYSTEM

LAST TEN FISCAL YEARS (1)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,667,514	\$ 1,401,923	\$ 1,581,908	\$ 1,381,386
Contributions in relation to the contractually required contribution	<u>(1,667,514)</u>	<u>(1,401,923)</u>	<u>(1,581,908)</u>	<u>(1,381,386)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered-employee payroll	\$ 11,910,814	\$ 10,636,745	\$ 11,413,478	\$ 9,981,113
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 1,297,821	\$ 1,282,793	\$ 1,474,787	\$ 1,058,684	\$ 1,008,833	\$ 1,157,400
<u>(1,297,821)</u>	<u>(1,282,793)</u>	<u>(1,474,787)</u>	<u>(1,058,684)</u>	<u>(1,008,833)</u>	<u>(1,157,400)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,649,227	\$ 10,205,195	\$ 10,892,075	\$ 10,758,984	\$ 10,273,248	\$ 10,837,079
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

STRONGSVILLE CITY SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
 STATE TEACHERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 3,940,137	\$ 4,093,007	\$ 4,383,163	\$ 3,543,380
Contributions in relation to the contractually required contribution	<u>(3,940,137)</u>	<u>(4,093,007)</u>	<u>(4,383,163)</u>	<u>(3,543,380)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered-employee payroll	\$ 28,143,836	\$ 29,235,764	\$ 33,716,638	\$ 27,256,769
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 3,675,189	\$ 4,075,695	\$ 4,452,952	\$ 4,517,047	\$ 4,176,963	\$ 4,244,300
<u>(3,675,189)</u>	<u>(4,075,695)</u>	<u>(4,452,952)</u>	<u>(4,517,047)</u>	<u>(4,176,963)</u>	<u>(4,244,300)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 28,270,685	\$ 31,351,500	\$ 34,253,477	\$ 34,746,515	\$ 32,130,485	\$ 32,648,462
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Combining Statements and
Individual Fund Schedules

Fund Descriptions – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Food Service Fund To account for financial transactions related to food service operation.

Other Grants Fund To account for proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for specified purposes.

District Managed Student Activities Fund To account for those student activity programs which have student participation but do not have student management of the programs. Usually athletic and band programs but could include other clubs that are district managed.

Auxiliary Services Fund To account for monies which provide services and materials to pupils attending non-public school within the school district. (St. Joseph and John's, Creative Playrooms, and Le Chaperon Rouge).

Data Communications Fund To account for money appropriated for Ohio Educational Computer Network Connections.

Alternative Schools Fund To account for alternative educational programs for existing and new at-risk and delinquent youth.

Miscellaneous State Grants Fund To account for various monies received from state agencies which are not classified elsewhere.

Adult Basic Education This fund accounts for Federal and state monies used to provide financial support to programs in reading, writing and math competency for adults that do not have a high school diploma.

IDEA Part B Fund To account for grants to assist states in providing an appropriate public education to all children with disabilities.

Title III, Limited English Proficiency Fund To account for grants to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children with limited English proficiency.

Title I – Disadvantaged Youth Fund To account for Federal monies used to assist the School District in meeting the special needs of economically and educationally deprived children.

IDEA Preschool Grant for the Handicapped To account for grants for the improvement and expansion of services for handicapped children ages three to five years.

Improving Teacher Quality Fund To account for grants for professional development and other programs to ensure teachers meet high quality standards.

(continued)

Fund Descriptions – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

Uniform School Supplies Fund To account for class fees for the purchase of school supplies.

Rotary Fund To account for operations that provide goods or services on a cost-reimbursement basis.

Public School Support To account for specific local revenue sources, other than taxes or expendable trusts (i.e. profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Termination Benefits Fund To account for payment of employee termination benefits upon separation as prescribed within the District's negotiated contracts.

Nonmajor Debt Service Fund

Bond Retirement Fund To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Nonmajor Capital Projects Fund

Capital projects funds are used to account for a report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Improvement Fund To account for all transactions related to the acquiring, construction, or improving facilities and/or capital assets.

THIS PAGE INTENTIONALLY LEFT BLANK.

STRONGSVILLE CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Governmental Funds
Assets				
Equity in pooled cash	\$ 905,258	\$ 5,230,836	\$ 337,672	\$ 6,473,766
Receivables, net of allowance				
Taxes, current	-	3,773,755	1,032,134	4,805,889
Taxes, delinquent	-	120,100	32,900	153,000
Due from other governments	30,091	-	-	30,091
Interfund receivables	900	-	-	900
Total assets	\$ 936,249	\$ 9,124,691	\$ 1,402,706	\$ 11,463,646
Liabilities				
Accounts and contracts payable	\$ 61,129	\$ -	\$ 57,530	\$ 118,659
Accrued salaries, wages and benefits	240,872	-	-	240,872
Intergovernmental payable	75,274	-	-	75,274
Interfund payable	30,091	-	-	30,091
Total liabilities	407,366	-	57,530	464,896
Deferred inflows of resources				
Property taxes levied for next year and unavailable resources	-	2,659,734	722,944	3,382,678
Total deferred inflows of resources	-	2,659,734	722,944	3,382,678
Fund balances (deficits)				
Restricted	704,741	6,464,957	622,232	7,791,930
Unassigned	(175,858)	-	-	(175,858)
Total fund balances (deficits)	528,883	6,464,957	622,232	7,616,072
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 936,249	\$ 9,124,691	\$ 1,402,706	\$ 11,463,646

STRONGSVILLE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Governmental Funds
Revenue				
Taxes	\$ -	\$ 4,650,456	\$ 1,275,653	\$ 5,926,109
Interest	255	10,545	965	11,765
Intergovernmental	3,023,220	481,524	135,227	3,639,971
Extracurricular	347,475	-	-	347,475
Charges for services	980,482	-	-	980,482
Other	372,159	-	-	372,159
Total revenues	<u>4,723,591</u>	<u>5,142,525</u>	<u>1,411,845</u>	<u>11,277,961</u>
Expenditures				
Current				
Instruction				
Regular	35,551	-	-	35,551
Special	994,815	-	-	994,815
Other instruction	32,978	-	-	32,978
Supporting services				
Pupil	360,377	-	-	360,377
Instructional staff	286,464	-	-	286,464
Administration	256,570	-	-	256,570
Fiscal services	-	46,242	13,986	60,228
Operation and maintenance	-	-	661,966	661,966
Operation of non-instructional services				
Food service operation	1,739,487	-	-	1,739,487
Community services	617,079	-	-	617,079
Extracurricular activities	409,024	-	-	409,024
Capital outlay	29,070	-	39,405	68,475
Debt service				
Principal	-	1,320,000	140,000	1,460,000
Interest	-	2,987,862	130,293	3,118,155
Total expenditures	<u>4,761,415</u>	<u>4,354,104</u>	<u>985,650</u>	<u>10,101,169</u>
Net change in fund balances	(37,824)	788,421	426,195	1,176,792
Fund balances, beginning of year	<u>566,707</u>	<u>5,676,536</u>	<u>196,037</u>	<u>6,439,280</u>
Fund balances, end of year	<u>\$ 528,883</u>	<u>\$ 6,464,957</u>	<u>\$ 622,232</u>	<u>\$ 7,616,072</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016

	Food Service	Other Grants	District Managed Student Activity
Assets			
Equity in pooled cash	\$ 278,905	\$ 273,385	\$ 258,028
Due from other governments	-	-	-
Interfund receivables	-	-	900
Total assets	\$ 278,905	\$ 273,385	\$ 258,928
Liabilities			
Accounts and contracts payable	\$ 629	\$ 24,053	\$ 6,213
Accrued salaries, wages and benefits	97,882	-	-
Intergovernmental payable	47,407	-	-
Interfund payable	-	-	-
Total liabilities	145,918	24,053	6,213
Fund balances			
Nonspendable			
Restricted	132,987	249,332	252,715
Unassigned	-	-	-
Total fund balances	132,987	249,332	252,715
Total liabilities, deferred inflows of resources and fund balances	\$ 278,905	\$ 273,385	\$ 258,928

Auxiliary Services	Data Communications	Alternative Schools	Miscellaneous State Grants
\$ 64,544	\$ 24,300	\$ -	\$ -
-	-	-	-
-	-	-	-
<u>\$ 64,544</u>	<u>\$ 24,300</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 14,966	\$ -	\$ -	\$ -
3,735	-	-	-
436	-	-	-
-	-	-	-
<u>19,137</u>	<u>-</u>	<u>-</u>	<u>-</u>
45,407	24,300	-	-
-	-	-	-
<u>45,407</u>	<u>24,300</u>	<u>-</u>	<u>-</u>
<u>\$ 64,544</u>	<u>\$ 24,300</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STRONGSVILLE CITY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016

	Adult Basic Education	IDEA Part B	Title III, Limited English Proficiency
Assets			
Equity in pooled cash	\$ -	\$ 363	\$ -
Due from other governments	-	-	-
Interfund receivables	-	-	-
Total assets	\$ -	\$ 363	\$ -
Liabilities			
Accounts and contracts payable	\$ -	\$ 3,180	\$ 9,350
Accrued salaries, wages and benefits	-	86,293	-
Intergovernmental payable	-	15,986	-
Interfund payable	-	-	-
Total liabilities	-	105,459	9,350
Fund balances			
Nonspendable			
Restricted	-	-	-
Unassigned	-	(105,096)	(9,350)
Total fund balances	-	(105,096)	(9,350)
Total liabilities, deferred inflows of resources and fund balances	\$ -	\$ 363	\$ -

Title I - Disadvantaged Youth	IDEA Preschool Grant for the Handicapped	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 5,733	\$ 905,258
30,091	-	-	30,091
-	-	-	900
<u>\$ 30,091</u>	<u>\$ -</u>	<u>\$ 5,733</u>	<u>\$ 936,249</u>
\$ 878	\$ -	\$ 1,860	\$ 61,129
45,462	-	7,500	240,872
9,894	-	1,551	75,274
30,091	-	-	30,091
<u>86,325</u>	<u>-</u>	<u>10,911</u>	<u>407,366</u>
-	-	-	704,741
<u>(56,234)</u>	<u>-</u>	<u>(5,178)</u>	<u>(175,858)</u>
<u>(56,234)</u>	<u>-</u>	<u>(5,178)</u>	<u>528,883</u>
<u>\$ 30,091</u>	<u>\$ -</u>	<u>\$ 5,733</u>	<u>\$ 936,249</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR JUNE 30, 2016

	Food Service	Other Grants	District Managed Student Activity
Revenue			
Interest	\$ -	\$ 1	\$ -
Intergovernmental	669,554	-	-
Extracurricular	-	-	347,475
Charges for services	980,482	-	-
Other	10,217	297,302	64,577
Total revenues	<u>1,660,253</u>	<u>297,303</u>	<u>412,052</u>
Expenditures			
Current			
Instruction			
Regular	-	35,551	-
Special	-	-	-
Other instruction	-	22,153	-
Supporting services			
Pupil	-	-	-
Instructional staff	-	1,504	-
Administration	-	1,500	-
Operation of non-instructional services			
Food service operation	1,739,487	-	-
Community services	-	-	-
Extracurricular activities	-	7,050	401,974
Capital outlay	-	29,070	-
Total expenditures	<u>1,739,487</u>	<u>96,828</u>	<u>401,974</u>
Net change in fund balances	(79,234)	200,475	10,078
Fund balances, beginning of year	<u>212,221</u>	<u>48,857</u>	<u>242,637</u>
Fund balances, end of year	<u>\$ 132,987</u>	<u>\$ 249,332</u>	<u>\$ 252,715</u>

Auxiliary Services	Data Communications	Alternative Schools	Miscellaneous State Grants
\$ 254	\$ -	\$ -	\$ -
578,459	16,200	59,652	23,897
-	-	-	-
-	-	-	-
-	-	-	-
<u>578,713</u>	<u>16,200</u>	<u>59,652</u>	<u>23,897</u>
-	-	-	-
-	-	48,867	-
-	-	-	-
-	-	-	-
-	-	-	22,964
-	-	-	-
-	-	-	-
561,475	-	-	-
-	-	-	-
-	-	-	-
<u>561,475</u>	<u>-</u>	<u>48,867</u>	<u>22,964</u>
17,238	16,200	10,785	933
28,169	8,100	(10,785)	(933)
<u>\$ 45,407</u>	<u>\$ 24,300</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

STRONGSVILLE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR JUNE 30, 2016

	Adult Basic Education	IDEA Part B	Title III, Limited English Proficiency
Revenue			
Interest	\$ -	\$ -	\$ -
Intergovernmental	-	1,047,467	62,829
Extracurricular	-	-	-
Charges for services	-	-	-
Other	63	-	-
Total revenues	<u>63</u>	<u>1,047,467</u>	<u>62,829</u>
Expenditures			
Current			
Instruction			
Regular	-	-	-
Special	-	401,429	72,448
Other instruction	-	-	-
Supporting services			
Pupil	-	331,634	-
Instructional staff	-	157,237	14,580
Administration	-	248,258	-
Operation of non-instructional services			
Food service operation	-	-	-
Community services	-	34,881	-
Extracurricular activities	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>1,173,439</u>	<u>87,028</u>
Net change in fund balances	63	(125,972)	(24,199)
Fund balances, beginning of year	<u>(63)</u>	<u>20,876</u>	<u>14,849</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ (105,096)</u>	<u>\$ (9,350)</u>

Title I - Disadvantaged Youth	IDEA Preschool Grant for the Handicapped	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 255
450,708	27,278	87,176	3,023,220
-	-	-	347,475
-	-	-	980,482
-	-	-	372,159
<u>450,708</u>	<u>27,278</u>	<u>87,176</u>	<u>4,723,591</u>
-	-	-	35,551
472,071	-	-	994,815
10,825	-	-	32,978
-	28,743	-	360,377
-	-	90,179	286,464
6,812	-	-	256,570
-	-	-	1,739,487
17,296	-	3,427	617,079
-	-	-	409,024
-	-	-	29,070
<u>507,004</u>	<u>28,743</u>	<u>93,606</u>	<u>4,761,415</u>
(56,296)	(1,465)	(6,430)	(37,824)
62	1,465	1,252	566,707
<u>\$ (56,234)</u>	<u>\$ -</u>	<u>\$ (5,178)</u>	<u>\$ 528,883</u>

Fund Descriptions

Agency Funds

These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

OHSAA Tournaments To account for the revenues and expenditures of an OHSAA tournament game hosted at the District.

Student Managed Activities Fund To account for student activity programs which have student participation in the activity and have students involved in the management of the program.

STRONGSVILLE CITY SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Beginning Balance June 30, 2015	Additions	Reductions	Ending Balance June 30, 2016
OHSAA Tournaments				
Assets				
Equity in pooled cash	\$ 1,321	\$ 37,878	\$ 37,878	\$ 1,321
Total assets	\$ 1,321	\$ 37,878	\$ 37,878	\$ 1,321
Liabilities				
Due to others	\$ 1,321	\$ 37,878	\$ 37,878	\$ 1,321
Total liabilities	\$ 1,321	\$ 37,878	\$ 37,878	\$ 1,321
Student Managed Activities Fund				
Assets				
Equity in pooled cash	\$ 147,472	\$ 111,276	\$ 125,638	\$ 133,110
Total assets	\$ 147,472	\$ 111,276	\$ 125,638	\$ 133,110
Liabilities				
Accounts payable	\$ 75	\$ -	\$ 75	\$ -
Due to students	147,397	111,276	125,563	133,110
Total liabilities	\$ 147,472	\$ 111,276	\$ 125,638	\$ 133,110
Total Agency Funds				
Assets				
Equity in pooled cash	\$ 148,793	\$ 149,154	\$ 163,516	\$ 134,431
Total assets	\$ 148,793	\$ 149,154	\$ 163,516	\$ 134,431
Liabilities				
Accounts payable	\$ 75	\$ -	\$ 75	\$ -
Due to students	147,397	111,276	125,563	133,110
Due to others	1,321	37,878	37,878	1,321
Total liabilities	\$ 148,793	\$ 149,154	\$ 163,516	\$ 134,431

STRONGSVILLE CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Building Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Interest	\$ 40,000	\$ 40,000	\$ 167,820	\$ 127,820
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>167,820</u>	<u>127,820</u>
Expenditures				
Current				
Supporting services				
Pupil transportation	207,351	91,354	91,354	-
Capital outlay	56,712,531	57,028,528	53,949,430	3,079,098
Total expenditures	<u>56,919,882</u>	<u>57,119,882</u>	<u>54,040,784</u>	<u>3,079,098</u>
Net change in fund balances	(56,879,882)	(57,079,882)	(53,872,964)	3,206,918
Prior year encumbrances	50,283,721	50,283,721	50,283,721	-
Fund balances, beginning of year	<u>6,823,605</u>	<u>6,823,605</u>	<u>6,823,605</u>	<u>-</u>
Fund balances, end of year	<u>\$ 227,444</u>	<u>\$ 27,444</u>	<u>\$ 3,234,362</u>	<u>\$ 3,206,918</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Food Service Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Intergovernmental	\$ 740,000	\$ 510,000	\$ 640,876	\$ 130,876
Charges for services	1,101,620	1,101,620	980,482	(121,138)
Other	7,385	7,385	10,217	2,832
Total revenues	<u>1,849,005</u>	<u>1,619,005</u>	<u>1,631,575</u>	<u>12,570</u>
Expenditures				
Current				
Operation of non-instructional services				
Food service operation	1,849,005	1,849,005	1,639,050	209,955
Total expenditures	<u>1,849,005</u>	<u>1,849,005</u>	<u>1,639,050</u>	<u>209,955</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(230,000)</u>	<u>(7,475)</u>	<u>222,525</u>
Other financing sources (uses)				
Transfers in	-	230,000	-	(230,000)
Total other financing sources (uses)	<u>-</u>	<u>230,000</u>	<u>-</u>	<u>(230,000)</u>
Net change in fund balances	-	-	(7,475)	(7,475)
Prior year encumbrances	15,682	15,682	15,682	-
Fund balances, beginning of year	<u>251,183</u>	<u>251,183</u>	<u>251,183</u>	<u>-</u>
Fund balances, end of year	<u>\$ 266,865</u>	<u>\$ 266,865</u>	<u>\$ 259,390</u>	<u>\$ (7,475)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Other Grants Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Interest	\$ -	\$ -	\$ 1	\$ 1
Other	50,900	342,806	297,303	(45,503)
Total revenues	<u>50,900</u>	<u>342,806</u>	<u>297,304</u>	<u>(45,502)</u>
Expenditures				
Current				
Instruction				
Regular	39,987	58,930	46,658	12,272
Other instruction	84,024	116,984	46,547	70,437
Supporting services				
Instructional staff	555	2,018	1,504	514
Administration	1,500	1,500	1,500	-
Extracurricular activities	-	7,600	7,050	550
Capital outlay	-	216,767	216,767	-
Total expenditures	<u>126,066</u>	<u>403,799</u>	<u>320,026</u>	<u>83,773</u>
Net change in fund balances	(75,166)	(60,993)	(22,722)	38,271
Prior year encumbrances	34,544	34,544	34,544	-
Fund balances, beginning of year	41,549	41,549	41,549	-
Fund balances, end of year	<u>\$ 927</u>	<u>\$ 15,100</u>	<u>\$ 53,371</u>	<u>\$ 38,271</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	District Managed Student Activities Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Extracurricular	\$ 849,870	\$ 342,096	\$ 335,655	\$ (6,441)
Other	226,725	66,182	64,577	(1,605)
Total revenues	<u>1,076,595</u>	<u>408,278</u>	<u>400,232</u>	<u>(8,046)</u>
Expenditures				
Current				
Extracurricular activities	1,254,149	644,077	432,841	211,236
Total expenditures	<u>1,254,149</u>	<u>644,077</u>	<u>432,841</u>	<u>211,236</u>
Excess (deficiency) of revenues over expenditures	<u>(177,554)</u>	<u>(235,799)</u>	<u>(32,609)</u>	<u>203,190</u>
Other financing sources (uses)				
Transfers in	7,469	11,821	11,821	-
Total other financing sources (uses)	<u>7,469</u>	<u>11,821</u>	<u>11,821</u>	<u>-</u>
Net change in fund balances	(170,085)	(223,978)	(20,788)	203,190
Prior year encumbrances	28,236	28,236	28,236	-
Fund balances, beginning of year	<u>233,076</u>	<u>233,076</u>	<u>233,076</u>	<u>-</u>
Fund balances, end of year	<u>\$ 91,227</u>	<u>\$ 37,334</u>	<u>\$ 240,524</u>	<u>\$ 203,190</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Auxiliary Services Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Interest	\$ 165	\$ 240	\$ 254	\$ 14
Intergovernmental	536,330	578,459	578,459	-
Total revenues	<u>536,495</u>	<u>578,699</u>	<u>578,713</u>	<u>14</u>
Expenditures				
Current				
Operation of non-instructional services				
Community services	599,533	643,820	614,106	29,714
Total expenditures	<u>599,533</u>	<u>643,820</u>	<u>614,106</u>	<u>29,714</u>
Excess (deficiency) of revenues over expenditures	<u>(63,038)</u>	<u>(65,121)</u>	<u>(35,393)</u>	<u>29,728</u>
Other financing sources (uses)				
Refund of prior year expenditures	-	(2,298)	(2,298)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,298)</u>	<u>(2,298)</u>	<u>-</u>
Net change in fund balances	(63,038)	(67,419)	(37,691)	29,728
Prior year encumbrances	63,037	63,037	63,037	-
Fund balances, beginning of year	4,523	4,523	4,523	-
Fund balances, end of year	<u>\$ 4,522</u>	<u>\$ 141</u>	<u>\$ 29,869</u>	<u>\$ 29,728</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Data Communications Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Intergovernmental	\$ 11,700	\$ 11,700	\$ 16,200	\$ 4,500
Total revenues	<u>11,700</u>	<u>11,700</u>	<u>16,200</u>	<u>4,500</u>
Expenditures				
Current				
Supporting services				
Instructional staff	11,700	11,700	-	11,700
Total expenditures	<u>11,700</u>	<u>11,700</u>	<u>-</u>	<u>11,700</u>
Net change in fund balances	-	-	16,200	16,200
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>8,100</u>	<u>8,100</u>	<u>8,100</u>	<u>-</u>
Fund balances, end of year	<u>\$ 8,100</u>	<u>\$ 8,100</u>	<u>\$ 24,300</u>	<u>\$ 16,200</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Alternative Schools Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Intergovernmental	\$ 59,155	\$ 61,045	\$ 59,652	\$ (1,393)
Total revenues	<u>59,155</u>	<u>61,045</u>	<u>59,652</u>	<u>(1,393)</u>
Expenditures				
Current				
Instruction				
Special	55,242	57,530	57,530	-
Total expenditures	<u>55,242</u>	<u>57,530</u>	<u>57,530</u>	<u>-</u>
Net change in fund balances	3,913	3,515	2,122	(1,393)
Prior year encumbrances	7,640	7,640	7,640	-
Fund balances, beginning of year	<u>(11,155)</u>	<u>(11,155)</u>	<u>(11,155)</u>	<u>-</u>
Fund balances, end of year	<u>\$ 398</u>	<u>\$ -</u>	<u>\$ (1,393)</u>	<u>\$ (1,393)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Miscellaneous State Grants Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Intergovernmental	\$ 26,897	\$ 26,897	\$ 23,897	\$ (3,000)
Total revenues	<u>26,897</u>	<u>26,897</u>	<u>23,897</u>	<u>(3,000)</u>
Expenditures				
Current				
Supporting services				
Instructional staff	26,923	26,923	23,923	3,000
Total expenditures	<u>26,923</u>	<u>26,923</u>	<u>23,923</u>	<u>3,000</u>
Net change in fund balances	(26)	(26)	(26)	-
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	<u>26</u>	<u>26</u>	<u>26</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	IDEA Part B Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Intergovernmental	\$ 1,261,932	\$ 1,262,842	\$ 1,158,658	\$ (104,184)
Total revenues	<u>1,261,932</u>	<u>1,262,842</u>	<u>1,158,658</u>	<u>(104,184)</u>
Expenditures				
Current				
Instruction				
Special	324,357	393,783	373,349	20,434
Supporting services				
Pupil	171,655	342,444	342,444	-
Instructional staff	176,600	175,464	151,787	23,677
Administration	439,752	302,051	269,803	32,248
Operation of non-instructional services				
Community services	48,910	48,909	36,049	12,860
Total expenditures	<u>1,161,274</u>	<u>1,262,651</u>	<u>1,173,432</u>	<u>89,219</u>
Net change in fund balances	100,658	191	(14,774)	(14,965)
Prior year encumbrances	10,983	10,983	10,983	-
Fund balances, beginning of year	(11,174)	(11,174)	(11,174)	-
Fund balances, end of year	<u>\$ 100,467</u>	<u>\$ -</u>	<u>\$ (14,965)</u>	<u>\$ (14,965)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Title III, Limited English Proficiency Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Intergovernmental	\$ 74,945	\$ 98,950	\$ 62,829	\$ (36,121)
Total revenues	<u>74,945</u>	<u>98,950</u>	<u>62,829</u>	<u>(36,121)</u>
Expenditures				
Current				
Instruction				
Special	70,567	92,840	72,462	20,378
Supporting services				
Instructional staff	18,832	20,634	15,430	5,204
Administration	325	325	-	325
Total expenditures	<u>89,724</u>	<u>113,799</u>	<u>87,892</u>	<u>25,907</u>
Net change in fund balances	(14,779)	(14,849)	(25,063)	(10,214)
Prior year encumbrances	55,873	55,873	55,873	-
Fund balances, beginning of year	<u>(41,024)</u>	<u>(41,024)</u>	<u>(41,024)</u>	<u>-</u>
Fund balances, end of year	<u>\$ 70</u>	<u>\$ -</u>	<u>\$ (10,214)</u>	<u>\$ (10,214)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Title I - Disadvantaged Youth Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Intergovernmental	\$ 519,630	\$ 629,520	\$ 450,618	\$ (178,902)
Total revenues	<u>519,630</u>	<u>629,520</u>	<u>450,618</u>	<u>(178,902)</u>
Expenditures				
Current				
Instruction				
Special	455,255	591,159	450,420	140,739
Other instruction	-	8,765	8,765	-
Supporting services				
Administration	11,678	11,697	11,697	-
Operation of non-instructional services				
Other non-instructional services	18,016	19,605	17,296	2,309
Total expenditures	<u>484,949</u>	<u>631,226</u>	<u>488,178</u>	<u>143,048</u>
Net change in fund balances	34,681	(1,706)	(37,560)	(35,854)
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	1,706	1,706	1,706	-
Fund balances, end of year	<u>\$ 36,387</u>	<u>\$ -</u>	<u>\$ (35,854)</u>	<u>\$ (35,854)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	IDEA Preschool Grant for the Handicapped			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Intergovernmental	\$ 29,011	\$ 30,476	\$ 28,011	\$ (2,465)
Total revenues	<u>29,011</u>	<u>30,476</u>	<u>28,011</u>	<u>(2,465)</u>
Expenditures				
Current				
Supporting services				
Pupil	29,868	29,868	29,868	-
Instructional staff	1,000	1,000	-	1,000
Total expenditures	<u>30,868</u>	<u>30,868</u>	<u>29,868</u>	<u>1,000</u>
Net change in fund balances	(1,857)	(392)	(1,857)	(1,465)
Prior year encumbrances	1,780	1,780	1,780	-
Fund balances, beginning of year	<u>77</u>	<u>77</u>	<u>77</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,465</u>	<u>\$ -</u>	<u>\$ (1,465)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Improving Teacher Quality Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Intergovernmental	\$ 187,907	\$ 186,520	\$ 95,147	\$ (91,373)
Total revenues	<u>187,907</u>	<u>186,520</u>	<u>95,147</u>	<u>(91,373)</u>
Expenditures				
Current				
Supporting services				
Instructional staff	172,259	170,480	87,413	83,067
Administration	2,568	2,568	618	1,950
Operation of non-instructional services				
Community services	10,108	10,500	3,427	7,073
Total expenditures	<u>184,935</u>	<u>183,548</u>	<u>91,458</u>	<u>92,090</u>
Net change in fund balances	2,972	2,972	3,689	717
Prior year encumbrances	7,126	7,126	7,126	-
Fund balances, beginning of year	<u>(10,098)</u>	<u>(10,098)</u>	<u>(10,098)</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 717</u>	<u>\$ 717</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Uniform School Supplies Fund			Variance w ith Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Tuition and fees	\$ 257,400	\$ 298,280	\$ 298,552	\$ 272
Other	7,600	8	8	-
Total revenues	<u>265,000</u>	<u>298,288</u>	<u>298,560</u>	<u>272</u>
Expenditures				
Current				
Instruction				
Regular	382,940	314,909	292,294	22,615
Total expenditures	<u>382,940</u>	<u>314,909</u>	<u>292,294</u>	<u>22,615</u>
Excess (deficiency) of revenues over expenditures	<u>(117,940)</u>	<u>(16,621)</u>	<u>6,266</u>	<u>22,887</u>
Other financing sources (uses)				
Transfers in	108,000	17,624	17,624	-
Advances in	12,000	-	-	-
Total other financing sources (uses)	<u>120,000</u>	<u>17,624</u>	<u>17,624</u>	<u>-</u>
Net change in fund balances	2,060	1,003	23,890	22,887
Prior year encumbrances	2,240	2,240	2,240	-
Fund balances, beginning of year	<u>965</u>	<u>965</u>	<u>965</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,265</u>	<u>\$ 4,208</u>	<u>\$ 27,095</u>	<u>\$ 22,887</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Rotary Fund			Variance w ith Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Tuition and fees	\$ 16,000	\$ 23,500	\$ 23,704	\$ 204
Extracurricular	136,104	164,615	101,389	(63,226)
Other	54,896	51,900	52,393	493
Total revenues	<u>207,000</u>	<u>240,015</u>	<u>177,486</u>	<u>(62,529)</u>
Expenditures				
Current				
Instruction				
Regular	88,180	125,894	99,699	26,195
Supporting services				
Administration	356	1,003	999	4
Business	5,610	11,006	3,641	7,365
Operation and maintenance	47,276	88,286	70,176	18,110
Central services	20,173	20,173	11,000	9,173
Extracurricular activities	15,446	8,660	8,282	378
Total expenditures	<u>177,041</u>	<u>255,022</u>	<u>193,797</u>	<u>61,225</u>
Net change in fund balances	29,959	(15,007)	(16,311)	(1,304)
Prior year encumbrances	20,364	20,364	20,364	-
Fund balances, beginning of year	99,247	99,247	99,247	-
Fund balances, end of year	<u>\$ 149,570</u>	<u>\$ 104,604</u>	<u>\$ 103,300</u>	<u>\$ (1,304)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Public School Support Fund			Variance w ith Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Extracurricular	\$ 126,950	\$ 34,526	\$ 34,526	\$ -
Other	105,050	34,465	35,959	1,494
Total revenues	<u>232,000</u>	<u>68,991</u>	<u>70,485</u>	<u>1,494</u>
Expenditures				
Current				
Instruction				
Regular	414,800	314,129	164,153	149,976
Special	6,983	6,983	1,530	5,453
Total expenditures	<u>421,783</u>	<u>321,112</u>	<u>165,683</u>	<u>155,429</u>
Excess (deficiency) of revenues over expenditures	<u>(189,783)</u>	<u>(252,121)</u>	<u>(95,198)</u>	<u>156,923</u>
Other financing sources (uses)				
Transfers in	5,000	13,416	13,416	-
Transfers out	-	(3,838)	(3,838)	-
Total other financing sources (uses)	<u>5,000</u>	<u>9,578</u>	<u>9,578</u>	<u>-</u>
Net change in fund balances	(184,783)	(242,543)	(85,620)	156,923
Prior year encumbrances	9,477	9,477	9,477	-
Fund balances, beginning of year	<u>233,074</u>	<u>233,074</u>	<u>233,074</u>	<u>-</u>
Fund balances, end of year	<u>\$ 57,768</u>	<u>\$ 8</u>	<u>\$ 156,931</u>	<u>\$ 156,923</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Termination Benefits Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Expenditures				
Current				
Instruction				
Regular	\$ 913,140	\$ 1,170,991	\$ 1,164,856	\$ 6,135
Operation of non-instructional services				
Other non-instructional services	304,380	379,009	376,726	2,283
Total expenditures	<u>1,217,520</u>	<u>1,550,000</u>	<u>1,541,582</u>	<u>8,418</u>
Excess (deficiency) of revenues over expenditures	<u>(1,217,520)</u>	<u>(1,550,000)</u>	<u>(1,541,582)</u>	<u>8,418</u>
Other financing sources (uses)				
Transfers in	-	1,100,000	1,100,000	-
Total other financing sources (uses)	<u>-</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>-</u>
Net change in fund balances	(1,217,520)	(450,000)	(441,582)	8,418
Prior year encumbrances	-	-	-	-
Fund balances, beginning of year	1,299,700	1,299,700	1,299,700	-
Fund balances, end of year	<u>\$ 82,180</u>	<u>\$ 849,700</u>	<u>\$ 858,118</u>	<u>\$ 8,418</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Bond Retirement Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Taxes	\$ 3,641,696	\$ 3,687,589	\$ 3,799,112	\$ 111,523
Interest	7,500	7,500	10,545	3,045
Intergovernmental	440,000	440,000	481,524	41,524
Total revenues	<u>4,089,196</u>	<u>4,135,089</u>	<u>4,291,181</u>	<u>156,092</u>
Expenditures				
Current				
Supporting services				
Fiscal services	55,600	55,600	46,442	9,158
Debt service				
Principal	1,320,000	1,320,000	1,320,000	-
Interest	2,987,862	2,987,862	2,987,862	-
Total expenditures	<u>4,363,462</u>	<u>4,363,462</u>	<u>4,354,304</u>	<u>9,158</u>
Net change in fund balances	(274,266)	(228,373)	(63,123)	165,250
Prior year encumbrances	200	200	200	-
Fund balances, beginning of year	5,293,559	5,293,559	5,293,559	-
Fund balances, end of year	<u>\$ 5,019,493</u>	<u>\$ 5,065,386</u>	<u>\$ 5,230,636</u>	<u>\$ 165,250</u>

STRONGSVILLE CITY SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Permanent Improvement Fund			Variance w ith Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Taxes	\$ 1,000,083	\$ 1,011,070	\$ 1,042,485	\$ 31,415
Interest	150	150	965	815
Intergovernmental	125,500	125,500	135,227	9,727
Total revenues	<u>1,125,733</u>	<u>1,136,720</u>	<u>1,178,677</u>	<u>41,957</u>
Expenditures				
Current				
Supporting services				
Fiscal services	15,000	15,765	13,986	1,779
Operation and maintenance	857,414	856,649	739,191	117,458
Debt service				
Principal	140,000	140,000	140,000	-
Interest	130,294	130,294	130,293	1
Total expenditures	<u>1,142,708</u>	<u>1,142,708</u>	<u>1,023,470</u>	<u>119,238</u>
Excess (deficiency) of revenues over expenditures	<u>(16,975)</u>	<u>(5,988)</u>	<u>155,207</u>	<u>161,195</u>
Other financing sources (uses)				
Refund of prior year expenditures	-	-	8,852	8,852
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,852</u>	<u>8,852</u>
Net change in fund balances	(16,975)	(5,988)	164,059	170,047
Prior year encumbrances	22,708	22,708	22,708	-
Fund balances, beginning of year	73,680	73,680	73,680	-
Fund balances, end of year	<u>\$ 79,413</u>	<u>\$ 90,400</u>	<u>\$ 260,447</u>	<u>\$ 170,047</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE – BUDGET (NON-GAAP) BASIS AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	Self Insurance Fund			Variance w ith Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Charges for services	\$ 10,500,000	\$ 10,500,000	\$ 9,950,118	\$ (549,882)
Total revenues	<u>10,500,000</u>	<u>10,500,000</u>	<u>9,950,118</u>	<u>(549,882)</u>
Expenses				
Claims	9,652,715	9,652,715	9,410,668	242,047
Total expenses	<u>9,652,715</u>	<u>9,652,715</u>	<u>9,410,668</u>	<u>242,047</u>
Net change in fund balances	847,285	847,285	539,450	(307,835)
Prior year encumbrances	150,215	150,215	150,215	-
Fund balances, beginning of year	<u>2,476,142</u>	<u>2,476,142</u>	<u>2,476,142</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,473,642</u>	<u>\$ 3,473,642</u>	<u>\$ 3,165,807</u>	<u>\$ (307,835)</u>

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION



Back of divider page.

STATISTICAL SECTION

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

Contents	Page
Financial Trends	S 2
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	S 12
These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	
Debt Capacity	S 24
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	S 29
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	S 32
These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the audited financial statements for the relevant year.

STRONGSVILLE CITY SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014 (1)</u>	<u>2013</u>
Governmental activities				
Net investment in capital assets	\$ 35,068,282	\$ 34,020,381	\$ 29,898,101	\$ 28,435,630
Restricted	7,649,482	6,428,992	7,348,059	8,949,334
Unrestricted	(77,110,155)	(90,560,575)	(92,541,777)	3,042,722
Total primary government net position	<u>\$ (34,392,391)</u>	<u>\$ (50,111,202)</u>	<u>\$ (55,295,617)</u>	<u>\$ 40,427,686</u>

Source: School District financial records.

(1) 2014 has been restated due to the implementation of GASB Statement No. 68.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 28,661,439	\$ 26,987,540	\$ 25,286,050	\$ 23,841,831	\$ 23,432,917	\$ 21,946,264
6,520,668	6,315,613	6,364,940	6,895,112	10,041,644	8,800,688
(220,366)	(8,621,912)	(9,947,834)	(8,135,165)	(7,099,212)	(10,219,902)
<u>\$ 34,961,741</u>	<u>\$ 24,681,241</u>	<u>\$ 21,703,156</u>	<u>\$ 22,601,778</u>	<u>\$ 26,375,349</u>	<u>\$ 20,527,050</u>

STRONGSVILLE CITY SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES AND NET (EXPENSES) REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Expenses				
Governmental activities:				
Instruction				
Regular	\$ 29,420,756	\$ 26,947,220	\$ 30,891,909	\$ 31,906,820
Special	10,605,450	9,413,173	10,009,311	4,961,052
Vocational	556,455	474,334	434,305	561,456
Adult/continuing	-	-	-	-
Other instruction	33,532	117,156	57,447	32,501
Supporting services				
Pupil	5,194,604	5,070,679	4,967,244	2,795,803
Instructional staff	3,129,567	2,927,523	2,467,718	3,644,085
Board of education	30,998	30,812	35,585	36,366
Administration	4,395,090	4,611,018	4,729,847	3,152,006
Fiscal services	1,488,167	1,602,771	1,956,243	4,718,649
Business	704,418	566,078	692,588	1,047,659
Operation and maintenance	7,918,626	7,496,974	8,270,970	9,690,529
Pupil transportation	4,709,998	4,308,928	4,722,938	3,627,758
Central services	1,504,052	1,399,260	1,333,854	1,541,043
Operation of non-instructional				
Food service operation	1,767,925	1,655,077	1,798,500	1,703,814
Community services	629,041	591,274	544,602	547,048
Other non-instructional services	981,433	24,682	552,197	-
Extracurricular activities	1,585,027	1,616,007	1,365,404	765,989
Interest and fiscal charges	3,183,109	3,358,588	4,204,919	1,506,414
Total primary government expenses	<u>77,838,248</u>	<u>72,211,554</u>	<u>79,035,581</u>	<u>72,238,992</u>
Program revenues				
Governmental activities:				
Charges for services and sales				
Instruction	1,135,618	1,194,580	917,439	1,116,216
Supporting services	-	59,246	81,853	91,570
Food service	990,699	939,940	921,889	957,002
Community services	-	-	3,971	4,059
Other non-instructional services	-	298	-	-
Extracurricular activities	730,179	667,393	464,680	557,687
Operating grants, interest and contributions	3,320,522	3,226,892	3,245,084	2,956,465
Capital grants and contributions	-	-	-	-
Total primary government program revenues	<u>6,177,018</u>	<u>6,088,349</u>	<u>5,634,916</u>	<u>5,682,999</u>
Net (expense) revenue				
Total primary government net expense	<u>\$ (71,661,230)</u>	<u>\$ (66,123,205)</u>	<u>\$ (73,400,665)</u>	<u>\$ (66,555,993)</u>

Source: School District financial records.

	2012	2011	2010	2009	2008	2007
\$	35,973,496	\$ 41,340,342	\$ 45,356,256	\$ 42,573,304	\$ 40,385,617	\$ 39,553,278
	5,591,707	5,770,265	5,879,893	5,596,939	5,075,166	4,994,518
	301,853	361,927	315,403	273,242	331,506	375,494
	-	8,969	33,336	31,990	19,893	29,510
	60,166	62,845	66,627	27,203	8,668	35,748
	2,849,267	3,228,434	3,428,104	3,228,233	3,116,309	3,212,804
	3,635,697	3,616,223	3,421,655	3,824,176	3,187,644	3,789,870
	24,073	27,043	41,747	120,518	128,482	29,430
	2,710,461	3,268,009	3,699,060	3,304,371	3,133,879	3,141,590
	6,414,832	5,973,581	6,392,282	6,146,711	5,145,302	5,175,228
	469,688	571,907	466,978	533,549	488,678	624,854
	6,808,831	7,302,400	8,237,541	12,738,571	7,326,673	7,347,551
	3,933,960	4,157,869	3,916,644	3,865,084	3,372,652	4,010,354
	633,707	771,530	789,965	690,168	541,539	610,231
	1,717,290	2,044,552	2,150,152	2,132,057	2,012,845	2,047,158
	502,180	530,844	542,479	666,924	590,080	671,695
	-	-	-	-	-	-
	528,523	600,654	641,519	629,824	648,855	507,648
	658,114	909,372	1,062,325	1,209,927	1,541,080	1,336,796
	<u>72,813,845</u>	<u>80,546,766</u>	<u>86,441,966</u>	<u>87,592,791</u>	<u>77,054,868</u>	<u>77,493,757</u>
	1,310,543	1,330,528	1,090,804	1,095,882	1,087,235	845,034
	83,400	65,499	55,452	59,060	48,979	42,726
	1,202,627	1,300,254	1,413,974	1,534,856	1,548,565	1,585,493
	4,687	6,269	83,462	83,920	90,631	112,296
	-	-	-	-	-	-
	221,908	268,892	267,466	29,759	221,933	240,622
	3,360,987	4,913,840	4,704,071	3,272,421	2,810,748	2,855,527
	-	-	-	-	-	36,000
	<u>6,184,152</u>	<u>7,885,282</u>	<u>7,615,229</u>	<u>6,075,898</u>	<u>5,808,091</u>	<u>5,717,698</u>
\$	<u>(66,629,693)</u>	<u>(72,661,484)</u>	<u>(78,826,737)</u>	<u>(81,516,893)</u>	<u>(71,246,777)</u>	<u>(71,776,059)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (expense) revenue				
Total primary government net expense	\$ (71,661,230)	\$ (66,123,205)	\$ (73,400,665)	\$ (66,555,993)
General revenues and other changes in net assets				
Governmental activities:				
Property taxes levied for:				
General purposes	58,615,225	43,358,643	51,746,848	45,602,498
Debt service	4,529,756	3,270,323	3,865,747	3,231,023
Capital improvements	1,242,153	903,471	1,094,293	946,743
Grants and entitlements not restricted to specific purposes	20,205,928	20,515,068	20,091,670	19,959,675
Payments in lieu of taxes	2,113,540	2,936,033	2,019,295	2,037,264
Investment earnings	216,918	109,454	97,236	23,557
Miscellaneous	456,521	214,628	214,127	221,177
Total primary government	<u>87,380,041</u>	<u>71,307,620</u>	<u>79,129,216</u>	<u>72,021,937</u>
Change in net position				
Total primary government	<u>\$ 15,718,811</u>	<u>\$ 5,184,415</u>	<u>\$ 5,728,551</u>	<u>\$ 5,465,944</u>

Source: School District financial records.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$ (66,629,693)</u>	<u>\$ (72,661,484)</u>	<u>\$ (78,826,737)</u>	<u>\$ (81,516,893)</u>	<u>\$ (71,246,777)</u>	<u>\$ (71,776,059)</u>
48,655,796	47,590,334	49,811,922	50,415,667	51,778,809	45,922,396
2,951,675	3,223,632	3,213,836	3,310,958	3,457,427	3,513,386
1,037,544	1,039,911	1,001,310	1,009,543	1,029,192	1,079,398
21,631,697	23,011,921	23,303,038	21,891,836	19,443,382	17,049,460
-	-	-	-	-	-
1,043	18,215	39,940	241,399	625,422	761,368
1,093,336	755,556	558,069	873,919	760,844	1,400,127
<u>75,371,091</u>	<u>75,639,569</u>	<u>77,928,115</u>	<u>77,743,322</u>	<u>77,095,076</u>	<u>69,726,135</u>
<u>\$ 8,741,398</u>	<u>\$ 2,978,085</u>	<u>\$ (898,622)</u>	<u>\$ (3,773,571)</u>	<u>\$ 5,848,299</u>	<u>\$ (2,049,924)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 FUND BALANCES – GOVERNMENTAL FUNDS
 LAST SEVEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund				
Committed	\$ 500,336	\$ 816,929	\$ 1,356,545	\$ 1,517,000
Assigned	1,188,057	833,291	836,567	636,432
Unassigned	<u>26,603,118</u>	<u>10,494,078</u>	<u>10,054,234</u>	<u>2,814,798</u>
Total General Fund	<u>\$28,291,511</u>	<u>\$12,144,298</u>	<u>\$12,247,346</u>	<u>\$ 4,968,230</u>
Other governmental funds				
Restricted	\$ 23,246,685	\$ 59,534,620	\$ 82,591,595	\$ 89,858,366
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>(175,858)</u>	<u>(11,781)</u>	<u>(1,809)</u>	<u>(11,610)</u>
Total other governmental funds	<u>\$ 23,070,827</u>	<u>\$ 59,522,839</u>	<u>\$ 82,589,786</u>	<u>\$ 89,846,756</u>

Source: School District financial records.

The District implemented GASB Statement No. 54 in 2011.

Pre-GASB 34 balances are presented on S-10.

<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ -	\$ -	\$ -
648,693	1,071,167	473,248
<u>1,904,170</u>	<u>(4,693,447)</u>	<u>(6,225,136)</u>
<u><u>\$ 2,552,863</u></u>	<u><u>\$ (3,622,280)</u></u>	<u><u>\$ (5,751,888)</u></u>
\$ 6,300,595	\$ 5,549,981	\$ 5,401,541
-	-	-
-	-	-
<u>(85,285)</u>	<u>(520,149)</u>	<u>(203,291)</u>
<u><u>\$ 6,215,310</u></u>	<u><u>\$ 5,029,832</u></u>	<u><u>\$ 5,198,250</u></u>

STRONGSVILLE CITY SCHOOL DISTRICT
 FUND BALANCES – GOVERNMENTAL FUNDS
 LAST THREE FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund			
Reserved	\$ 8,522,177	\$ 7,674,088	\$ 5,087,089
Unreserved	<u>(11,538,108)</u>	<u>(8,993,358)</u>	<u>(10,075,095)</u>
Total General Fund	<u>\$ (3,015,931)</u>	<u>\$ (1,319,270)</u>	<u>\$ (4,988,006)</u>
Other governmental funds			
Reserved	\$ 1,222,984	\$ 623,219	\$ 693,616
Unreserved, reported in			
Special Revenue Funds (1)	421,282	646,463	597,343
Debt Service Fund	3,657,960	3,732,958	4,312,864
Capital Projects Fund	<u>235,520</u>	<u>1,071,856</u>	<u>217,292</u>
Total other governmental funds	<u>\$ 5,537,746</u>	<u>\$ 6,074,496</u>	<u>\$ 5,821,115</u>

Source: School District financial records.

The District implemented GASB Statement No. 54 in 2011.
 GASB 54 fund balances are presented on S-8.

THIS PAGE INTENTIONALLY LEFT BLANK.

STRONGSVILLE CITY SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Taxes	\$ 66,145,834	\$ 47,119,137	\$ 57,120,188	\$ 50,160,964
Payment in lieu of taxes	2,113,540	2,936,033	2,019,295	2,037,264
Tuition and fees	1,000,564	996,652	741,024	964,944
Interest	216,918	109,454	97,236	23,557
Intergovernmental	23,526,450	23,741,960	23,336,754	22,916,140
Extracurricular	709,706	702,822	526,138	614,304
Charges for services	980,482	933,528	913,481	948,649
Other	<u>622,265</u>	<u>443,083</u>	<u>423,316</u>	<u>396,775</u>
Total	<u>\$ 95,315,759</u>	<u>\$ 76,982,669</u>	<u>\$ 85,177,432</u>	<u>\$ 78,062,597</u>

Source: School District Financial Records, Total Governmental Funds.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 52,782,115	\$ 52,221,934	\$ 52,569,310	\$ 56,319,296	\$ 55,822,852	\$ 50,630,771
-	-	-	-	-	-
1,087,129	1,104,440	735,486	699,895	667,738	669,084
1,043	18,202	39,406	237,083	613,943	744,257
24,992,684	27,925,761	28,007,109	25,164,257	22,254,130	19,940,987
723,247	473,952	276,958	267,329	344,414	331,111
1,181,906	1,283,050	1,407,403	1,528,987	1,539,433	1,574,282
896,432	865,556	1,013,950	1,159,446	1,190,825	1,649,557
<u>\$ 81,664,556</u>	<u>\$ 83,892,895</u>	<u>\$ 84,049,622</u>	<u>\$ 85,376,293</u>	<u>\$ 82,433,335</u>	<u>\$ 75,540,049</u>

STRONGSVILLE CITY SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Expenditures				
Instruction	\$ 39,631,414	\$ 39,444,910	\$ 40,161,670	\$ 38,429,376
Pupil supporting services	5,080,733	5,231,940	4,903,441	2,754,673
Instructional support	2,999,061	3,114,924	2,525,001	3,620,194
Board of education and administration	4,470,553	4,724,903	4,531,282	3,155,683
Fiscal and business services	2,148,157	2,207,594	2,564,056	5,705,379
Operation and maintenance	7,640,805	7,907,375	7,894,367	9,446,872
Pupil transportation	4,758,742	6,571,132	4,790,992	3,695,209
Central services	1,420,016	1,458,942	1,346,721	1,563,117
Food service operation	1,739,487	1,712,036	1,777,719	1,671,743
Community and other non-instructional services	1,320,148	590,968	1,053,992	541,122
Extracurricular activities	1,533,556	1,606,327	1,271,803	684,369
Capital outlay	37,780,461	20,230,684	5,196,362	740,527
Debt service				
Principal	1,834,604	2,021,284	2,681,901	3,506,148
Interest	3,298,364	3,565,774	4,484,964	1,103,114
Total expenditures	<u>\$ 115,656,101</u>	<u>\$ 100,388,793</u>	<u>\$ 85,184,271</u>	<u>\$ 76,617,526</u>
Debt service as a percentage of noncapital expenditures	<u>6.65%</u>	<u>7.21%</u>	<u>9.06%</u>	<u>6.21%</u>

Source: School District Financial Records, Total Governmental Funds.

	2012	2011	2010	2009	2008	2007
\$	42,227,744	\$ 46,076,179	\$ 50,106,360	\$ 50,478,749	\$ 44,481,615	\$ 44,302,252
	2,744,074	3,085,303	3,254,349	3,207,331	3,118,502	2,973,319
	3,515,085	3,474,301	3,269,749	3,723,893	3,058,059	3,791,872
	2,776,466	3,175,610	3,401,246	3,559,170	3,078,961	3,087,520
	6,880,315	6,557,787	6,757,257	6,599,663	5,592,948	5,732,461
	6,764,477	7,224,860	8,129,006	7,995,449	7,132,148	7,959,503
	3,476,409	4,038,172	3,729,585	3,911,559	3,925,384	3,668,444
	679,145	777,975	785,736	678,140	576,100	599,683
	1,712,480	2,006,042	2,096,893	2,082,924	1,997,231	2,038,111
	489,112	517,093	547,261	648,633	613,373	624,779
	448,823	485,814	554,001	542,462	562,605	456,260
	-	-	-	4,631,250	102,551	1,041,886
	3,479,680	3,583,497	3,448,037	3,049,491	2,749,541	2,667,793
	677,014	929,072	1,081,025	1,208,149	1,556,612	1,330,742
\$	<u>75,870,824</u>	<u>\$ 81,931,705</u>	<u>\$ 87,160,505</u>	<u>\$ 92,316,863</u>	<u>\$ 78,545,630</u>	<u>\$ 80,274,625</u>
	<u>5.52%</u>	<u>5.54%</u>	<u>5.22%</u>	<u>4.85%</u>	<u>5.56%</u>	<u>5.14%</u>

STRONGSVILLE CITY SCHOOL DISTRICT
OTHER FINANCING SOURCES AND (USES) AND NET CHANGE IN FUND BALANCES –
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED BASIS OF ACCOUNTING)

	2016	2015	2014	2013
Excess of revenues over (under) expenditures	\$ (20,340,342)	\$ (23,406,124)	\$ (6,839)	\$ 1,445,071
Other financing sources (uses)				
Transfers in	-	210,000	250,276	422,250
Proceeds from bond issue	-	-	-	81,000,000
Proceeds from debt refunding	-	3,940,000	-	-
Premium on debt issue	-	71,592	-	3,578,702
Payment to escrow agent	-	(3,865,000)	-	-
Transfers out	-	(224,120)	(250,276)	(422,250)
Proceeds from sale of assets	35,543	-	28,985	23,040
Capital lease proceeds	-	103,657	-	-
Total other financing sources (uses)	35,543	26,129	(221,291)	84,179,492
Net change in fund balances	\$ (20,304,799)	\$ (23,379,995)	\$ (228,130)	\$ 85,624,563

Source: School District Financial Records, Total Governmental Funds.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$ 5,793,732</u>	<u>\$ 1,961,190</u>	<u>\$ (3,110,883)</u>	<u>\$ (6,940,570)</u>	<u>\$ 3,887,705</u>	<u>\$ (4,734,576)</u>
76,239	101,935	259,917	41,032	509,880	349,317
-	-	-	4,685,420	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(76,239)	(101,935)	(259,917)	(41,032)	(509,880)	(349,317)
27,787	-	35,430	21,739	34,412	2,264
-	-	-	-	-	776,605
<u>(48,452)</u>	<u>(101,935)</u>	<u>(224,487)</u>	<u>4,666,127</u>	<u>(475,468)</u>	<u>429,552</u>
<u>\$ 5,745,280</u>	<u>\$ 1,859,255</u>	<u>\$ (3,335,370)</u>	<u>\$ (2,274,443)</u>	<u>\$ 3,412,237</u>	<u>\$ (4,305,024)</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2016	\$ 1,412,554,890	\$ 4,035,871,114	\$ 34,026,660	\$ 38,666,659	\$ -	\$ -
2015	1,384,407,350	3,955,449,571	33,230,900	37,762,386	-	-
2014	1,384,766,260	3,956,475,029	31,584,330	35,891,284	-	-
2013	1,375,479,320	3,929,940,914	28,735,200	32,653,636	-	-
2012	1,422,225,140	4,063,500,400	26,473,020	30,082,977	-	-
2011	1,420,695,990	4,059,131,400	25,239,950	28,681,761	1,541,170.0	8,219,573
2010	1,403,518,060	4,010,051,600	24,355,900	27,677,159	3,023,550.0	16,125,600
2009	1,487,915,990	4,251,188,543	22,907,310	26,031,034	31,860,172.0	169,920,917
2008	1,466,528,490	4,190,081,400	21,720,110	24,681,943	55,545,218.0	296,241,163
2007	1,462,874,990	4,179,642,829	27,708,960	31,487,455	72,609,754.0	315,694,583

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

- (1) This amount is calculated based on the following percentages:
 Real estate is assessed at 35 percent of actual value.
 Public utility personal property is assessed at varying rates of actual value.
 Tangible personal property, including inventory was eliminated in calendar year 2010.

	Total		Assessed	Total Direct
	Assessed Value	Estimated Actual Value	Value Ratio	Tax Rate
\$	1,446,581,550	\$ 4,074,537,773	35.5%	81.78
	1,417,638,250	3,993,211,957	35.5%	81.78
	1,416,350,590	3,992,366,313	35.5%	81.68
	1,404,214,520	3,962,594,550	35.4%	81.68
	1,448,698,160	4,093,583,377	35.4%	80.98
	1,447,477,110	4,096,032,734	35.3%	81.30
	1,430,897,510	4,053,854,359	35.3%	81.30
	1,542,683,472	4,447,140,494	34.7%	74.80
	1,543,793,818	4,511,004,506	34.2%	74.90
	1,563,193,704	4,526,824,867	34.5%	74.90

STRONGSVILLE CITY SCHOOL DISTRICT
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$ 1,000 ASSESSED VALUATION)
LAST TEN FISCAL YEARS

Year	School District			Total Direct Tax Rate	County	Vocational School	City	Total Direct and Overlapping Governments
	General	Improvements	Bond Retirement					
2015	77.78	1.00	3.00	81.78	23.43	2.40	9.30	116.91
2014	77.78	1.00	3.00	81.78	23.43	2.40	9.80	117.41
2013	77.78	1.00	2.90	81.68	22.53	2.40	9.80	116.41
2012	77.78	1.00	2.90	81.68	20.80	2.40	9.90	114.78
2011	77.78	1.00	2.20	80.98	20.80	2.40	9.90	114.08
2010	77.78	1.00	2.52	81.30	20.90	2.40	9.90	114.50
2009	77.78	1.00	2.52	81.30	20.60	2.40	9.90	114.20
2008	71.28	1.00	2.52	74.80	20.60	2.40	9.90	107.70
2007	71.28	1.00	2.62	74.90	20.20	2.40	10.10	107.60
2006	71.28	1.00	2.62	74.90	20.20	2.40	10.10	107.60

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

STRONGSVILLE CITY SCHOOL DISTRICT
 PRINCIPAL TAXPAYERS – REAL ESTATE TAX
 AS OF JUNE 30, 2016 AND JUNE 30, 2011

December 31, 2015

Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Southpark Mall, LLC.	\$ 72,455,110	5.11%
Cleveland Electric Illuminating Company	24,621,980	1.74%
Greens of Strongsville, LTD.	8,877,760	0.63%
Vam, LTD.	8,762,100	0.62%
Cherry Street Village	8,141,920	0.57%
Polo Club Apartments, LLC.	7,314,490	0.52%
Chestnut Lake Apartments	6,412,990	0.45%
Wal-Mart Real Estate	5,302,330	0.37%
4C's, LLC.	5,028,240	0.35%
Costco Wholesale Corporation	4,769,280	0.34%
	<u>\$ 151,686,200</u>	<u>10.70%</u>
Total Value in the District	<u>\$1,417,638,250</u>	

December 31, 2011 (1)

Name of Taxpayer	Assessed Value	Percent of Total Assessed Value
Southpark Mall, LLC.	\$ 65,745,630	4.56%
Cleveland Electric Illuminating Company	20,722,740	1.44%
Vam, LTD.	12,512,750	0.87%
Firstcal Industrial 2 Acquisition	11,704,760	0.81%
Greens of Strongsville, LTD.	8,858,510	0.61%
Cherry Street Village	7,972,310	0.55%
Polo Club Apartments, LLC.	7,275,880	0.50%
Chestnut Lake Apartments	6,627,620	0.46%
Wal-Mart Real Estate	5,915,560	0.41%
Ohio Commerce Center Investments	5,250,000	0.36%
	<u>\$ 152,585,760</u>	<u>10.57%</u>
Total Value in the District	<u>\$1,442,739,300</u>	

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

(1) Information prior to 2011 is not available

STRONGSVILLE CITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

Collection Year (2)	Current Taxes Levy	Delinquent Taxes Levy	Total Taxes Levy	Current Tax Collections
2015	\$ 63,242,634	\$ 1,871,487	\$ 65,114,121	\$ 61,104,297
2014	62,925,274	1,904,261	64,829,535	60,310,953
2013	62,238,408	2,229,808	64,468,216	60,613,369
2012	60,647,821	2,687,850	63,335,671	56,611,850
2011	60,402,858	2,776,866	63,179,724	57,759,992
2010	59,591,510	2,824,652	62,416,162	57,457,134
2009	59,804,935	1,892,970	61,697,905	57,145,174
2008	59,804,935	1,892,970	61,697,905	57,858,650
2007	49,316,478	1,522,268	50,838,746	47,386,225
2006	48,521,084	1,288,256	49,809,340	47,391,073

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

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) Represents collection year.

<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collection as a Percent of Current Levy</u>
96.6%	\$ 1,084,686	\$ 62,188,983	98.3%
95.8%	1,499,788	61,810,741	98.2%
97.4%	1,673,529	62,286,898	100.1%
93.3%	1,515,133	58,126,983	95.8%
95.6%	1,332,007	59,091,999	97.8%
96.4%	1,629,893	59,087,027	99.2%
95.6%	1,050,781	58,195,955	97.3%
96.7%	1,111,199	58,969,849	98.6%
96.1%	1,018,476	48,404,701	98.2%
97.7%	829,405	48,220,478	99.4%

STRONGSVILLE CITY SCHOOL DISTRICT
 OUTSTANDING DEBT BY TYPE
 NET BONDED DEBT PER CAPITA AND AVERAGE DAILY ENROLLMENT
 LAST TEN FISCAL YEARS

Year	General Obligation Bonded Debt (1)	Certificates of Participation	Capital Leases	Total Primary Government
2016	\$ 83,508,187	\$ 3,800,000	\$ -	\$ 87,308,187
2015	85,314,648	3,940,000	-	89,254,648
2014	87,256,194	3,985,000	-	91,241,194
2013	89,758,206	4,273,334	-	94,031,540
2012	8,280,930	4,556,667	121,389	12,958,986
2011	11,360,763	4,840,000	237,903	16,438,666
2010	14,554,528	5,118,334	349,301	20,022,163
2009	17,622,725	5,391,667	455,808	23,470,200
2008	16,751,632	4,525,000	557,639	21,834,271
2007	19,403,813	4,525,000	654,999	24,583,812

Source:

- (1) School District Financial Records.
- (2) See Schedule S-18 for estimated actual value of taxable property.
- (3) See Schedule S-29 for personal income, population, and ADM data.
 These ratios are calculated using data for the prior calendar year.

Percentage of Estimated Actual Value (2)	Percentage of Personal Income (3)	Per Capita (3)	Per ADM (3)
2.14%	5.63%	\$ 1,951	\$ 15,991
2.24%	5.75%	1,995	15,839
2.29%	5.88%	2,039	15,423
2.37%	6.06%	2,101	15,147
0.32%	0.84%	290	1,984
0.40%	1.06%	367	2,431
0.49%	1.29%	447	2,895
0.53%	1.80%	535	3,376
0.48%	1.67%	498	3,050
0.54%	1.89%	561	3,407

STRONGSVILLE CITY SCHOOL DISTRICT
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2016	2015	2014	2013
Assessed Valuation	<u>\$ 1,446,581,550</u>	<u>\$ 1,417,638,250</u>	<u>\$ 1,416,350,590</u>	<u>\$ 1,404,214,520</u>
Debt Limit -				
9% of Assessed Value (1)	<u>130,192,340</u>	<u>127,587,443</u>	<u>127,471,553</u>	<u>126,379,307</u>
Debt Applicable to Debt Limit:				
Various Purpose Bonds, Series 1986	-	-	-	-
Various Purpose Bonds, Series 1991	-	-	-	-
Various Purpose Bonds, Series 1994, Refunded 2004	-	-	265,000	520,000
Various Purpose Bonds, Series 1996	-	-	-	-
Various Purpose Bonds, Series 2005	985,000	1,015,000	1,045,000	1,075,000
Energy Conservaion Improvement Bonds, Series 2006	343,103	410,459	474,883	536,503
Energy Conservaion Improvement Bonds, Series 2008	2,256,947	2,484,194	2,701,054	2,908,001
School Improvement Bonds, Series 2013	76,605,000	77,925,000	79,205,000	81,000,000
Amount Available in Debt				
Service Fund	(6,464,957)	(5,293,759)	(5,919,210)	(7,995,307)
Total	<u>73,725,093</u>	<u>76,540,894</u>	<u>77,771,727</u>	<u>78,044,197</u>
Overall Debt Margin	<u>\$ 56,467,247</u>	<u>\$ 51,046,549</u>	<u>\$ 49,699,826</u>	<u>\$ 48,335,110</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>61.59%</u>	<u>64.14%</u>	<u>65.65%</u>	<u>68.08%</u>
Overall Limit -				
.10% of Assessed Value (1)	\$ 1,446,582	\$ 1,417,638	\$ 1,416,351	\$ 1,404,215
Amount of Debt Applicable	<u>985,000</u>	<u>1,015,000</u>	<u>1,045,000</u>	<u>1,075,000</u>
Unvoted Debt Margin	<u>\$ 461,582</u>	<u>\$ 402,638</u>	<u>\$ 371,351</u>	<u>\$ 329,215</u>
Unvoted debt applicable to debt limit as a percentage of unvoted debt limit	<u>68.092%</u>	<u>71.598%</u>	<u>73.781%</u>	<u>76.555%</u>

2012	2011	2010	2009	2008	2007
<u>\$ 1,448,698,160</u>	<u>\$ 1,445,935,940</u>	<u>\$ 1,427,873,960</u>	<u>\$ 1,510,823,300</u>	<u>\$ 1,488,248,600</u>	<u>\$ 1,490,583,950</u>
<u>130,382,834</u>	<u>130,134,235</u>	<u>128,508,656</u>	<u>135,974,097</u>	<u>133,942,374</u>	<u>134,152,556</u>
-	-	260,000	520,000	780,000	1,040,000
-	130,000	260,000	390,000	520,000	650,000
760,000	995,000	1,220,000	1,440,000	1,650,000	1,845,000
2,530,000	4,930,000	7,210,000	9,380,000	11,445,000	13,405,000
1,105,000	1,135,000	1,160,000	1,185,000	1,210,000	1,235,000
595,441	651,814	705,733	757,305	806,632	853,813
3,105,489	3,293,949	3,473,795	3,645,420	-	-
-	-	-	-	-	-
<u>(4,297,742)</u>	<u>(4,029,969)</u>	<u>(3,865,618)</u>	<u>(3,657,960)</u>	<u>(3,732,958)</u>	<u>(3,307,323)</u>
<u>3,798,188</u>	<u>7,105,794</u>	<u>10,423,910</u>	<u>13,659,765</u>	<u>12,678,674</u>	<u>15,721,490</u>
<u>\$ 126,584,646</u>	<u>\$ 123,028,441</u>	<u>\$ 118,084,746</u>	<u>\$ 122,314,332</u>	<u>\$ 121,263,700</u>	<u>\$ 118,431,066</u>
<u>6.21%</u>	<u>8.56%</u>	<u>11.12%</u>	<u>12.74%</u>	<u>12.25%</u>	<u>14.18%</u>
\$ 1,448,698	\$ 1,445,936	\$ 1,427,874	\$ 1,510,823	\$ 1,488,249	\$ 1,490,584
<u>1,105,000</u>	<u>1,135,000</u>	<u>1,160,000</u>	<u>1,185,000</u>	<u>1,210,000</u>	<u>1,235,000</u>
<u>\$ 343,698</u>	<u>\$ 310,936</u>	<u>\$ 267,874</u>	<u>\$ 325,823</u>	<u>\$ 278,249</u>	<u>\$ 255,584</u>
<u>76.275%</u>	<u>78.496%</u>	<u>81.240%</u>	<u>78.434%</u>	<u>81.304%</u>	<u>82.853%</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT
 AS OF DECEMBER 31, 2015

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount Applicable to School District</u>
Direct Debt:			
Strongsville City School District			
General obligation bonds	\$ 83,508,187	100.00%	\$ 83,508,187
Refunding certificates of participation	3,800,000	100.00%	3,800,000
Total direct	<u>87,308,187</u>		<u>87,308,187</u>
Underlying Debt:			
City of Strongsville	46,118,559	100.00%	46,118,559
Cuyahoga County	243,900,000	5.24%	12,780,360
Regional Transit Authority	88,715,000	5.24%	4,648,666
Total overlapping	<u>378,733,559</u>		<u>63,547,585</u>
Total	<u>\$ 466,041,746</u>		<u>\$ 150,855,772</u>

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

(1) Percentages were determined by dividing each overlapping political subdivision's assessed valuation within boundaries of the School District by the total assessed valuation of the subdivision.

STRONGSVILLE CITY SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

Calendar Year	Strongsville City Population (1)	Per Capita Income (2)	Personal Income	Student Enrollment Grades PreK-12 (3)	Cuyahoga County Unemployment Rate (4)
2016	44,750	\$ 34,668	\$ 1,551,393,000	5,460	5.3%
2015	44,750	34,668	1,551,393,000	5,635	4.0%
2014	44,750	34,668	1,551,393,000	5,916	6.0%
2013	44,750	34,668	1,551,393,000	6,208	7.2%
2012	44,750	34,668	1,551,393,000	6,531	6.6%
2011	44,750	34,668	1,551,393,000	6,762	7.1%
2010	44,750	34,668	1,551,393,000	6,915	8.6%
2009	43,858	29,722	1,303,547,476	6,953	9.2%
2008	43,858	29,722	1,303,547,476	7,159	6.8%
2007	43,858	29,722	1,303,547,476	7,215	6.1%

Source:

- (1) The City of Strongsville
- (2) Per Capita information from U.S. Census Bureau.
- (3) Ohio Department of Education Enrollment Data, (October Count).
- (4) Ohio Job and Family Service Department.

STRONGSVILLE CITY SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 AS OF DECEMBER 31, 2015 AND December 31, 2006

December 31, 2015

Name of Employer	Nature of Activity	Percent of Total City Income Taxes Paid
PNC Bank (formerly National City Bank)	Banking Technology Center	2.31%
Strongsville Board of Education	Education	2.24%
Medical Mutual of Ohio	Healthcare Solutions	2.06%
Lamrite West, Inc.	Art Supplies Distributor	1.58%
The Cleveland Clinic Foundatin	Outpatient Medical Facility	1.54%
City of Strongsville	Municipal Government	1.39%
Sherwin -Williams Company	Midw est Division Office/Training Center	1.03%
Momentive Performance Material	Producer of Advanced Ceramics	0.87%
PPG Industries, Inc.	Pow der and Paint Products	0.86%
CCL Label, Inc.	Pressure Sensitive Adhesive Products	0.84%
Total		<u>14.72%</u>

December 31, 2006

Name of Employer	Nature of Activity	Percent of Total City Income Taxes Paid
Akzo Nobel Paints, LLC.	U.S. Corporate Headquarters - Paint	3.71%
Strongsville Board of Education	Education	3.49%
Lamrite West, Inc.	Corporatea Headquarter - Art Supplies	1.39%
National City Bank (now PNC Bank)	Banking Technology Center	2.12%
City of Strongsville	Municipal Government	1.40%
Van Dorn Service Corporation	Plastic Injection Molding Machines	1.19%
Cere Administrators, LLC.	Insurance company	1.12%
Momentive Performance Material	Producer of Advanced Ceramics	1.08%
The Cleveland Clinic Foundatin	Outpatient Medical Facility	1.07%
Avery Dennison Corporation	Press	0.91%
Total		<u>17.48%</u>

Source of information - Regional Income Tax Agency based on payroll taxes withheld.

THIS PAGE INTENTIONALLY LEFT BLANK

STRONGSVILLE CITY SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Administration:	30.00	31.00	32.00	30.00
Instructional:				
Regular Teaching	266.40	276.00	0.00	0.00
Special Education	50.00	50.00	0.00	0.00
Gifted Education	5.00	4.00	0.00	0.00
Title I Teachers	4.00	6.00	5.00	0.00
Others	0.50	0.50	0.00	0.00
Teachers (All)	0.00	0.00	336.00	349.00
Other Professional:				
Counseling	12.00	13.00	12.00	12.00
Nurses	1.00	1.00	1.00	1.00
Psychologist	6.64	6.64	6.64	6.64
Speech therapist	8.00	8.00	8.00	8.00
Support Staff:				
Clerical	46.40	48.00	0.00	0.00
Teacher Aides / Monitors	101.00	105.00	0.00	0.00
Maintenance/Grounds	9.00	9.00	0.00	0.00
Custodial	46.00	48.00	0.00	0.00
Transportation	74.00	76.00	77.00	78.00
Food Service	39.00	40.00	0.00	0.00
Media Specialist	3.00	3.00	3.00	3.00
Media Aides	10.00	11.00	0.00	0.00
Other	16.00	16.00	0.00	0.00
Support Staff (All)	0.00	0.00	278.36	273.36
Total	<u>727.94</u>	<u>752.14</u>	<u>759.00</u>	<u>761.00</u>

Source: School District financial records.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
30.00	30.00	30.00	30.00	30.00	32.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
350.00	377.00	398.00	421.00	430.00	472.00
14.00	14.00	14.00	15.00	15.00	15.00
1.00	1.00	1.00	1.00	1.00	1.00
5.64	5.64	6.64	6.64	6.64	6.64
8.00	8.00	9.00	9.00	9.00	9.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
91.00	82.00	86.00	95.00	65.00	93.00
0.00	0.00	0.00	0.00	0.00	0.00
3.00	5.00	6.00	7.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
271.36	299.36	328.36	329.36	327.36	318.36
<u>774.00</u>	<u>822.00</u>	<u>879.00</u>	<u>914.00</u>	<u>884.00</u>	<u>947.00</u>

STRONGSVILLE CITY SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>PreK-12 Enrollment (1)</u>	<u>Operating Expenditures (2)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Expenses (3)</u>
2016	5,460	\$ 70,140,276	\$ 12,846	0.61%	\$ 73,106,893
2015	5,635	71,950,169	12,768	7.53	66,413,366
2014	5,916	70,245,579	11,874	6.71	72,255,197
2013	6,208	69,077,700	11,127	3.81	68,542,541
2012	6,531	70,003,170	10,719	(4.49)	70,444,771
2011	6,762	75,892,675	11,223	(4.77)	78,110,933
2010	6,915	81,495,273	11,785	(0.33)	84,243,472
2009	6,953	82,212,073	11,824	14.18	85,166,964
2008	7,159	74,136,926	10,356	(0.68)	75,513,788
2007	7,215	75,234,204	10,427	0.15	76,156,961

Source: Ohio Department of Education

Notes:

- (1) Ohio Department of Education Enrollment Data, (October Count).
- (2) Operating expenditures are total expenditures for all governmental funds less debt service, capital outlays, and tuition payments to other districts.
- (3) Total Program Expenses for all governmental funds less Interest and Fiscal Charges and tuition payments to other districts.

	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Economically Disadvantaged
\$	13,390	13.61%	326	16.7	19.29%
	11,786	(3.50)	337	16.7	19.23
	12,214	10.62	341	17.3	18.48
	11,041	2.36	349	17.8	18.21
	10,786	(6.62)	350	18.7	16.43
	11,551	(5.19)	377	17.9	15.30
	12,183	(0.54)	398	17.4	13.47
	12,249	16.13	421	16.5	N/A
	10,548	(0.07)	430	16.6	N/A
	10,555	(2.96)	472	15.3	N/A

STRONGSVILLE CITY SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Fiscal Year	Minimum Salary	Maximum Salary	District Average Salary (1)	Statewide Average Salary (1)
2016	\$ 38,745	\$ 94,766	N/A	N/A (2)
2015	38,361	93,827	67,520	56,748
2014	38,361	93,827	67,559	57,636
2013	38,361	93,827	63,338	57,966
2012	34,779	85,066	64,540	58,120
2011	34,779	85,066	66,558	57,904
2010	34,779	85,066	67,610	56,995
2009	34,779	85,066	65,068	55,583
2008	33,522	81,991	62,183	54,210
2007	32,467	79,411	59,791	52,596

Source: Ohio Department of Education
Strongsville Education Association

Notes:

- 1) Data from Ohio Department of Education Cupp Report.
- 2) Not published by the Ohio Department of Education as of the time of this report.

THIS PAGE INTENTIONALLY LEFT BLANK

STRONGSVILLE CITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

School Building	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Abliou Middle School (1968) (3)										
Square Feet	71,428	71,428	71,428	71,428	71,428	71,428	71,428	71,428	71,428	71,428
Capacity	850	850	850	850	850	850	850	850	850	850
Enrollment	404	432	467	510	508	522	529	527	552	579
Allen Elementary School (1959) (1)										
Square Feet	0	0	0	0	0	0	50,244	50,244	50,244	50,244
Capacity	0	0	0	0	0	0	750	750	750	750
Enrollment	0	0	0	0	0	0	535	568	608	606
Center Middle School (1908) (3)										
Square Feet	97,658	97,658	97,658	97,658	97,658	97,658	97,658	97,658	97,658	97,658
Capacity	875	875	875	875	875	875	875	875	875	875
Enrollment	463	485	509	527	536	592	608	603	622	642
Chapman Elementary School (1971)										
Square Feet	41,584	41,584	41,584	41,584	41,584	41,584	41,584	41,584	41,584	41,584
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	396	375	369	405	429	434	354	369	377	400
Drake Elementary School (1974) (3)										
Square Feet	47,383	47,383	47,383	47,383	47,383	47,383	47,383	47,383	47,383	47,383
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment (b)	403	441	441	430	445	428	327	331	352	355
Kinsner Elementary School (1998)										
Square Feet	61,579	61,579	61,579	61,579	61,579	61,579	61,579	61,579	61,579	61,579
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	569	410	443	490	554	617	413	463	495	510
Muraski Elementary School (1956)										
Square Feet	57,675	57,675	57,675	57,675	57,675	57,675	57,675	57,675	57,675	57,675
Capacity	650	650	650	650	650	650	650	650	650	650
Enrollment	486	412	453	518	537	560	531	520	521	500
Strongsville Early Learning Preschool (2005)										
Square Feet	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300	13,300
Capacity	175	175	175	175	175	175	175	175	175	175
Enrollment	118	101	106	97	75	87	91	70	29	45

(continued)

STRONGSVILLE CITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

School Building	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Strongsville High School (1963)										
Square Feet	292,321	292,321	292,321	292,321	292,321	292,321	292,321	292,321	292,321	292,321
Capacity	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
Enrollment	2,021	2,090	2,201	2,267	2,420	2,462	2,487	2,477	2,536	2,474
Surrarer Elementary School (1965)										
Square Feet	37,749	37,749	37,749	37,749	37,749	37,749	37,749	37,749	37,749	37,749
Capacity	525	525	525	525	525	525	525	525	525	525
Enrollment	318	308	321	320	349	363	370	375	384	398
Whitney Elementary School (1962)										
Square Feet	40,965	40,965	40,965	40,965	40,965	40,965	40,965	40,965	40,965	40,965
Capacity	575	575	575	575	575	575	575	575	575	575
Enrollment	282	303	313	334	356	370	396	375	387	393
Zellers Elementary School (1966) (2)										
Square Feet	33,563	33,563	33,563	33,563	33,563	33,563	33,563	33,563	33,563	33,563
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	0	278	293	310	322	327	274	275	296	313
Administrative (4)										
Buildings	5	5	5	5	5	5	5	5	5	5
Square Feet	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000
Transportation										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	73	75	75	74	76	82	87	87	84	69
Athletics										
Football Fields	2	2	3	3	3	3	3	3	3	3
Soccer Fields	2	2	2	2	2	2	2	2	2	2
Running Tracks	3	3	3	3	3	3	3	3	3	3
Baseball/Softball	2	2	2	2	2	2	2	2	2	2
Tennis Courts	5	5	5	5	5	5	5	5	5	5
Playgrounds	6	7	7	7	7	7	8	8	8	8

Source of information - Ohio Department of Education - Enrollment Data (October Count) and School District financial records.

Notes:

- 1) Allen Elementary was closed after the 2010 fiscal year and demolished during the 2014 fiscal year.
- 2) Zellers Elementary was closed after the 2015 fiscal year and converted to the Administrative Offices during fiscal year 2016.
- 3) Albion Middle School, Center Middle School, and Drake Elementary School were all closed after fiscal year 2016.
Albion Middle School and Center Middle School are scheduled to be demolished during fiscal year 2017. Drake Elementary school will be sold at public auction in fiscal year 2017. Strongsville Middle School is scheduled to open for the 2017 fiscal year.
- 4) Two Administrative buildings are scheduled to be demolished during fiscal year 2017.

STRONGSVILLE CITY SCHOOL DISTRICT
 CAPITAL ASSET INFORMATION
 LAST TEN FISCAL YEARS

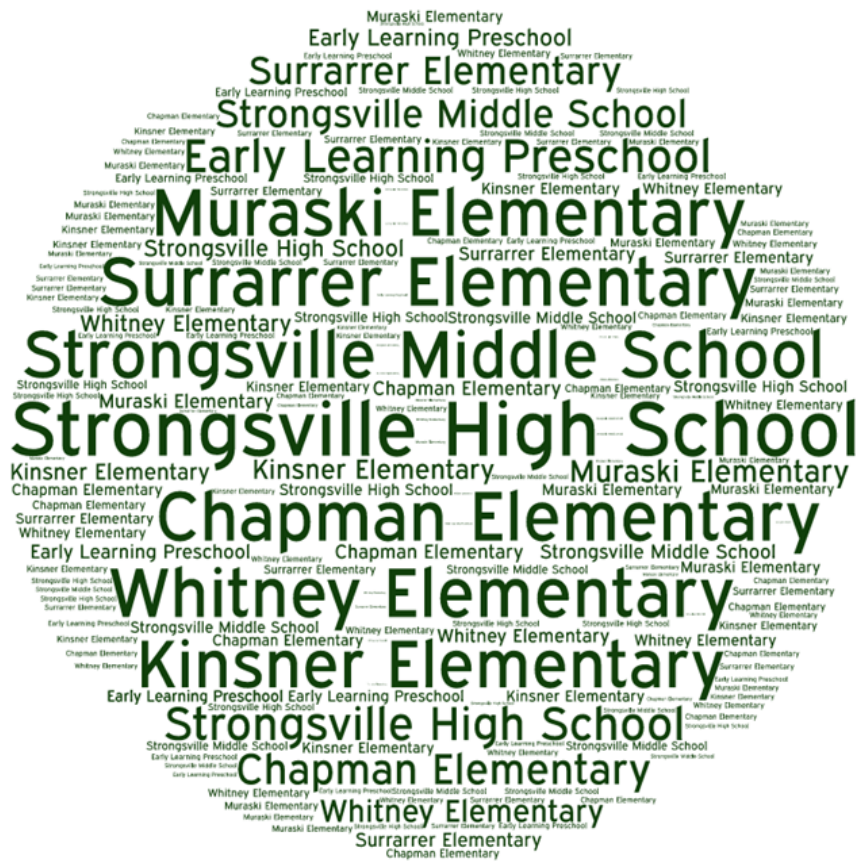
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Land	\$ 2,690,686	\$ 2,767,186	\$ 2,767,186	\$ 2,611,204
Construction in progress	65,610,418	27,813,795	5,632,417	592,037
Buildings and improvements	63,894,121	63,873,601	63,868,280	65,587,533
Furniture and equipment	8,455,489	8,580,913	8,371,518	7,772,586
Vehicles	6,053,215	6,027,544	5,666,246	5,461,324
Total	<u>146,703,929</u>	<u>109,063,039</u>	<u>86,305,647</u>	<u>82,024,684</u>
Less accumulated depreciation	<u>(44,461,131)</u>	<u>(42,981,368)</u>	<u>(40,786,496)</u>	<u>(40,261,608)</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 102,242,798</u>	<u>\$ 66,081,671</u>	<u>\$ 45,519,151</u>	<u>\$ 41,763,076</u>

Source: School District financial records.

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 2,611,204	\$ 2,611,204	\$ 2,611,204	\$ 2,611,204	\$ 2,611,204	\$ 2,611,204
-	-	-	-	-	-
64,399,783	64,177,389	64,010,479	63,893,062	60,109,656	60,067,799
7,926,827	7,677,340	7,690,188	7,679,862	7,480,690	7,530,575
5,446,786	5,882,337	5,859,540	5,644,063	5,589,634	5,241,530
<u>80,384,600</u>	<u>80,348,270</u>	<u>80,171,411</u>	<u>79,828,191</u>	<u>75,791,184</u>	<u>75,451,108</u>
<u>(38,764,175)</u>	<u>(36,922,064)</u>	<u>(34,863,198)</u>	<u>(32,516,160)</u>	<u>(30,523,996)</u>	<u>(28,921,032)</u>
<u>\$ 41,620,425</u>	<u>\$ 43,426,206</u>	<u>\$ 45,308,213</u>	<u>\$ 47,312,031</u>	<u>\$ 45,267,188</u>	<u>\$ 46,530,076</u>

THIS PAGE INTENTIONALLY LEFT BLANK.

Front of back cover.



Strongsville City School District

Cameron M. Ryba, Superintendent
George K. Anagnostou, Treasurer

Strongsville Board of Education

Carl W. Naso, President
Richard O. Micko, Vice President
Colonel Duke Evans
George A. Grozan
Jane L. Ludwig



Strongsville City Schools
18199 Cook Avenue
Strongsville, OH 44136
440.572.7000
www.strongnet.org

Strong Schools. Strong Community. Strongsville.



Dave Yost • Auditor of State

STRONGSVILLE 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 19, 2017**