

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

**AUDIT REPORT**

**FOR THE FISCAL YEAR  
ENDED JUNE 30, 2016**

*James G. Zupka, CPA, Inc.*  
Certified Public Accountants





# Dave Yost • Auditor of State

Board of Education  
Rocky River City School District  
1101 Morewood Parkway  
Rocky River, Ohio 44116

We have reviewed the *Independent Auditor's Report* of the Rocky River City School District, Cuyahoga County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2015 through June 30, 2016. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Rocky River City School District is responsible for compliance with these laws and regulations.

A handwritten signature of Dave Yost in black ink.

Dave Yost  
Auditor of State

February 24, 2017

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**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
AUDIT REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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# **JAMES G. ZUPKA, C.P.A., INC.**

*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Members of Board of Education  
Rocky River City School District  
Rocky River, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio, (the District) as of and for the year ended June 30, 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 16, 2016.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Rocky River City School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Rocky River City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rocky River City School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Rocky River City School District's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Rocky River City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Rocky River City School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rocky River City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James G. Zupka, CPA, Inc.  
Certified Public Accountants

December 16, 2016

# JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125

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## **REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Members of Board of Education  
Rocky River City School District  
Rocky River, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

### ***Report on Compliance for Each Major Federal Program***

We have audited the Rocky River City School District, Cuyahoga County, Ohio's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Rocky River City School District's major federal program for the year ended June 30, 2016. The Rocky River City School District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### ***Management's Responsibility***

Management is responsible for compliance 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 express an opinion on compliance for the Rocky River City School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Rocky River City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the Rocky River City School District, Cuyahoga County, Ohio, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

### ***Report on Internal Control over Compliance***

Management of the Rocky River City School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Rocky River City School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Rocky River City School 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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 was not designed to 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.

## **Report on Schedule of Expenditures of Federal Awards 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 Rocky River City School District, Cuyahoga County, Ohio, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Rocky River City School District's basic financial statements. We issued our report thereon dated December 16, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information 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, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



James G. Zupka, CPA, Inc.  
Certified Public Accountants

December 16, 2016

**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Grantor Number</b>	<b>Non-Cash Expenditures</b>			
<b>U.S. Department of Agriculture</b>						
<i>Passed through Ohio Department of Education</i>						
<i>Child Nutrition Cluster:</i>						
National School Lunch Program - See Note 2	10.555	044594-LLP4-11	\$ 90,305	\$ 16,996		
Special Milk Program for Children	10.556		10,632	0		
<i>Total Child Nutrition Cluster</i>			<u>100,937</u>	<u>16,996</u>		
<b>Total U.S. Department of Agriculture</b>						
<b>U.S. Department of Education</b>						
<i>Passed through Ohio Department of Education</i>						
Title I - Grants to Local Educational Agencies	84.010	2015	13,368	0		
Title I - Grants to Local Educational Agencies	84.010	2016	<u>170,514</u>	<u>0</u>		
<i>Total CFDA #84.010</i>			<u>183,882</u>	<u>0</u>		
<i>Special Education Cluster (IDEA):</i>						
Special Education Grants to States	84.027	044594-6BSF-15	38,678	0		
Special Education Grants to States	84.027	044594-6BSF-16	665,210	0		
Special Education - Pre-School Grants	84.173	044594-PBSI-16	10,513	0		
<i>Total Special Education Cluster</i>			<u>714,401</u>	<u>0</u>		
Improving Teacher Quality State Grants, Title II-A	84.367	044594-TRS1-16	<u>54,161</u>	<u>0</u>		
English Language Acquisition State Grants	84.365	2016	12,431	0		
English Language Acquisition State Grants - Immigrant	84.365	2016	488	0		
<i>Total CFDA #84.365</i>			<u>12,919</u>	<u>0</u>		
<b>Total U.S. Department of Education</b>			<u>965,363</u>	<u>0</u>		
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 1,066,300</u></b>	<b><u>\$ 16,996</u></b>		

See accompanying notes to Supplemental Schedule of Expenditures of Federal Awards.

**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2016**

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**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

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

The District did not use the de minimus rate of 10 percent for indirect costs charged to the federal grants.

**NOTE 2: CHILD NUTRITION CLUSTER**

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

**NOTE 3: FOOD DONATION PROGRAM**

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

**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2016**

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**1. SUMMARY OF AUDITOR'S RESULTS**

2016(i)	Type of Financial Statement Opinion	Unmodified
2016(ii)	Were there any material control weaknesses reported at The financial statement level (GAGAS)?	No
2016(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2016(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2016(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2016(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2016(v)	Type of Major Program's Compliance Opinion	Unmodified
2016(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2016(vii)	Major Programs (list):  Special Education Cluster (IDEA): Special Education Grants to States, CFDA #84.027 Special Education Pre-School Grants, CFDA # 84.173	
2016(viii)	Dollar Threshold: Type A\B Program	Type A: \$750,000 or more Type B: All others less than \$750,000
2016(ix)	Low Risk Auditee?	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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The prior audit report, as of June 30, 2015, included no citations. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2016



Sophie Story  
Grade 11

**ROCKY RIVER CITY SCHOOL DISTRICT**  
Cuyahoga County • Ohio



*Miabella Centuori*  
Grade 8

**ROCKY RIVER CITY SCHOOL DISTRICT**  
Cuyahoga County, Ohio

# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2016

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



*National History Day*

**ROCKY RIVER CITY SCHOOL DISTRICT**  
Cuyahoga County, Ohio



**Rocky River City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2016*  
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# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2016

## Introductory Section



*Kensington Intermediate School Talent Show*

**ROCKY RIVER CITY SCHOOL DISTRICT**  
Cuyahoga County, Ohio





December 16, 2016

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Rocky River City School District (the “District”) for the fiscal year ended June 30, 2016. This CAFR, which includes financial statements and other financial and statistical data, conforms to accounting principles generally accepted in the United States of 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 District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

## **The District**

### *History<sup>1</sup>*

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

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

### *Current Organization*

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

<sup>1</sup> McCauley, Ann. Rocky River...Timeless. The Rocky River Library Foundation, 2002

The District is located in a suburban area west of Cleveland, Ohio and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. The property tax base is primarily residential with a significant amount of retail commercial property. The District serves 2,749 students ranging from Kindergarten through Twelfth Grade. In addition, a wide range of services are provided for preschool-aged children and adults.

## **The Reporting Entity**

The District has reviewed its reporting entity definition in order to insure conformance with the Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments and organizations making up the District (the primary government) and its potential component units. The District has no component units and the District is not a component unit of any other governmental organization.

The District is associated with the North Coast Council and the Ohio Schools Council Association, both jointly governed organizations; the Suburban Health Consortium and the Ohio Schools' Council Workers' Compensation Group Rating Program, both insurance purchasing pools; and the Rocky River Public Library, a related organization.

## **Demographics, Economic Condition and Outlook<sup>2</sup>**

The 2010 U.S. Census data reports a population of 20,213 (2015 estimate is 20,376) in the City of Rocky River with 10,181 housing units. The 2007 business census reports a total of 1,987 businesses within the City. The median household income is \$66,337 (year 2012 data) and the per capita income is \$41,207 (year 2010 data). The median home value is \$207,200 (year 2010 data). In 2005, the average sale price for a single family home was \$288,506 with 65 days on the market. As of July 2015, there were a total of 25 homes listed for sale with the least expensive home listed at \$25,000 and the most expensive listed at \$2,190,000. For the month of July 2015, there were 58 homes that sold with an average sale price of \$207,864 (lowest at \$26,500 and highest at \$740,000) with an average of 64 days on the market. The housing price trend in Rocky River as of July 2015 was considered stable.

Per the 2010 U.S. Census, the median age for residents of Rocky River is 43.5 and families (non-single residences) represent 56.5% of the population. The racial makeup of the city was 95.5% White, 1.0% African American, 0.1% Native American, 1.8% Asian, and 1.6% from other races. Hispanic or Latino of any race was 1.8% of the population.

Per the updated 2010-2014 American Community Survey 5-Year Estimates, there were 8,863 households of which 24% had their own children under the age of 18 living with them, 47.4% were married couples living together, 7.3% had a female householder with no husband present, and 43.2% were single/non-family households. 24% of the households were made up of at least one individual under 18 years of age and 48.9% was made up of at least one individual 60 years of age or older. The average household size was 2.26 and the average family size was 3.10. In the city, the population was spread amongst age groupings with 23.8% under the age of 20, 3.0% from 20 to 24, 10.1% from 25 to 34, 11.8% from 35 to 44, 14.3% from 45 to 54, 12.9% from 55 – 64 and 24.1% who were 65 years of age or older.

<sup>2</sup>Primary sources of data used for this section are [http://realtytimes.com/rmcrlc/Ohio~Rocky\\_River](http://realtytimes.com/rmcrlc/Ohio~Rocky_River), [http://factfinder2.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](http://factfinder2.census.gov/faces/nav/jsf/pages/community_facts.xhtml) and <http://quickfacts.census.gov/qfd/states/39/3968056.html> (for zip code 44116)

Additionally, the City had an employed civilian population ages 16 years and over of 9,789 with the occupational makeup being 56.9% management, business, science, and arts occupations, 12.2% Service occupations, 22.3% Sales and office occupations, 2.9% Natural resources, construction, and maintenance occupations, and 5.7% Production, transportation, and material moving occupations. Of the population 25 years of age or older, over 55.3% have at least a bachelor's degree. Businesses within the community are predominantly retail and service oriented.

The District receives over 76% of its governmental fund revenues from local property tax collections. Therefore, the long-term financial health of the District is very dependent on its tax base. The total assessed valuation of the District's tax duplicate has risen 3.68% over the last ten years. The increased value in the tax duplicate is due primarily to revisions in property values made by the County Auditor every three years as well as some new construction, although assessed values had decreased in more recent years due to the elimination of tangible personal property values from the tax duplicate as well as an overall reduction based on the triennial property update that took effect for collection year 2010 due to the generally depressed market for property values. However, the most recent triennial property update effective January of 2016 helped produce an overall increase of 8% for tax year 2015/collection year 2016 as compared to the January 2015 values.

The City of Rocky River is almost completely developed, so future assessed valuation increases will come primarily from property value changes. There may also be some growth from the demolition of existing commercial and residential building stock and the subsequent redevelopment of such property, as this is becoming increasingly common in fully-developed suburban areas like Rocky River. There are no major manufacturing plants located within the District's boundaries. In terms of assessed dollar value, the largest real property taxpayer owns approximately 2.77% of the total assessed valuation within the District.

## **Major Initiatives - Fiscal Year 2016**

During fiscal year 2016, the District continued working towards the goals as outlined in the District's Strategic Plan that was adopted in fiscal 2009. This strategic plan outlines actions designed to achieve desired outcomes. It is a statement of the Rocky River City School District's mission, beliefs, and goals. It defines what we as a community envision for the future of our schools, and details objectives and strategies to guide us on our journey. Approved by the Board of Education on June 25, 2009, this Plan is meant to serve as the compass by which the District will chart its course for the next ten years. As the 2014-15 school year was the mid-point of the ten year strategic plan lifecycle, the District undertook a comprehensive update process to realign and adjust the functional strategic area results that will be achieved by 2019. The Strategic Plan, as adopted and amended, is as follows:

### **BELIEFS**

We believe ...

- Students are the heart of our purpose.
- Student success requires a partnership among family, school and community.
- A Rocky River education empowers values, inspires curiosity and encourages talents that lead to success.
- High expectations lead to high achievement.
- Lifelong learners thrive as they embrace the changing global society.

*An exceptional school district demonstrates all of the above.*

## **STRATEGIC OBJECTIVES**

- All students will engage in contemporary, globally competitive curricular and co-curricular programs of excellence.
- All students will achieve their educational goals incorporating the highest international standards.
- All students will participate in a student-centered environment that addresses educational, social and emotional needs.
- All students will learn through lessons and experience that communication is open, sincere, timely and responsive.
- All students will attend schools that are state-of-the art facilities.
- All students will learn in an environment that is technologically competitive on a global level.

## **COMMUNICATIONS**

Proactively share comprehensive and timely information with all stakeholders about updates on progress in achieving our mission and the opportunities that our school district provides

- The District website is the primary source of information about District events/accomplishments and curricular/extracurricular opportunities for students.
- Relevant safety and security information is provided to stakeholders in a timely fashion.
- Legislative information that may impact the District on a local, state, or federal level is communicated to stakeholders.
- Updates on the progress and status of achieving the District's strategic objectives and mission are accessible to stakeholders.

## **CURRICULUM and CO-CURRICULUM**

Develop and implement 21st century curricula, support systems, and co-curricular programming to ensure the highest expectations of excellence in an increasingly interconnected world.

- Career pathways are illuminated and explored enabling students to succeed as independent, self-sufficient citizens in a dynamic world.
- Students understand their learning process and their progress, and necessary data are communicated and used to facilitate each child's growth and development.
- Students are self-aware and socially and emotionally prepared to persevere in an interconnected and competitive world.
- Students understand, and are contributing participants in, a diverse, global setting.
- Curricula, instruction and assessment are aligned and articulated, and prepare students for the rigors of the 21st century global economy.

## **FACILITIES**

Continue to improve and maintain facilities that meet our mission.

- School buildings and grounds use creative strategies to promote community and foster student interaction.
- District facilities continue to enhance exemplary curricular and co-curricular opportunities for all students.
- A facilities master plan provides a blueprint for buildings and systems that support student success, and enhance campus safety and accessibility.
- The facilities master plan uses nontraditional funding sources and maximizes operational efficiencies.

## **FINANCE**

Provide traditional and nontraditional fiscal resources and efficiencies to meet our mission of excellence to support the other strategies.

- Feasible alternative revenue streams supplement traditional funding sources.
- Operational efficiencies and cost-containment measures are instituted, based on industry standards and benchmarks, to optimize resources for District programs.
- Multiple channels are used to inform the community about the District's financial status and the Ohio school finance environment.
- Accelerated funding of the District's cash reserves ensures financial stability, observes internal benchmarks and avoids detrimental impact to educational outcomes.
- A dedicated revenue stream is established to sufficiently provide for maintenance and improvement of the District's capital assets.

## **HUMAN RESOURCES**

Recruit, hire and retain exceptional staff to accomplish our mission.

- A comprehensive approach is in place, includes stakeholders, and assures the District continues to attract, hire and retain exceptional employees.
- Administrators research, promote and communicate available, pertinent professional development opportunities for employees.
- Opportunities are offered to enhance relationships between district employees.
- Wellness programs promote improved health among all members of the Rocky River City School District.
- Human Resource operations are efficient, cost effective and sustainable.

## **TECHNOLOGY**

Maximize the utilization and implementation of current technology to provide the students and staff training necessary to support achievement of our mission and strategic objectives.

- Technological literacy is expected and promoted throughout the District to deploy and utilize resources in an effective, consistent and coordinated manner.
- The technology architecture is proactively maintained and enhanced to support operations of the District.
- All students have appropriate and readily available access and opportunity to use technology, and are empowered to be responsible digital citizens.
- Students have the resources necessary to develop the current technology skills required for college and career readiness.
- Technology enhances the safety and security of students and staff.

## **Goals for 2017**

One of the primary goals for 2017 is to continue the implementation components of the aforementioned Strategic Plan to address the realigned and updated results for the functional strategic areas.

In addition to this goal, the following financial goals will be addressed:

- To effectively use District resources to assure the highest quality educational program while attempting to meet the District's revised financial plan. This includes continually working towards successfully managing funds that will be generated from the additional 4.9 mill property tax levy that was passed in November of 2012 to support the District's programming by providing financial stability through at least fiscal year 2020. This will include prioritizing curricular needs such as all-day kindergarten, expansion of course offerings such as world language, career tech education and an increased emphasis on college preparation, amongst other programmatic improvements. This will be accomplished in large part by securing additional funding through a proposed 4.9 mill combined operating (4.4 mills) and permanent improvement (0.5 mill) continuing levy planned for May of 2017 along with carefully developing, monitoring and adjusting short-term and long-term financial projections and expenditures based on educational needs and objectives and attempting to anticipate and react to various outside factors such as state funding changes and major cost drivers.
- To continue to educate the electorate of the District on the District's financial situation and its impact on the future prosperity and financial stability of the District; to communicate the District's dependence on local taxpayer support and current issues with the state funding; garner input from knowledgeable citizens and other experts in the community regarding local economics.
- To receive the GFOA Certificate of Achievement for Excellence in Financial Reporting and Auditor of State Award with Distinction for this fiscal year 2016 CAFR.
- To continue to assure that the District's property tax base remains strong and stable by working through economic issues with city and county governments, the business community and individual property owners.

- To continue to effectively and efficiently utilize and maintain District facilities that were substantially improved with the \$42.9 million bond issue that was approved by the voters in May 2010 as part of the District's Master Plan for facilities. This goal will include the continued development and implementation of a five-year capital plan that will be used as the roadmap to reach this goal.

## **Financial Policies Impacting the Financial Statements**

The Board of Education approved the District's Ten-Year Strategic Plan (the "Plan") in fiscal year 2009 and updated components of the plan in 2015. The Plan (goals of which are described above) serves as a roadmap for allocating resources to achieve desired outcomes. The District recently completed all significant improvements called for under the comprehensive Facilities Master Plan as outlined in the Plan, developed to ensure the cost-effective use of facilities consistent with its educational programs. Reviews and recommendations for programmatic changes, student reassessments, and building reuse or closings are all considered in the context of the Plan and have a significant financial impact as they relate to the District's education facilities and allocation of resources.

The Board of Education made a policy decision in the spring of 2010 to utilize interest rebates from the federal government from interest that the District would be paying on Qualified School Construction Bonds (QSCBs) and Build America Bonds (BABs) for receipt to the general fund, as allowable by current federal regulations, for four full calendar years (covering five fiscal years) in order to sustain the District's operations. This additional general fund operating revenue source ceased with the payment received in November, 2014, and then reverted to the bond retirement fund for future debt service payment purposes starting with the last BAB subsidy payment received in April 2015. With a current refunding of the BABs to tax-exempt bonds being effectuated in December of 2014, direct subsidies on those bonds will no longer be received, but direct subsidies on the QSCBs are still expected to be received as authorized by the federal government and are anticipated to be used exclusively for debt service purposes.

Effective January 1, 2014, the Board of Education made a policy decision to move ½-mill of inside property tax millage to the permanent improvement fund from the general fund. Permanent improvement fund expenditures are generally restricted to significant capital improvements and equipment purchases with an estimated useful life of five years or longer. This inside millage is expected to generate approximately \$388,000 annually based on the District's expected valuation for collection year 2016.

## **Long-Term Financial Planning**

As part of the 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 financial assumption notes. The Board of Education reviews this document on a semi-annual basis for changes that might impact their financial decisions. Further, the Treasurer/CFO meets at least semi-annually with a citizens finance committee comprised of residents that have a financial, business, legal and/or governmental background. This committee reviews the five-year forecast and other financial issues confronting the District and may offer suggestions and recommendations for the Treasurer/CFO to present to the Board of Education.

A formal policy was adopted by the Board of Education during fiscal year 2014 to reserve and restrict a minimum level of operating cash in order to mitigate the risk of a funding shortfall and to comply with best practices as established by the Government Finance Officers Association and other reputable sources as they related to sound fiscal management of an organization. The current intent is to reserve a minimum of \$175,000 per year until an amount equal to 2 mills of property valuation is reached (approximately \$1.56 million based on the expected property valuation for collection year 2016). Further, the Board policy requires a majority vote to release any reserved funds upon recommendation of the Superintendent.

The Board and Administration will also look at opportunities to accelerate the funding of this reserve amount based on significant and unexpected one-time revenue sources or significant unanticipated savings from various budget areas, or by other means, as this acceleration is specifically called for as part of the realigned and updated strategic plan results mentioned previously.

## **Financial Information**

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

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. Further, the District has been utilizing an automated vendor payment auditing system that reviews every vendor disbursement run through the system to verify compliance with laws and regulation and reviews for indications of fraudulent activity. This automated system was expanded recently to include payroll disbursements. These systems, along with the manual auditing of each voucher prior to payment, as well as multiple levels of review of and segregation of duties over revenue collections and investments ensures financial information generated is both accurate and reliable.

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level for all District funds. All operational department purchase order requests must be approved by the Executive Director of Human Resources and Support Services, while site-based purchase orders are reviewed by individual school principals. Building fund and/or permanent improvement funds requisitions/purchase orders are typically reviewed by the Superintendent or Executive Director of Human Resources and Support Services while requisitions/purchase orders against grant funds are reviewed by designated grant managers responsible for administering the goals of the grant. All requisitions/purchase orders are then reviewed by a Treasurer's Office staff member and the Treasurer/CFO and then certified for availability of funds. Necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, all employees are covered by a blanket bond and certain individuals in policy making roles are covered by a separate, higher limit bond.

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

### ***Financial Reporting***

The District's basic financial statements report on the District's financial activities as follows:

***Government-wide financial statements:*** These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

***Fund financial statements:*** The focus of fund financial statements is on major funds rather than reporting funds by type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Fiduciary funds use the accrual basis of accounting.

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

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion is presented in the financial section of this report and provides an assessment of the District finances for fiscal year 2016. This transmittal letter is intended to be read in conjunction with the District's MD&A.

### ***Independent Audit***

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. The firm of James G. Zupka, CPA, Inc. was selected to render an opinion on the District's financial statements as of and for the year ended June 30, 2016. The opinion appears at the beginning of the financial section of this report.

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

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the Rocky River City School District for its comprehensive annual financial report (CAFR) for the year ended June 30, 2015.

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

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

### **Acknowledgments**

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

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

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

Respectfully Submitted,



Greg R. Markus, CPA  
Treasurer/CFO



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

## **Rocky River City School District**

*Principal Officials*

*June 30, 2016*

### ***Board of Education***

Kathleen Goepfert .....	President
Jon Fancher .....	Vice-President
Dianna Leitch .....	Member
Rick Manoloff .....	Member
Addie Olander .....	Member

### ***Administration***

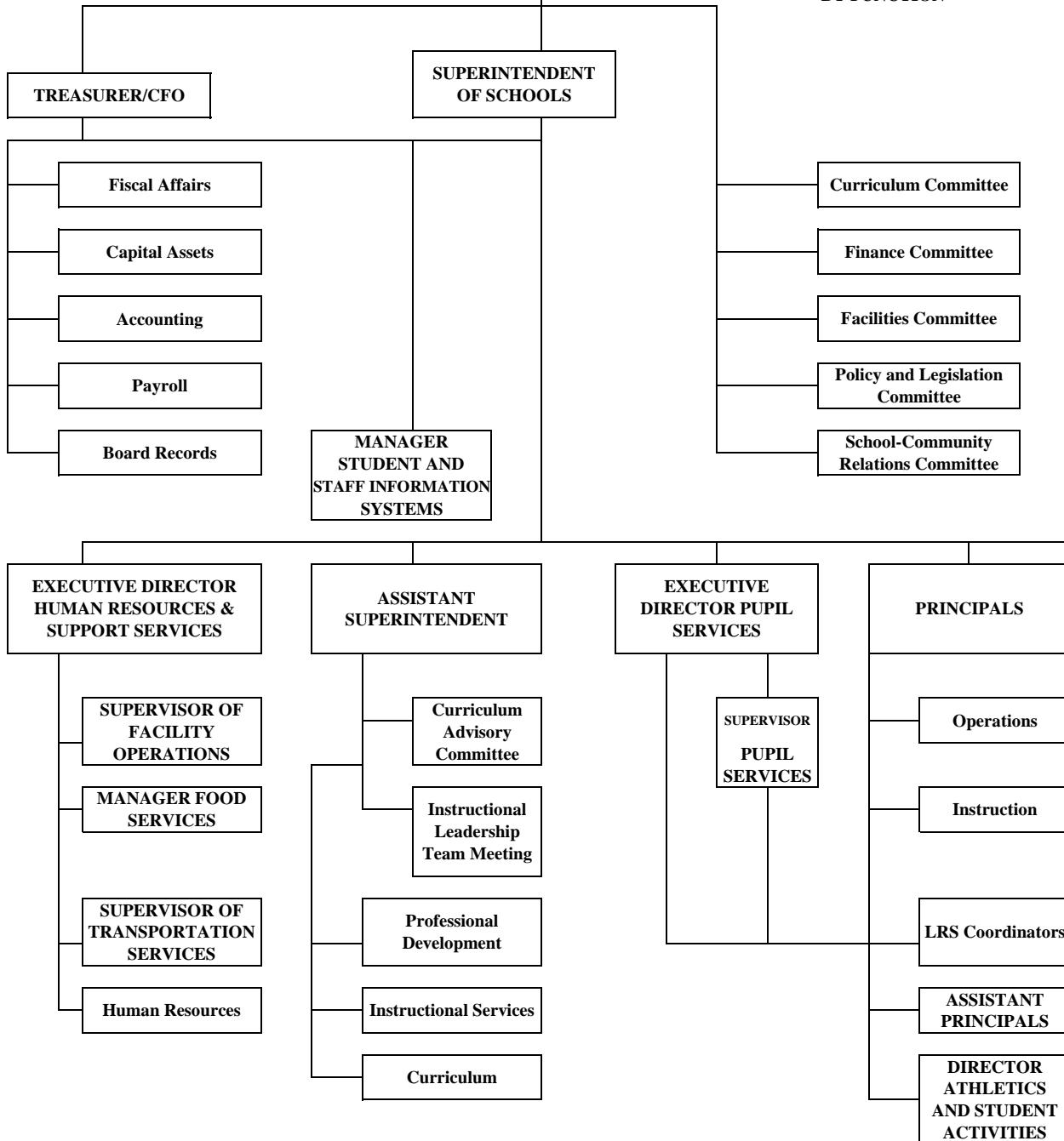
Michael G. Shoaf, Ed.D .....	Superintendent
Elizabeth Anderson .....	Assistant Superintendent
Samuel Gifford .....	Executive Director of Human Resources and Support Services
Dianna Foley, PhD .....	Executive Director of Communications and Organizational Development
Jennifer Norman .....	Executive Director of Pupil Services
Greg R. Markus, CPA, CGMA .....	Treasurer/CFO



Rocky River  
City School District

BOARD OF EDUCATION

ORGANIZATIONAL CHART  
BY FUNCTION





Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Rocky River City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

A handwritten signature in black ink that reads "Jeffrey R. Einer".

Executive Director/CEO

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# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2016

## Financial Section



*Catch Me If You Can*  
Rocky River High School Musical

**ROCKY RIVER CITY SCHOOL DISTRICT**  
Cuyahoga County, Ohio



# JAMES G. ZUPKA, C.P.A., INC.

*Certified Public Accountants*  
5240 East 98<sup>th</sup> Street  
Garfield Hts., Ohio 44125

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Member American Institute of Certified Public Accountants

(216) 475 - 6136

Ohio Society of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Members of Board of Education  
Rocky River City School District  
Rocky River, Ohio

The Honorable Dave Yost  
Auditor of State  
State of Ohio

### **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 Rocky River 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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 Rocky River 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 for the year then ended in accordance with 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 that the Management's Discussion and Analysis and Schedules of Net Pension Liabilities and Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rocky River City School District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information 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, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016, on our consideration of the Rocky River City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion 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 Rocky River City School District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James G. Zupka, CPA, Inc." The signature is fluid and cursive, with "James G." on top, "Zupka" in the middle, and "CPA, Inc." on the bottom right.

James G. Zupka, CPA, Inc.  
Certified Public Accountants

December 16, 2016

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

The discussion and analysis of Rocky River City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2016 are as follows:

In total, net position of the governmental activities increased \$4.0 million from a deficit balance of \$31.9 million at June 30, 2015 to a deficit of \$27.9 million at June 30, 2016.

Total governmental activities revenues increased \$1.7 million and total governmental activities expenses decreased less than \$0.1 million for fiscal year 2016.

Program revenue, revenue from specific fees and grants, decreased to 9.47 percent of all revenue from 10.39 percent in 2015. Over ninety percent of governmental activities revenues come from general revenues, primarily property taxes.

Total capital assets, net decreased from \$56.3 million at June 30, 2015 to \$54.4 million at June 30, 2016.

The District's outstanding long-term obligations increased to \$102.8 million at June 30, 2016 from \$99.1 million at June 30, 2015.

The District's major governmental funds are the general fund and bond retirement fund. The general fund had \$37.8 million in revenues and other financing sources and \$35.9 million in expenditures and other financing uses. During fiscal 2016, the general fund's fund balance increased \$1.9 million, from a balance of \$9.1 million to a balance of \$11.0 million.

The bond retirement fund had \$5.7 million in revenues and \$4.8 million expenditures. During fiscal 2016, the bond retirement fund's fund balance increased \$0.9 million from \$4.1 million to \$5.0 million.

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

**Reporting the District as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

The statement of net position and the statement of activities include the District's programs and services, including instruction, support services (which includes the operation and maintenance of plant and pupil transportation), extracurricular activities and food service operations.

The District's statement of net position and statement of activities can be found on pages 43-44 of this report.

**Reporting the District's Most Significant Funds**

*Fund Financial Statements*

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

*Governmental Funds*

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

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 45-49 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

*Proprietary Funds*

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for employee benefit programs. The basic proprietary fund financial statements can be found on pages 50-52 of this report.

*Fiduciary Funds*

The District is a trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 53 and 54. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 55-98 of this report.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages 100-106 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. Table 1 below provides a summary of the District's net position for 2016, 2015 and 2014.

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

	Governmental Activities 2016	Governmental Activities 2015	Governmental Activities 2014
<b><u>Assets</u></b>			
Current and other assets	\$ 45.9	\$ 44.6	\$ 43.9
Capital assets, net	<u>54.4</u>	<u>56.3</u>	<u>58.7</u>
Total assets	<u>100.3</u>	<u>100.9</u>	<u>102.6</u>
<b><u>Deferred outflows of resources</u></b>			
Unamortized deferred charges	0.3	0.3	-
Pension	<u>5.6</u>	<u>3.3</u>	<u>2.6</u>
Total deferred outflows of resources	<u>5.9</u>	<u>3.6</u>	<u>2.6</u>
<b><u>Liabilities</u></b>			
Current liabilities	5.0	4.8	5.6
Long-term liabilities:			
Due within one year	3.4	3.3	2.4
Due in more than one year:			
Net pension liability	51.0	44.8	53.2
Other amounts	<u>48.4</u>	<u>51.0</u>	<u>52.9</u>
Total liabilities	<u>107.8</u>	<u>103.9</u>	<u>114.1</u>
<b><u>Deferred inflows of resources</u></b>			
Property taxes and PILOTS	22.8	24.4	25.2
Pensions	<u>3.5</u>	<u>8.1</u>	-
Total deferred inflows of resources	<u>26.3</u>	<u>32.5</u>	<u>25.2</u>
<b><u>Net Position</u></b>			
Net investment in capital assets	8.0	7.0	8.6
Restricted	<u>5.4</u>	<u>4.5</u>	<u>3.2</u>
Unrestricted (deficit)	<u>(41.3)</u>	<u>(43.4)</u>	<u>(45.9)</u>
Total net position (deficit)	<u>\$ (27.9)</u>	<u>\$ (31.9)</u>	<u>\$ (34.1)</u>

The District adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the 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.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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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.

Under the new standards required by GASB 68, the net pension liability equals the 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 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 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. In addition, the District has reported a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
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(UNAUDITED)**

In conclusion, the adoption of GASB Statement No. 68 requires the reader to perform additional calculations to determine the District's total net position at June 30, 2016 without the implementation of GASB Statement No. 68. This is an important exercise, as the State Pension Systems (STRS & SERS) collect, hold and distributes pensions to our employees, not the Rocky River City School District. These calculations are as follows (amounts in millions):

Table 1: Total Net Position (with GASB 68)	\$ (27.9)
GASB 68 Calculations:	
Add Deferred Inflows related to Pension	3.5
Add Net Pension Liability	51.0
Less Deferred Outflows related to Pension	<u>(5.6)</u>
Total Net Position (without GASB 68)	<u><u>\$ 21.0</u></u>

*Total Assets and Deferred Outflows of Resources* increased by \$1.7 million. Current assets increased \$1.3 million primarily due to an increase in equity in pooled cash and investments of \$0.8 million. Capital assets decreased by \$1.9 million as depreciation expense exceeded capital additions. The District acquired \$1.2 million in capital assets in fiscal 2016 but the related depreciation expenses related to the capital assets was \$3.1 million for fiscal 2016. Deferred outflows related the District's net pension liability increased \$2.3 million from fiscal 2015.

*Total Liabilities and Deferred Inflows of Resources* decreased by \$2.3 million. Long-term liabilities increased \$3.7 million as the District's net pension liability increased \$6.2 million in fiscal year 2016. This increase was offset by \$2.8 million in principal payments on long-term debt. Current liabilities increased by \$0.2 million due to an increase in accrued wages and benefits payable due at June 30. Deferred inflows related the District's net pension liability decreased \$4.6 million from fiscal 2015.

The restricted portion of net position of \$5.4 million at June 30, 2016 was an increase of \$0.9 million from June 30, 2015.

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

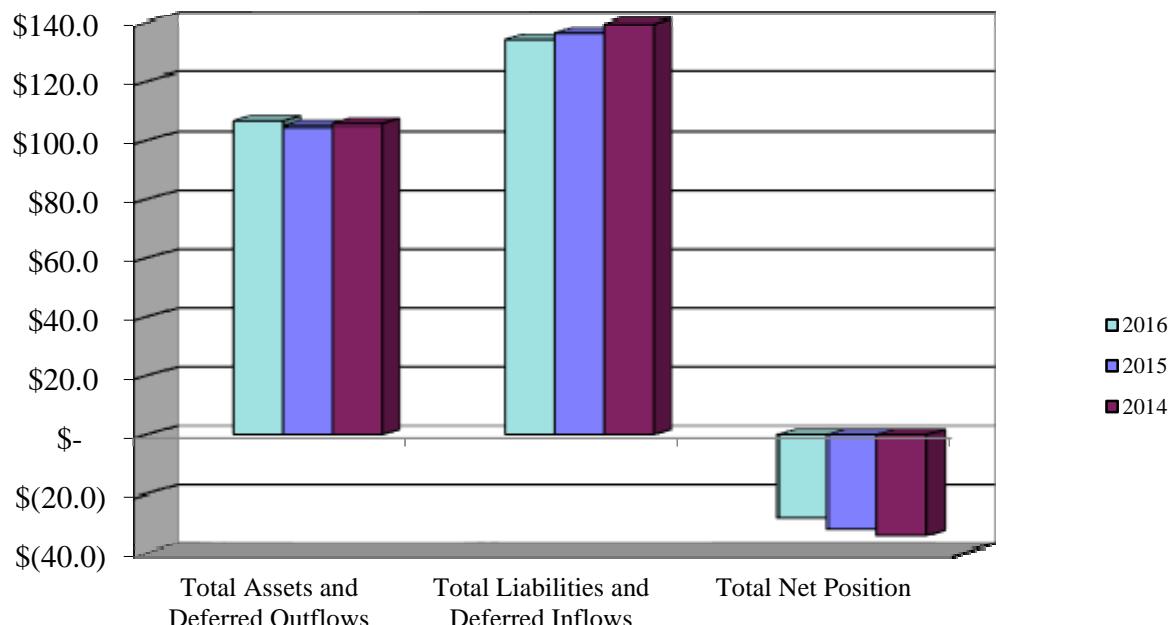
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

Graph 1 below shows the District's governmental activities assets, liabilities, deferred inflows and net position for fiscal year 2016, 2015 and 2014.

**Graph 1**  
**Net Position Governmental Activities**  
**(In millions)**

	2016	2015	2014
Total Assets and deferred outflows	\$106.2	\$104.5	\$105.2
Total Liabilities and deferred inflows	134.1	136.4	139.3
Total Net Position	<u>(\$27.9)</u>	<u>(\$31.9)</u>	<u>(\$34.1)</u>

**Rocky River City School District Governmental Activities**  
**(In Millions)**



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

Table 2 below shows the change in net position for fiscal years 2016, 2015 and 2014.

**Table 2**  
**Changes in Net position**  
**(In millions)**

<b><u>Revenues</u></b>	Governmental Activities		
	2016	2015	2014
Program revenues:			
Charges for Services and Sales	\$ 1.4	\$ 1.6	\$ 1.2
Operating Grants and Contributions	3.1	3.1	3.3
Capital Grants and Contributions	-	0.1	0.1
General revenues:			
Property Taxes	36.3	34.0	35.2
Grants and Entitlements	6.4	6.7	6.8
Other	0.3	0.3	0.4
Total revenues	<u>47.5</u>	<u>45.8</u>	<u>47.0</u>
<b><u>Expenses</u></b>			
Program expenses:			
Instruction	23.7	22.8	22.4
Support Services:			
Pupils and Instructional staff	3.2	3.2	3.2
Board of Education, Administration,			
Fiscal and Business	4.2	4.1	3.8
Operations and Maintenance of Plant	3.9	3.9	4.5
Pupil Transportation	1.7	1.9	2.2
Central	1.1	1.1	1.1
Operation of Non-Instructional Services:			
Food Service Operations	0.5	0.4	0.5
Other Non-Instructional Services	1.5	1.7	1.3
Extracurricular Activities	1.7	1.9	1.7
Interest and Fiscal Charges	<u>2.0</u>	<u>2.6</u>	<u>2.8</u>
Total expenses	<u>43.5</u>	<u>43.6</u>	<u>43.5</u>
Change in Net Position	4.0	2.2	3.5
Net Position, at beginning of year	<u>(31.9)</u>	<u>(34.1)</u>	<u>N/A</u>
Net Position, at end of year	<u>(27.9)</u>	<u>(31.9)</u>	<u>(34.1)</u>

### **Governmental Activities**

During fiscal year 2016, change in net position increased \$4.0 million compared to a \$2.2 million increase in fiscal year 2015. Table 2 above shows the changes in governmental activities net position for fiscal year 2016, 2015 and 2014.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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Total revenue for *governmental activities* increased \$1.7 million primarily due to an increase in property tax revenue. The District's property taxes increased \$2.3 million in 2016 due primarily to fluctuations in taxes collected by the Cuyahoga County fiscal officer and available as advance at year-end. The amount collected and available as advance for the fiscal year end June 30, 2016 and June 30, 2015 was \$10.2 million and \$7.9 million, respectively. This amount is recorded as revenue in the respective fiscal year. The amount collected and available for advance can vary depending upon when tax bills are sent.

Total expenses for *governmental activities* decreased \$0.1 million.

Instruction expenses increased \$0.9 million primarily due increased expenses related to the instruction of students with special needs. This area accounts for 54.40 percent of the District's governmental activities expenses for 2016.

Support services expenses decreased \$0.1 million primarily due to a decrease in pupil transportation expenses. The decrease is due to fewer buses needing repair in 2016. Support services account for 32.47 percent of District's governmental activities expenses for 2016.

Interest expenses decreased \$0.6 million as the District realized interest savings from refunding bond transactions which occurred in fiscal 2015. These refunding transactions replaced higher interest rate bonds with lower interest rate bonds.

Program revenue support for governmental activities increased from 2015. The percent of program revenue support increased to 10.42 percent from 10.39 percent in 2015. The vast majority of revenue supporting governmental activities, almost 89.58 percent, continues to be general revenue. 76.40 percent of total revenue, \$36.3 million for 2016, was property taxes paid by the residents in the District. Only \$6.4 million (13.48 percent of total revenue) came from unrestricted state or federal sources (general revenue source).

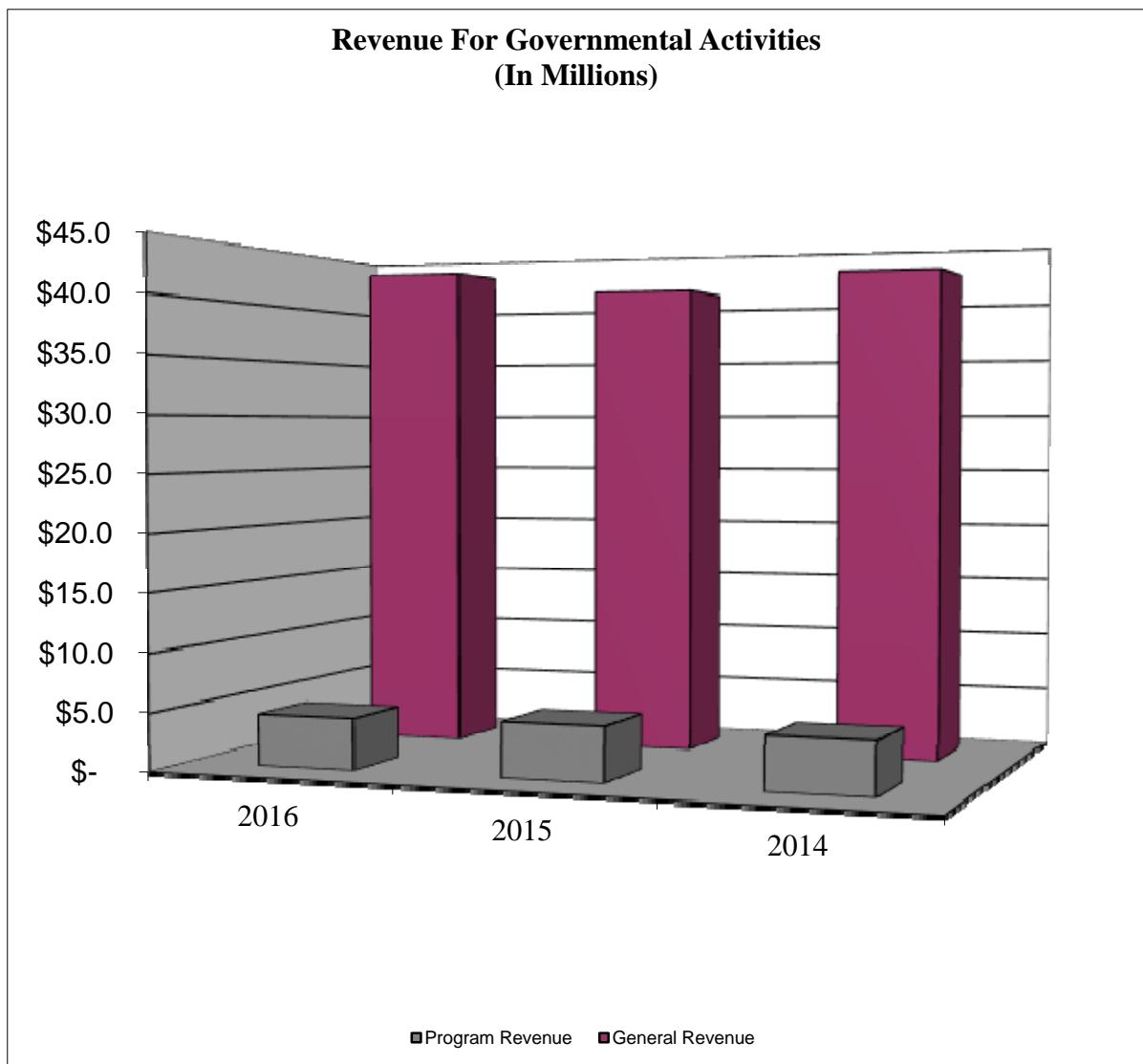
**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

Graph 2 below shows a comparison of program revenues versus general revenue for the governmental activities for fiscal year 2016, 2015 and 2014.

**Graph 2**  
**Revenues for Governmental Activities**  
**(In millions)**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Program Revenue	\$4.5	\$4.8	\$4.6
General Revenue	43.0	41.0	42.4



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
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The District's property taxes increased \$2.3 million in 2016 due to fluctuations in taxes collected by the Cuyahoga County fiscal officer and available as advance at year-end. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become 0.5 mills and the owner would still pay \$35.00. Thus, Districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 76.40 percent of revenues for governmental activities for District in fiscal year 2016.

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

Table 3 below shows the governmental activities total cost of services and net cost of services for fiscal year 2016, 2015 and 2014.

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

	2016		2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 23.7	\$ 22.5	\$ 22.8	\$ 21.5	\$ 22.4	\$ 20.9
Support Services:						
Pupils and Instructional Staff	3.2	2.8	3.2	2.8	3.2	2.8
Board of Education, Administration,						
Fiscal and Business	4.2	4.2	4.1	4.1	3.8	3.8
Operation and Maintenance	3.9	3.7	3.9	3.5	4.5	4.3
Pupil Transportation	1.7	1.5	1.9	1.7	2.2	2.0
Central	1.1	1.1	1.1	1.1	1.1	1.1
Operation of Non-Instructional Services:						
Food Service Operations	0.5	0.0	0.4	0.0	0.5	0.1
Other Non-Instructional Services	1.5	0.0	1.7	0.1	1.3	(0.2)
Extracurricular Activities	1.7	1.2	1.9	1.4	1.7	1.3
Interest and Fiscal Charges	2.0	2.0	2.6	2.6	2.8	2.8
Total	<u>\$ 43.5</u>	<u>\$ 39.0</u>	<u>\$ 43.6</u>	<u>\$ 38.8</u>	<u>\$ 43.5</u>	<u>\$ 38.9</u>

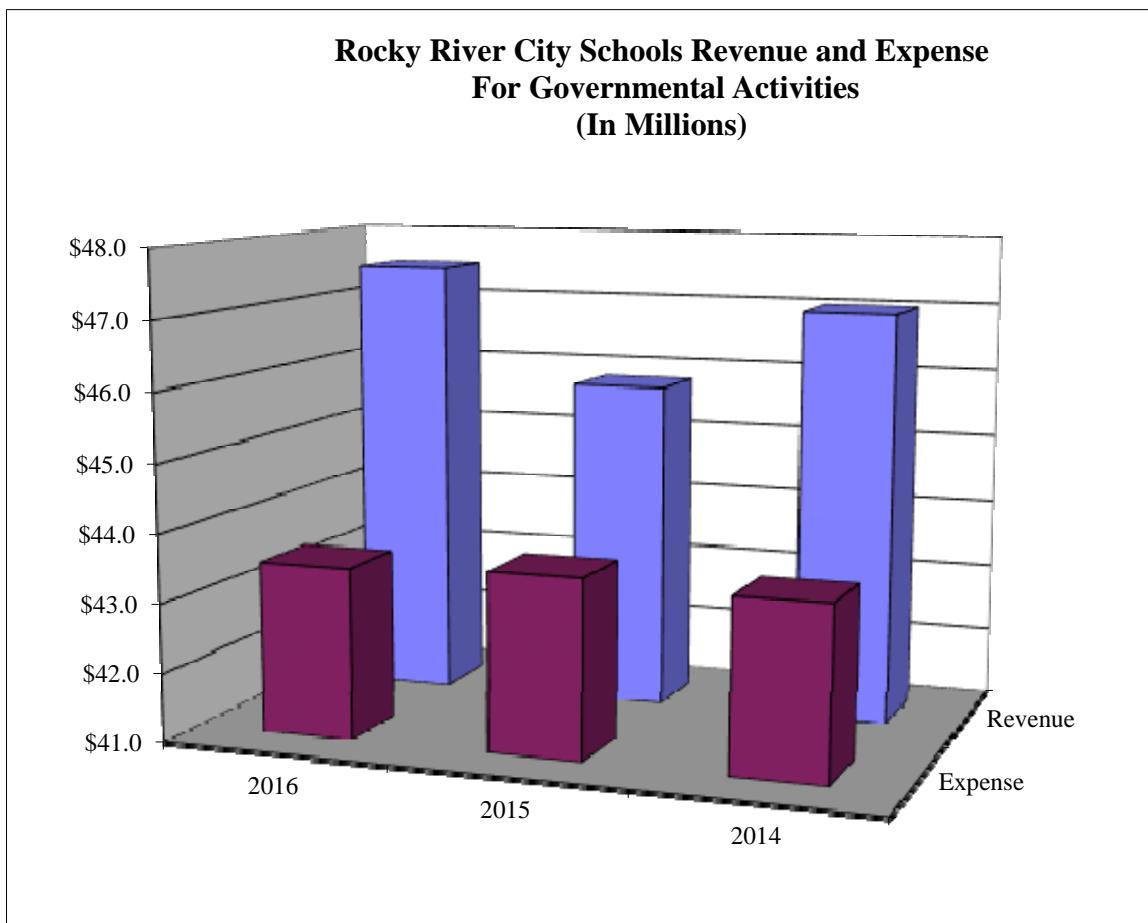
**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

Graph 3 below shows the governmental activities revenues and expenses for fiscal year 2016, 2015 and 2014.

**Graph 3**  
**Revenue and Expense for Governmental Activities**  
**(In millions)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenue	\$47.5	\$45.8	\$47.0
Expense	43.5	43.6	43.5



Program revenue for governmental activities in 2015 was \$4.8 million, or 10.39 percent of all revenue. For 2016, program revenue was \$4.5 million, or 9.55 percent of all revenue. The largest expense area was instruction, comprising \$23.7 million, 54.40 percent of all governmental activity expenses.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

**The District's Governmental Funds**

The District's major governmental funds are reported on pages 45 and 47. All governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$47.6 million and expenditures and other financing uses of \$45.1 million. The net change in fund balance for the year was most significant in the general fund. In addition, the general fund balance increased \$1.9 million as revenues continued to exceed expenditures despite expenses increasing \$0.9 million from 2015. The only significant expenditure increase in the general fund was in the area of regular instruction which increased 4.07% due to increased costs associated to the education of students. The fund balance of the bond retirement fund increased \$958,652. Principal retirement in the bond retirement changed as the District's principle payments on debt increased in fiscal year 2016.

*General Fund Budgeting Highlights*

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

During the course of fiscal 2016, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was \$0.6 million higher than the original budget estimates of \$35.2 million. Final budgeted revenues were \$35.6 million which was lower than actual budget basis revenues of \$35.7 million.

Total expenditures on the budget basis (cash outlays plus encumbrances) were \$36.0 million. Actual expenditures were less than original budgeted expenditures of \$36.9 million and \$0.7 million less than final budgeted expenditures of \$36.7 million. The actual expenditures were less than the final budgeted amounts primarily due to less than anticipated spending on support services.

The general fund budgetary statement can be found on page 49.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

**Capital Assets and Debt Administration**

*Capital Assets*

Table 4 below reports the District's capital assets, net of accumulated depreciation, for fiscal year 2016, 2015 and 2014.

**Table 4**  
**Capital Assets, Net**  
**(In millions)**

	Governmental Activities		
	2016	2015	2014
Land	\$0.8	\$0.8	\$0.8
Land Improvements	3.7	3.8	3.9
Building/Improvements	47.3	49.3	51.3
Furniture/Equipment	1.8	1.7	2.0
Vehicles	0.8	0.7	0.7
<i>Total</i>	<i>\$54.4</i>	<i>\$56.3</i>	<i>\$58.7</i>

At the end of fiscal 2016, the District had \$54.4 million in total capital assets. This is the value of land, land improvements, building/improvements, furniture/equipment and vehicles after depreciation is taken off their value. The largest component of these capital assets is building/improvements.

Total capital assets decreased from \$56.3 million in 2015 to \$54.4 million for 2016. This decrease was the result of depreciation expense exceeding capital acquisitions. The District acquired \$1.2 million in capital assets in fiscal 2016. For additional information on capital assets, see Note 10 to the basic financial statements.

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

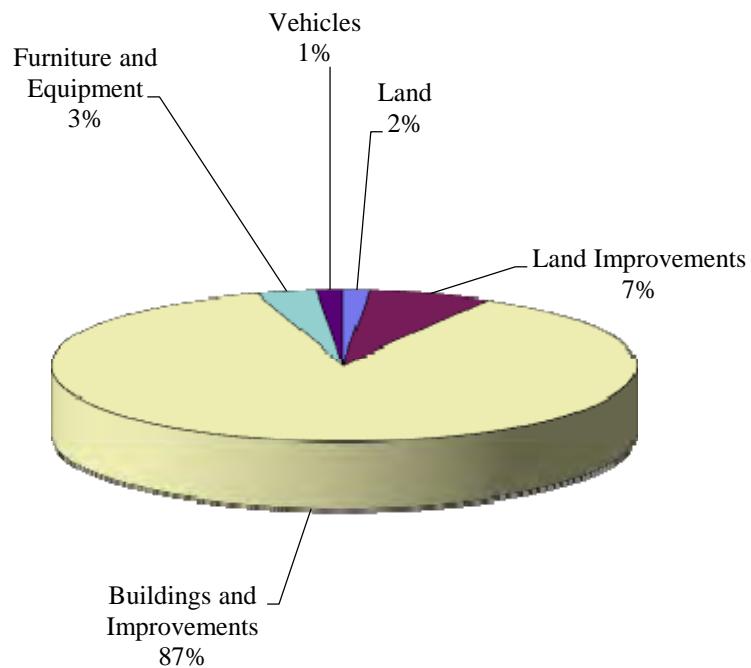
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

Graph 4 below shows the governmental activities capital assets by category and the percentage to total assets for each category, net at June 30, 2016.

**Graph 4**  
**Total Governmental Activities Capital Assets, Net**  
**(In millions)**

	<u>June 30, 2016</u>
Land	\$0.8
Land Improvements	3.7
Building/Improvements	47.3
Furniture/Equipment	1.8
Vehicles	<u>0.8</u>
<b>Total</b>	<b><u>\$54.4</u></b>

**Rocky River City School District Governmental Activities  
Capital Assets Net of Depreciation**



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

**Debt**

At June 30, 2016, the District had \$45.4 million in bonds outstanding. Table 5 below summarizes the District's bonds outstanding at June 30, 2016, 2015 and 2014.

**Table 5**  
**Outstanding Bonded Debt at Year End**  
(In millions)

**Rounded**

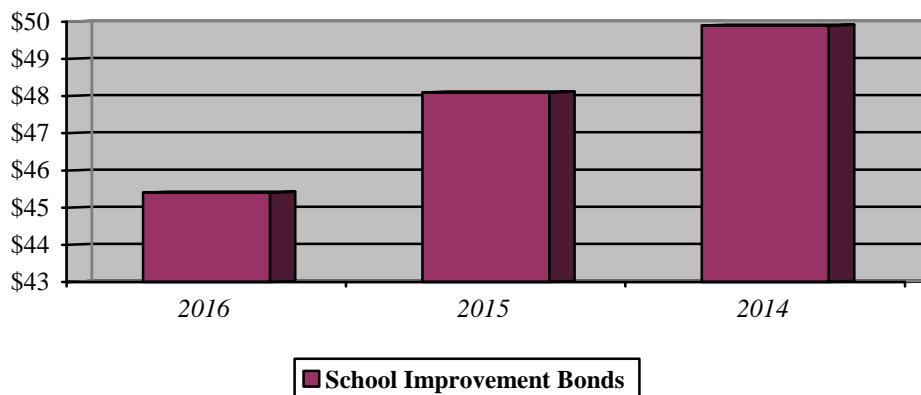
	Governmental Activities		
	2016	2015	2014
School Building General Obligation Bonds	\$45.4	\$48.1	\$49.9

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

The School Building Improvement Bonds were issued following passage of the bond issue in May 2010. The bonds were issued in September 2010 in the amount of \$42.9 million. The proceeds of the issue is funding the construction project in the District. During 2015 the District refunded a portion of the Series 2010 bonds with the Series 2014 School Improvement bonds in the amount of \$28.3 million.

For additional information on debt, see Note 12 to the basic financial statements. Graph 5 below shows the District's outstanding bonded debt at June 30, 2016, 2015 and 2014.

**Graph 5**  
**Outstanding Bonded Debt at Year End**  
**Outstanding Bonded Debt at Year End**  
(In Millions)



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

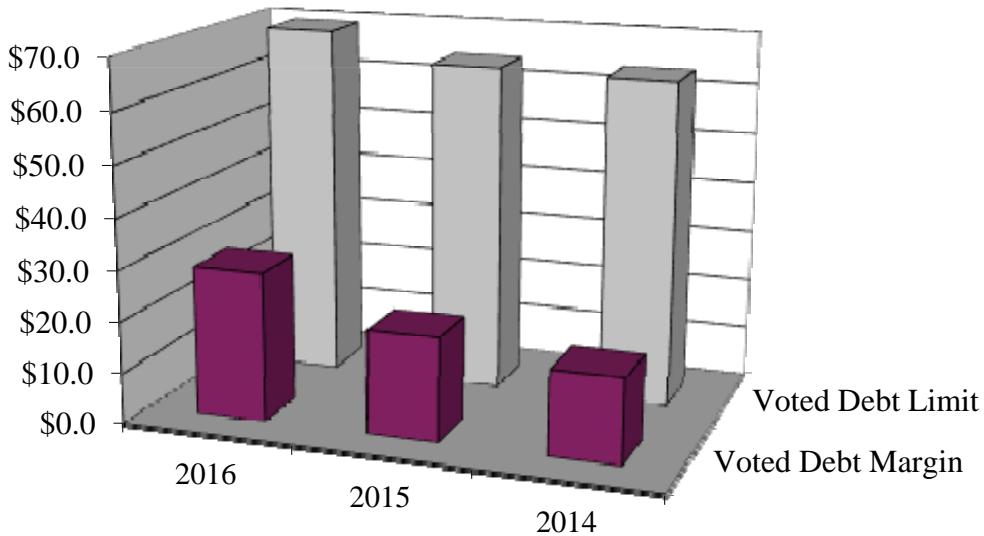
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

Graph 6 below shows the District's legal debt limit and debt margin at June 30, 2016, 2015 and 2014.

**Graph 6**  
**Debt Limit and Margin**  
**(In millions)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Voted Debt Limit	\$69.4	\$64.3	\$63.7
Voted Debt Margin	29.2	20.4	16.9

**Rocky River City School District Debt Limit and Margin  
(In Millions)**



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

**District Outlook**

After several years of navigating financial challenges based on the current state of the economy and the continued erosion of state funding support, the Rocky River City School District is back on solid financial footing for the foreseeable future. As the preceding information shows, the District heavily depends on its property taxpayers. An operating levy of 5.9 mills was passed back in May of 2008 for a continuing period of time. That levy was planned to enable the District to continue its currently excellent education program level for a three-year levy cycle. However, with the continued emphasis on controlling costs and becoming more efficient with available resources, the District was able to stretch the planned three-year levy cycle to four years. This was in spite of a loss of over \$800,000 in State of Ohio funding (describe in more detail below) starting in July of 2012.

However, with the continued financial pressures of personnel needs to continue the level of services offered to our students, employee healthcare costs, facility needs, the continued erosion of the commercial tax base through state tax law changes detrimental to schools (e.g. the accelerated "phase out" of the personal property and public utility subsidy payments starting in fiscal year 2012) as well as commercial and residential reductions in property values leading to significant lost revenues and an increase in the amount of delinquent taxes due to the housing market and general economic downturn over the past year, this goal will be very challenging to meet. A once healthy General Fund cash balance was brought down to a dangerously low level at the end of fiscal year 2005 and did not significantly improve by the end of fiscal year 2009. The District continued to operate with a low General Fund cash balance in relation to total budget during fiscal year 2010 as well, although the District ended that year with a moderately larger unencumbered balance than it did at the end of fiscal year 2009. This trend continued to improve into fiscal year 2011 as the District ended the year slightly more than double the unencumbered balance from fiscal year 2010. As the District progressed through fiscal year 2012, it saw an additional increase in the ending unencumbered balance mainly due to an increase in delinquent tax collections during the first half of calendar year 2012.

Due to the need for additional operating funds for programming, the Board of Education placed a 5.9 mill operating levy on the March 2012 primary ballot. This levy was expected to produce an estimated \$4.2 million annually to fund the District's educational programs and operations for the next 3 – 4 years; however, it was defeated by a very narrow margin. As a result of the levy failure, the District's Board and administrative team undertook a comprehensive re-evaluation of needs and created a plan that reduced costs and delayed some programming initiatives. As a result of this re-evaluation, the Board of Education then placed a reduced 4.9 mill operating levy on the ballot for November 2012 which ultimately passed by a wide margin. This new funding is expected to generate approximately \$3.5 million annually and is expected to carry the District through five additional fiscal years based on current projections.

The District continued some of the steps during fiscal year 2013 that were started back in fiscal year 2006 to stabilize the District's finances for the current fiscal year as well as for fiscal year 2014 and beyond in order to maintain and improve upon the District's educational and related programs. The Board of Education agreed to a one-year contract extension with both bargaining units in October of 2012 (effective 7/1/13) that again called for no base salary increases and an additional 1% in health insurance premium contributions from employees. These provisions have been applied to all non-bargaining employees as well. In March 2014, the District and both bargaining units agreed to a three-year contract for fiscal years 2015 through 2017 that included a base salary increase of 1.75% annually and retained step/experience increments. These agreements also called for significant, additional concessions in health care.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

Then in April and May of 2016, the District agreed to a two-year contract extension with both the teacher's bargaining unit and classified OAPSE bargaining unit, respectively, to become effective on July 1, 2017. These extensions include base salary increases of 2% annually and retained step/experience increments from the prior contract. These provisions have been applied to all non-bargaining employees as well. These extensions provide labor certainty going forward and will allow the District to plan its finances and accordingly.

As part of the bargaining unit agreements agreed to in March 2014, all employees of the District will be required to pay 13% of the monthly premium funding cost starting July 1, 2014, then increasing to 14% on July 1, 2015 and then 15% on July 1, 2016. These agreements also called for significant plan design changes that included an in-network deductible, co-payments for doctor office and emergency room visits, increased prescription drug co-payments and an increasing total out-of-pocket maximum amount for each year of the agreements. There were also additional out of pocket increases agreed to by union employees as part of the two year contract extensions noted above, with some changes, specifically retail prescription drug co-pay increases and the offering of a "minimum value plan" taking effect on July 1, 2016 to realize savings earlier. All of these provisions were extended to the District's non-bargaining employees as well. These changes piggyback the District's decision to join the Suburban Health Consortium as of July 1, 2010, which enabled the District to self-fund employee medical and prescription drug insurance plan with a group of 5,000+ lives. This arrangement has provided leverage in keeping annual increases to levels below general trending and even out increases when high claim years are experienced.

The District also reduced projected salary costs by hiring in certificated staff replacements at a lower placement on the teacher salary schedule wherever possible. This was significant going into fiscal year 2012 as the District had 23 employees (17 teachers, one administrator and five support staff) retire as of the end of fiscal year 2011, producing over \$700,000 in first-year savings for the District.

Some of the District's facilities were in need of significant repairs and remodeling/redesign in order to be brought up to acceptable standards. Since the District does not have a dedicated revenue stream or other resources to address these issues, the Board of Education placed a \$42.9 million bond levy before the voters in May of 2010 that passed by a significant margin. The bonds were subsequently issued in September of 2010 and included near zero-interest Qualified School Construction Bonds (QSCB's) and 35% rebateable Build America Bonds (BAB's) as authorized by the federal ARRA as well as traditional tax-exempt bonds. The BAB portion of the 2010 bond issue was refunded in December 2014, yielding a net present value savings to the District of just over \$1.1 million over the life of the bonds.

The plan for the use of these funds was a comprehensive one that covered the upgrade of virtually all buildings in the District (physical plant upgrades for the primary, intermediate and high schools and technology upgrades for the middle school) with the main emphasis being placed on the renovation and expansion of Rocky River High School to meet the needs of our students in order to provide them a 21st Century education. The construction phase for the renovated Board of Education administrative offices was substantially completed by July 15, 2011. The construction phases for Goldwood Primary School and Kensington Intermediate School were substantially completed by April, 2013 and December, 2012, respectively. The High School was substantially completed for the beginning of the 2013-14 school year in late August of 2013. The District continues to work on smaller scale capital projects and major equipment replacements that were not addressed with the aforementioned bond issue and plans to pay for these from available cash in the permanent improvement fund along with resources from the general fund as needed.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

Educationally, the District continues to perform at the highest level as determined by the State of Ohio, which is measured by an objectively defined set of criteria. The District's Performance Index Score (a weighted average of State "report card" performance levels across subject areas and each tested grade) was 108.1 in 2009-10, 110.9 in 2010-11, 110.8 in 2011-12, 111.5 in 2012-13, 111.3 in 2013-14, 106.5 in 2014-15 and 107.1 in 2015-16. The 107.1 earned for 2015-16 ranked sixth overall in the State of Ohio and third in Cuyahoga County. The four-year graduation rate for academic year 2015-16 was 98.6% projecting to a grade of A.

In its assessments for academic year 2012-13, the State began implementing a number of changes in the way in which the performance of its school districts and their individual schools is to be measured and reported. The former designations, such as "Excellent" as described above, have been replaced with letter grades on performance indicators and several new measures. This new reporting is being phased in over several years. The four components initially included on the new report card are Achievement (measuring absolute academic achievement compared to national standards of success), Progress (measuring the average annual improvement for each student), Gap Closing (measuring how well a school district or school is doing in narrowing gaps in reading, math and graduation rate among students according to socioeconomic, racial, ethnic or disability status) and Graduation Rate (measuring the percentage of students who entered the 9th grade and graduated in four and five years). Two additional components, K-3 Literacy (measuring the improvement in reading for students in kindergarten through 3rd grade) and Prepared for Success (measuring whether students who graduate are prepared for college or a career), were added for the 2015-16 academic year. The District's overall component grade for achievement for 2015-16 was an A.

The breakdown of the District's final student test results and performance index for the 2015-16 academic year from the Ohio Department of Education follows on the next page.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

District Test Results - Current Data

Test Grade	School Year Metrics	Test Subject	2015-2016 School Year		
			Students At Least Proficient	Students Tested	Proficient Percentage
3rd Grade	03	Reading	174	198	87.9%
		Mathematics	187	197	94.9%
4th Grade	04	Reading	189	207	91.3%
		Mathematics	203	207	98.1%
		Social Studies	201	207	97.1%
5th Grade	05	Reading	189	216	87.5%
		Mathematics	189	208	90.9%
		Science	212	217	97.7%
6th Grade	06	Reading	190	224	84.8%
		Mathematics	200	233	85.8%
		Social Studies	203	224	90.6%
7th Grade	07	Reading	185	210	88.1%
		Mathematics	162	186	87.1%
8th Grade	08	Reading	170	213	79.8%
		Mathematics	101	130	77.7%
		Science	193	213	90.6%
10th Grade	10	Writing	NC	< 10	NC
11th Grade	11	Reading	212	213	99.5%
		Writing	211	213	99.1%
		Mathematics	212	213	99.5%
		Social Studies	211	213	99.1%
		Science	209	213	98.1%
12th Grade	12	Reading	207	208	99.5%
		Writing	207	208	99.5%
		Mathematics	206	208	99.0%
		Social Studies	207	208	99.5%
		Science	206	208	99.0%
High School	HS	Government	192	210	91.4%
		History	211	215	98.1%
		English I	186	214	86.9%
		English II	182	207	87.9%
		Algebra I	185	189	97.9%
		Geometry	173	210	82.4%
		Biology	82	82	100.0%

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

**District Performance Index - Current Data**

Proficiency Level	School Year	Metrics	2015-2016 School Year			
			Test Required Student Count	Performance Index Student Count	Proficiency Level Percentage	Performance Index Weight
Untested		1	4,110	0.0	0.0	0.0
Limited		158	4,110	3.8	0.3	1.2
Basic		278	4,110	6.8	0.6	4.1
Proficient		714	4,110	17.4	1.0	17.4
Accelerated		922	4,110	22.4	1.1	24.7
Advanced		1,892	4,110	46.0	1.2	55.2
Advanced Plus		145	4,110	3.5	1.3	4.6
Performance Index		--	--	--	--	107.1

The District also continued moving forward in fiscal 2016 with its strategic plan that was adopted in June of 2009. This has been the “roadmap” that the District has used to continue to move ahead in all areas of its operation. This plan was updated as part of a mid-term update in the spring of 2015 through the collaborative efforts of district board members, administration, parents and other interested community members and resulted in updated “action plan results” for the strategic areas of communications, curriculum & co-curriculum, facilities, finance, human resources and technology.

In June 2005, the State Legislature made landmark changes to the State's taxing structure with the passage of House Bill 66 that took effect July 1, 2005. Of the many changes to Ohio's taxing structure, one of the most significant changes was the phase-out of the tangible personal property (TPP) tax on most businesses inventory, manufacturing machinery and equipment, and furniture and fixtures over four years at about 25 percent annually beginning in tax year 2006. Most new manufacturing machinery and equipment that would have been first taxable in tax year 2006 and thereafter is no longer subjected to TPP tax. Ohio School Districts were to be fully “held harmless” for lost revenue through tax year 2010 by the State. HB 1 signed into law by the Governor as of July 1, 2010 included a provision to extend the full (100%) reimbursement of “base year” valuation losses through fiscal year 2013. Reimbursements were then to be phased out starting in fiscal year 2014 through fiscal year 2018. The District began receiving these “hold harmless” payments in May of 2006.

However, the revenue guarantee through fiscal 2013 was eliminated upon the adoption of Amended Substitute H.B. 153 that was signed into law on June 30, 2011. This house bill phases out the District's personal property tax reimbursement and the utility deregulation/SB3/KwH tax reimbursement revenue sources by fiscal year 2013. The impact on the District's revenues is a reduction of over \$821,748 for fiscal year 2012 and an additional \$445,684 in fiscal year 2013. The total reduction of revenue over four years of the District's forecast is \$3,491,956 over what was estimated based on previous law. This House Bill also removed all provisions of the “Evidenced Based Model” (EBM) that was in law previously.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016  
(UNAUDITED)**

On June 30, 2013, Governor Kasich signed H.B. 59 into law for the State's new biennium starting July 1, 2013. A significant piece of this legislation is the new funding model for public education. The most significant piece of the new funding model is the Core Opportunity Aid (formerly known as basic aid). Rather than using the old method of computing the state/local shares of the school funding formula (there is no longer a charge-off), the new funding system will calculate the first and main component using a per-pupil amount times the number of students (ADM) in the district. The per-pupil amounts were \$5,745 in fiscal year 2014 and \$5,800 in fiscal year 2015. This pot of money represents the district's Core Opportunity Aid (COA). The total COA is then multiplied by the new State Share Index to arrive at the state/local totals for this component of the formula.

Amended House Bill 64, the State of Ohio's biennial budget bill, covering fiscal years' 2016 and 2017, was passed into law in June of 2015 to take effect on July 1, 2015. A key component of this bill for the Rocky River Schools was the minimum state funding component that would, over time, bring all districts in the state up to minimum funding equal to 20% of the state's per pupil Opportunity Grant, which would equal \$1,180 (\$5,900 x 20%) in FY 16 and \$1,200 (\$6,000 x 20%) in FY 17. This provision did pass in the Senate and was submitted to the Governor, but it was ultimately line-item vetoed by the Governor. However, the new formula added additional funding of approximately \$93K in FY 16 and \$185K in FY 17 (over FY 15 levels). We are hopeful that the minimum funding concept will be resurrected in the state legislature for future consideration as there is still support for such a measure from like districts. The District has benefited modestly from the funding changes over the last few years and expects to do so through the end of the State's biennium at June 30, 2017, but it has still not recovered the lost funding mentioned prior.

As a result of the levy cycle and funding situation described above, as well as the projected outpacing of expenditures over revenues going forward, the District's Board of Education is considering a new levy request for calendar 2017. The necessary legislation is expected to be considered by the Board in December of 2016 and January of 2017. The current plan is to ask for a 4.4 mill continuing operating levy in combination with a 0.5 mill continuing permanent improvement levy. This levy is projected to address the operating needs of the district through at least fiscal year 2020, as well as address future capital needs by segregating another 0.5 mills to the district's permanent improvement fund. This levy request will help ensure the continued excellent academic and co-curricular programming that the district currently provides to its students.

The aforementioned factors along with the increasingly difficult climate for school levy passage will be crucial issues to be dealt with by the District going forward, but the District's current position both programmatically and financially is very strong.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizen's, taxpayers, investors, creditors and the general public with an overview of the District's finances and to show accountability for the money it receives. If you have any questions about this report or would like additional financial information about the District, please contact Greg R. Markus, CPA, Treasurer/CFO, Rocky River City School District, 1101 Morewood Parkway, Rocky River, Ohio, 44116 or by email at [Markus.Greg@rrcs.org](mailto:Markus.Greg@rrcs.org). You may also visit the District's website at [www.rrcs.org](http://www.rrcs.org).

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

**STATEMENT OF NET POSITION  
JUNE 30, 2016**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 11,342,830
Receivables:	
Property taxes . . . . .	34,280,124
Accounts. . . . .	5,167
Accrued interest . . . . .	12,036
Intergovernmental . . . . .	249,008
Materials and supplies inventory. . . . .	64,427
Inventory held for resale. . . . .	9,224
Capital assets:	
Nondepreciable capital assets . . . . .	770,821
Depreciable capital assets, net. . . . .	<u>53,590,157</u>
Capital assets, net . . . . .	<u>54,360,978</u>
Total assets. . . . .	<u>100,323,794</u>
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refundings . . .	271,955
Pension - STRS . . . . .	4,690,006
Pension - SERS . . . . .	<u>878,353</u>
Total deferred outflows of resources . . . . .	<u>5,840,314</u>
<b>Liabilities:</b>	
Accounts payable. . . . .	278,706
Retainage payable . . . . .	189,314
Accrued wages and benefits payable . . . . .	3,599,796
Intergovernmental payable . . . . .	206,301
Pension and postemployment benefits payable . . . .	591,191
Accrued interest payable . . . . .	157,819
Long-term liabilities:	
Due within one year. . . . .	3,368,042
Due in more than one year:	
Net pension liability . . . . .	51,039,586
Other amounts . . . . .	<u>48,346,486</u>
Total liabilities . . . . .	<u>107,777,241</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	22,806,613
Pension - STRS. . . . .	2,997,741
Pension - SERS. . . . .	<u>448,240</u>
Total deferred inflows of resources . . . . .	<u>26,252,594</u>
<b>Net position:</b>	
Net investment in capital assets . . . . .	7,937,930
Restricted for:	
Capital projects . . . . .	182,551
Debt service. . . . .	4,850,278
Locally funded programs . . . . .	34,930
State funded programs. . . . .	308,070
Federally funded programs . . . . .	3,151
Student activities . . . . .	66,449
Other purposes . . . . .	13,861
Unrestricted (deficit) . . . . .	<u>(41,262,947)</u>
Total net position (deficit). . . . .	<u>\$ (27,865,727)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>	
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	
<b>Governmental activities:</b>						
Instruction:						
Regular . . . . .	\$ 17,091,513	\$ 253,054	\$ 86,272	\$ 2,000	\$ (16,750,187)	
Special . . . . .	5,528,063	3,799	882,199	-	(4,642,065)	
Vocational . . . . .	575,640	-	3,022	-	(572,618)	
Other . . . . .	482,378	-	-	-	(482,378)	
Support services:						
Pupil. . . . .	2,271,806	154,796	209,450	-	(1,907,560)	
Instructional staff . . . . .	958,588	1,744	29,155	-	(927,689)	
Board of education . . . . .	39,207	-	-	-	(39,207)	
Administration. . . . .	2,393,423	-	-	-	(2,393,423)	
Fiscal. . . . .	1,151,899	288	-	-	(1,151,611)	
Business. . . . .	621,087	-	-	-	(621,087)	
Operations and maintenance . . . . .	3,903,847	184,144	-	-	(3,719,703)	
Pupil transportation. . . . .	1,696,185	56,084	124,038	-	(1,516,063)	
Central . . . . .	1,098,364	4,349	17	-	(1,093,998)	
Operation of non-instructional services						
Food service operations. . . . .	455,659	359,323	103,178	-	6,842	
Other non-instructional services . . . . .	1,538,558	28,150	1,550,917	-	40,509	
Extracurricular activities. . . . .	1,723,651	366,800	132,802	-	(1,224,049)	
Interest and fiscal charges. . . . .	1,992,131	-	-	-	(1,992,131)	
Total governmental activities . . . . .	<b>\$ 43,521,999</b>	<b>\$ 1,412,531</b>	<b>\$ 3,121,050</b>	<b>\$ 2,000</b>	<b>\$ (38,986,418)</b>	

**General revenues:**

Property taxes levied for:	
General purposes . . . . .	31,323,703
Debt service. . . . .	4,661,835
Capital outlay. . . . .	359,481
Grants and entitlements not restricted to specific programs . . . . .	6,413,061
Investment earnings . . . . .	95,231
Gain on disposal of capital assets . . . . .	47,358
Miscellaneous . . . . .	135,304
Total general revenues . . . . .	<b>43,035,973</b>
Change in net position . . . . .	4,049,555
<b>Net position (deficit) at beginning of year . . . . .</b>	<b>(31,915,282)</b>
<b>Net position (deficit) at end of year . . . . .</b>	<b>\$ (27,865,727)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 6,670,900	\$ 2,731,583	\$ 1,937,966	\$ 11,340,449
Receivables:				
Property taxes. . . . .	29,536,695	4,403,643	339,786	34,280,124
Accounts . . . . .	5,167	-	-	5,167
Accrued interest . . . . .	12,036	-	-	12,036
Interfund loans . . . . .	143,875	862,712	-	1,006,587
Advances to other funds. . . . .	135,478	-	-	135,478
Intergovernmental. . . . .	174,120	-	74,888	249,008
Materials and supplies inventory. . . . .	63,453	-	974	64,427
Inventory held for resale. . . . .	4,895	-	4,329	9,224
Total assets . . . . .	<u>\$ 36,746,619</u>	<u>\$ 7,997,938</u>	<u>\$ 2,357,943</u>	<u>\$ 47,102,500</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 79,084	\$ -	\$ 190,635	\$ 269,719
Retainage payable. . . . .	-	-	189,314	189,314
Accrued wages and benefits payable . . . . .	3,507,868	-	91,928	3,599,796
Compensated absences payable . . . . .	351,378	-	-	351,378
Intergovernmental payable . . . . .	205,170	-	1,131	206,301
Pension and postemployment benefits payable .	572,812	-	18,379	591,191
Interfund loans payable. . . . .	-	-	1,006,587	1,006,587
Advance from other funds . . . . .	-	-	135,478	135,478
Total liabilities. . . . .	<u>4,716,312</u>	<u>-</u>	<u>1,633,452</u>	<u>6,349,764</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . .	19,777,230	2,812,380	217,003	22,806,613
Delinquent property tax revenue not available. . . .	1,096,142	163,425	12,610	1,272,177
Intergovernmental revenue not available. . . . .	-	-	24,160	24,160
Accrued interest not available. . . . .	9,022	-	-	9,022
Miscellaneous revenue not available. . . . .	166,667	-	-	166,667
Total deferred inflows of resources . . . . .	<u>21,049,061</u>	<u>2,975,805</u>	<u>253,773</u>	<u>24,278,639</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	63,453	-	974	64,427
Long-term loans. . . . .	135,478	-	-	135,478
Unclaimed monies . . . . .	1,054	-	-	1,054
Restricted:				
Debt service . . . . .	-	5,022,133	-	5,022,133
Capital improvements . . . . .	-	-	169,941	169,941
Food service operations . . . . .	-	-	64,840	64,840
Non-public schools . . . . .	-	-	308,971	308,971
Targeted academic assistance . . . . .	-	-	328	328
Other purposes. . . . .	-	-	34,930	34,930
Extracurricular . . . . .	-	-	66,449	66,449
Committed:				
Other purposes. . . . .	-	-	9,065	9,065
Assigned:				
Student instruction . . . . .	202,220	-	-	202,220
Student and staff support. . . . .	411,048	-	-	411,048
Extracurricular activities . . . . .	24,076	-	-	24,076
Subsequent year's appropriations . . . . .	682,124	-	-	682,124
School supplies . . . . .	29,409	-	-	29,409
Unassigned . . . . .	9,432,384	-	(184,780)	9,247,604
Total fund balances . . . . .	<u>10,981,246</u>	<u>5,022,133</u>	<u>470,718</u>	<u>16,474,097</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 36,746,619</u>	<u>\$ 7,997,938</u>	<u>\$ 2,357,943</u>	<u>\$ 47,102,500</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2016

<b>Total governmental fund balances</b>	\$ 16,474,097
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	54,360,978
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
Delinquent property taxes receivable	\$ 1,272,177
Accrued interest receivable	9,022
Intergovernmental receivable	<u>190,827</u>
Total	1,472,026
Unamortized premiums on bonds issued are not recognized in the funds.	(1,121,495)
Unamortized deferred charges on debt refundings are not recognized in the funds.	271,955
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(157,819)
An internal service fund is used by management to charge the costs of employee benefit programs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.	(6,606)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.	
Deferred outflows - Pension	5,568,359
Deferred Inflows - Pension	(3,445,981)
Net pension liability	<u>(51,039,586)</u>
Total	(48,917,208)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General obligation bonds	(45,442,461)
Lease-purchase obligations	(308,508)
Compensated absences	<u>(4,490,686)</u>
Total	<u>(50,241,655)</u>
<b>Net position of governmental activities</b>	<u>\$ (27,865,727)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 31,286,345	\$ 4,647,165	\$ 358,349	\$ 36,291,859
Tuition. . . . .	65,712	-	-	65,712
Transportation fees. . . . .	64,073	-	-	64,073
Earnings on investments . . . . .	92,566	-	1,699	94,265
Charges for services . . . . .	-	-	348,458	348,458
Extracurricular activities. . . . .	25,080	-	365,947	391,027
Classroom materials and fees . . . . .	236,165	-	-	236,165
Rental income . . . . .	28,079	-	171,955	200,034
Contributions and donations . . . . .	51,036	-	105,979	157,015
Contract services. . . . .	108,476	-	-	108,476
Other local revenues . . . . .	136,358	-	94,413	230,771
Intergovernmental - state . . . . .	5,571,404	579,625	1,505,729	7,656,758
Intergovernmental - federal . . . . .	29,940	518,576	1,063,470	1,611,986
Total revenues . . . . .	<u>37,695,234</u>	<u>5,745,366</u>	<u>4,015,999</u>	<u>47,456,599</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	16,018,140	-	202,293	16,220,433
Special . . . . .	4,729,505	-	664,116	5,393,621
Vocational . . . . .	549,687	-	-	549,687
Other . . . . .	459,907	-	-	459,907
Support services:				
Pupil . . . . .	2,116,886	-	183,797	2,300,683
Instructional staff . . . . .	845,335	-	99,593	944,928
Board of education . . . . .	36,254	-	-	36,254
Administration . . . . .	2,349,526	-	180	2,349,706
Fiscal . . . . .	1,031,132	69,251	5,417	1,105,800
Business. . . . .	526,367	-	22	526,389
Operations and maintenance . . . . .	3,848,524	-	577,589	4,426,113
Pupil transportation . . . . .	1,473,386	-	193,715	1,667,101
Central . . . . .	668,555	-	989	669,544
Operation of non-instructional services:				
Food service operations. . . . .	-	-	427,629	427,629
Other non-instructional services . . . . .	39,239	-	1,428,756	1,467,995
Extracurricular activities . . . . .	995,589	-	568,821	1,564,410
Facilities acquisition and construction. . . . .	8,870	-	-	8,870
Debt service:				
Principal retirement. . . . .	96,936	2,715,000	-	2,811,936
Interest and fiscal charges . . . . .	10,899	2,002,463	6,156	2,019,518
Total expenditures . . . . .	<u>35,804,737</u>	<u>4,786,714</u>	<u>4,359,073</u>	<u>44,950,524</u>
Excess of revenues over (under) expenditures . . .	<u>1,890,497</u>	<u>958,652</u>	<u>(343,074)</u>	<u>2,506,075</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets . . . . .	62,535	-	-	62,535
Transfers in. . . . .	-	-	100,400	100,400
Transfers (out) . . . . .	(100,400)	-	-	(100,400)
Total other financing sources (uses) . . . . .	<u>(37,865)</u>	<u>-</u>	<u>100,400</u>	<u>62,535</u>
Net change in fund balances . . . . .	1,852,632	958,652	(242,674)	2,568,610
<b>Fund balances at beginning of year</b> . . . . .	<b>9,128,614</b>	<b>4,063,481</b>	<b>713,392</b>	<b>13,905,487</b>
<b>Fund balances at end of year</b> . . . . .	<b>\$ 10,981,246</b>	<b>\$ 5,022,133</b>	<b>\$ 470,718</b>	<b>\$ 16,474,097</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<b>Net change in fund balances - total governmental funds</b>	\$ 2,568,610
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*Amounts reported for governmental activities in the statement of activities are different because:*

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

Capital asset additions	\$ 1,208,801
Current year depreciation	<u>(3,147,339)</u>
Total	(1,938,538)

Contributed capital assets are not recorded included in the governmental funds; however, these contributions are recorded as revenue in the statement of activities.

2,000

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

(15,177)

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

Delinquent property tax revenues	53,160
Earnings on investments	2,654
Rental income	(13,333)
Intergovernmental	<u>23,116</u>
Total	65,597

Repayment of bond and lease-purchase obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:

Bonds	2,715,000
Lease-purchase obligations	<u>96,936</u>
Total	2,811,936

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

Decrease in accrued interest payable	10,335
Accreted interest on capital appreciation bonds	(35,963)
Amortization of bond premiums	62,585
Amortization of deferred charges on debt refundings	<u>(9,570)</u>
Total	27,387

Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of pension reports these amounts as deferred outflows.

3,152,255

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.

(2,429,355)

An internal service fund used by management to charge the costs of employee benefit programs 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 is allocated among the governmental activities

(6,606)

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

(188,554)

**Change in net position of governmental activities**

	\$ 4,049,555
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SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 28,975,767	\$ 29,203,064	\$ 29,430,644	\$ 227,580
Tuition . . . . .	80,000	86,421	95,042	8,621
Transportation fees . . . . .	53,406	53,406	56,084	2,678
Earnings on investments . . . . .	50,000	72,000	81,674	9,674
Classroom materials and fees . . . . .	-	10,460	10,460	-
Rental income . . . . .	30,000	30,000	29,259	(741)
Contributions and donations . . . . .	-	-	50	50
Contract services . . . . .	148,033	141,200	108,476	(32,724)
Other local revenues . . . . .	-	12,570	22,925	10,355
Intergovernmental - state . . . . .	5,631,583	5,695,656	5,561,943	(133,713)
Intergovernmental - federal . . . . .	-	-	29,940	29,940
Total revenues . . . . .	<u>34,968,789</u>	<u>35,304,777</u>	<u>35,426,497</u>	<u>121,720</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	16,850,465	16,550,523	16,100,423	450,100
Special . . . . .	4,187,957	4,664,757	4,664,757	-
Vocational . . . . .	550,000	549,687	549,687	-
Other . . . . .	330,267	444,259	444,259	-
Support services:				
Pupil . . . . .	2,041,904	1,898,007	1,898,007	-
Instructional staff . . . . .	820,957	857,133	857,133	-
Board of education . . . . .	39,268	36,761	36,761	-
Administration . . . . .	2,442,997	2,351,101	2,251,101	100,000
Fiscal . . . . .	1,085,859	1,036,530	1,036,530	-
Business . . . . .	579,065	552,120	552,120	-
Operations and maintenance . . . . .	4,073,236	3,873,597	3,774,341	99,256
Pupil transportation . . . . .	1,740,746	1,557,300	1,495,383	61,917
Central . . . . .	522,503	667,804	667,804	-
Extracurricular activities . . . . .	1,076,808	1,135,355	1,135,355	-
Facilities acquisition and construction . . . . .	15,014	8,870	8,870	-
Total expenditures . . . . .	<u>36,357,046</u>	<u>36,183,804</u>	<u>35,472,531</u>	<u>711,273</u>
Excess of expenditures over revenues . . . . .	<u>(1,388,257)</u>	<u>(879,027)</u>	<u>(46,034)</u>	<u>832,993</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	-	63,058	65,166	2,108
Refund of prior year's receipts . . . . .	-	(13,388)	(13,388)	-
Transfers in . . . . .	175,000	175,000	175,000	-
Transfers (out) . . . . .	(305,000)	(277,900)	(277,900)	-
Advances (out) . . . . .	(220,000)	(200,624)	(200,956)	(332)
Sale of capital assets . . . . .	10,000	10,000	62,535	52,535
Total other financing sources (uses) . . . . .	<u>(340,000)</u>	<u>(243,854)</u>	<u>(189,543)</u>	<u>54,311</u>
Net change in fund balance . . . . .	<u>(1,728,257)</u>	<u>(1,122,881)</u>	<u>(235,577)</u>	<u>887,304</u>
<b>Fund balance at beginning of year . . . . .</b>	<b>5,400,170</b>	<b>5,400,170</b>	<b>5,400,170</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>783,372</b>	<b>783,372</b>	<b>783,372</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b>\$ 4,455,285</b>	<b>\$ 5,060,661</b>	<b>\$ 5,947,965</b>	<b>\$ 887,304</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2016**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . .	\$ 2,381
Total assets. . . . .	<u>2,381</u>
<b>Liabilities:</b>	
Accounts payable. . . . .	<u>8,987</u>
Total liabilities . . . . .	<u>8,987</u>
<b>Net position:</b>	
Unrestricted. . . . .	<u>(6,606)</u>
Total net position. . . . .	<u>\$ (6,606)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Governmental Activities - Internal Service Fund</u></b>
<b>Operating revenues:</b>	
Charges for services. . . . .	\$ 85,102
<b>Operating expenses:</b>	
Personal services. . . . .	13,734
Purchased services. . . . .	77,974
Total operating expenses. . . . .	<u>91,708</u>
Operating loss / change in net position . . . .	<u>(6,606)</u>
<b>Net position at beginning of year. . . . .</b>	<u>-</u>
<b>Net position at end of year . . . . .</b>	<u>\$ (6,606)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b><u>Governmental Activities - Internal Service Fund</u></b>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services. . . . .	\$ 85,102
Cash payments for personal services. . . . .	(12,342)
Cash payments for contractual services . . . . .	<u>(70,379)</u>
Net cash provided by operating activities . . . . .	<u>2,381</u>
Net increase in cash and cash equivalents . . . . .	2,381
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>-</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 2,381</u>
 <b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss . . . . .	\$ (6,606)
Changes in assets and liabilities:	
Increase in accounts payable . . . . .	<u>8,987</u>
Net cash provided by operating activities . . . . .	<u>\$ 2,381</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016**

	<b>Private-Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and investments . . . . .	\$ 13,566	\$ 243,939
Total assets. . . . .	13,566	\$ 243,939
<b>Liabilities:</b>		
Accounts payable. . . . .	-	\$ 3,611
Intergovernmental payable . . . . .	-	120,834
Due to students. . . . .	-	119,494
Total liabilities . . . . .	-	\$ 243,939
<b>Net position:</b>		
Held in trust for scholarships . . . . .	13,566	
Total net position. . . . .	\$ 13,566	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Private-Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest. . . . .	\$ 39
Gifts and contributions. . . . .	20,430
Total additions. . . . .	<u>20,469</u>
<b>Deductions:</b>	
Scholarships awarded . . . . .	<u>21,159</u>
Change in net position . . . . .	(690)
<b>Net position at beginning of year. . . . .</b>	<u>14,256</u>
<b>Net position at end of year . . . . .</b>	<u>\$ 13,566</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

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

The District is located in a suburban area west of Cleveland, Ohio. It is located in Cuyahoga County, and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. It is staffed by 212 certified, 148 non-certified and 19 administrative personnel who provide services from Pre-K through Grade 12 to 2,749 students and other community members. The District currently operates a primary school, an intermediate school, a middle school and a high school.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units” and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government’s financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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

*RELATED ORGANIZATION*

Rocky River Public Library

The Rocky River Public Library (the “Library”) is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District’s Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. The Library did not receive any funding from the District during fiscal year 2016. Financial information can be obtained from the Clerk/Treasurer of the Rocky River Public Library at 1600 Hampton Rd., Rocky River, Ohio 44116.

*JOINTLY GOVERNED ORGANIZATIONS*

Connect

Connect, formerly known as the North Coast Council, is a jointly governed organization serving twenty-four school districts and two educational service centers. Connect was organized pursuant to Ohio Revised Code Chapter 167 as a regional council of governments for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Connect operates as an information technology center pursuant to ORC 3301.075. Each of the governments of these schools supports Connect based on a per pupil charge dependent upon the software packages used. The District contributed \$110,519 to Connect during fiscal year 2016. Connect is governed by a four-member Board of Directors consisting of the Superintendent of the Educational Service Center of Cuyahoga County, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County, and the Executive Director of the Ohio Schools Council. Financial information can be obtained by contacting the Treasurer at the Cuyahoga County Educational Service Center, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

Ohio Schools Council Association

The Ohio Schools’ Council Association (Council) is a jointly governed organization among 201 school districts, educational service centers, joint vocational districts, and Developmental Disabilities boards in 33 Ohio counties. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. The Council’s Board consists of seven superintendents of the participating districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2016, the District paid \$2,091 to the Council for annual membership and other fees. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools’ Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

The District participates in the natural gas purchase program. This program allows the District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager. 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 beginning 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 District participates in the Council's electric purchase program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for either a two year period or an eight and one-half year period depending upon electric generation area. FirstEnergy Solutions has been selected as the supplier for the program. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to the actual usage for the year and any necessary adjustments are made.

*INSURANCE PURCHASING POOL*

Suburban Health Consortium

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Orange City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement. Any Consortium Member wishing to withdraw from participation in the Consortium or any benefit program shall notify the Fiscal Agent at least one hundred eighty (180) days prior to the effective date of withdrawal.

Upon withdrawal of a Consortium Member, the Consortium shall pay the run out of all claims for such Consortium Member provided such Consortium Member has paid to the Consortium, prior to the effective date of withdrawal, a withdrawal fee in the amount equal to two months' premiums at the Consortium Member's current rate. Payment of the withdrawal fee does not extend insurance coverage for two months. Upon automatic withdrawal, for non-payment of premiums required by the Consortium Agreement, the Consortium shall pay the run out of all claims for such Consortium Member provided that the Consortium has received from such Consortium Member all outstanding and unpaid premiums and other amounts and the withdrawal fee equal to two months' premiums at the Consortium Member's current rates. Any Consortium Member which withdraws from the Consortium pursuant to the Consortium Agreement shall have no claim to the Consortium's assets. Financial information for the Consortium can be obtained from Greg Slemons, Treasurer of the Orange City School District (the "Fiscal Agent") at 32000 Chagrin Blvd, Cleveland, Ohio 44124-5922.

**Ohio Schools' Council Workers' Compensation Group Rating Program**

The Ohio Schools' Council Workers' Compensation Group Rating Program (the "Plan") is an insurance purchasing pool (See Note 14.C.). The plan is intended to reduce premiums for the participants. The Worker's Compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan.

**B. Fund Accounting**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

***GOVERNMENTAL FUNDS***

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

The following are the District's major governmental funds:

***General fund*** - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Bond retirement fund*** - The bond retirement fund is used to account for and report financial resources that are restricted to expenditure for principal and interest.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, and b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

***PROPRIETARY FUNDS***

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

***Internal Service Fund*** - Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The internal service fund of the District accounts for employee benefit programs.

***FIDUCIARY FUNDS***

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**C. Basis of Presentation and Measurement Focus**

*Government-wide Financial Statements* - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide financial statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

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

*Fund Financial Statements* - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one 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.

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.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

Like the government-wide statements, the private-purpose trust fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Agency funds do not report a measurement focus as they do not report operations.

**D. Basis of Accounting**

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

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7).

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

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 15 for deferred outflows of resources related the District's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on debt 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements 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 District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2016, but which were levied to finance fiscal year 2017 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Note 15 for deferred inflows of resources related to the District's net pension liability. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

**E. Budgetary Process**

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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.

**F. Cash and Investments**

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

During fiscal year 2016, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, commercial paper, negotiable certificates of deposit (negotiable CD's), 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.

During fiscal year 2016, the District invested in STAR Ohio. 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 has adopted GASB Statement No. 79, "Certain External Investment Pools and Pool Participants". The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2016 amounted to \$92,566 which includes \$33,934 assigned from other District funds.

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

An analysis of the District's investment account at fiscal year-end is provided in Note 5.

**G. Inventory**

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

On fund financial statements, inventories of governmental funds are stated at cost. Donated commodities are reported at their entitlement value. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption and donated food, purchased food, and school supplies held for resale. The costs of inventory items are recorded as expenditures in the governmental funds when purchased. Inventories for governmental funds are accounted for using the consumption method.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

On the fund financial statements, reported material and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventory held for resale is not offset by nonspendable fund balance as the proceeds from the eventual sale of the inventory is either restricted, committed or assigned.

**H. Capital Assets**

General capital assets are those assets specifically related to governmental activities. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities</u>	<u>Estimated Lives</u>
Land improvements	10-30 years	
Building/ improvements	10-40 years	
Furniture/equipment	5-20 years	
Vehicles	8 years	

**I. Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable" and "interfund loans payable" and receivables and payables resulting from long-term interfund loans and classified as "advances to other funds" and "advances from other funds". Interfund balances between governmental funds are eliminated for reporting on the government-wide statement of net position. See Note 6 for detail on the District's interfund balances at June 30, 2016.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**J. Interfund Activity**

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

**K. Compensated Absences**

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

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

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2016, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**M. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the 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 classification includes amounts that cannot be spent because they are not in spendable form or legally 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.

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

*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 District Board of Education (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor 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 policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. The Board's has, by resolution, authorized the Treasurer to assign fund balances for encumbrances outstanding at year-end.

*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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

**N. Non-public Schools**

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

**O. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component “net investment in capital assets,” consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**P. Contributions of Capital**

Contributions of capital in the government-wide financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

**Q. Estimates**

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

**R. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding**

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 12.

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow of resources.

**S. 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.

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2016.

**U. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for the employee benefit programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund. All revenues not related to operating activities have been reported as nonoperating revenue.

**V. Fair Value Measurements**

The 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.

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2016, the District has implemented GASB Statement No. 72, "Fair Value Measurement and Application", GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", GASB Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 79, "Certain External Investment Pools and Pool Participants".

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES - (Continued)**

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of GASB Statement No. 72 did not have an effect on the financial statements of the District.

GASB Statement No. 73 improves the usefulness of information about pensions included in the general purposes external financial reports of state and local governments for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not have an effect on the financial statements of the District.

GASB Statement No. 76 identifies - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of GASB Statement No. 76 did not have an effect on the financial statements of the District.

GASB Statement No. 79 establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The implementation of GASB Statement No. 79 did not have an effect on the financial statements of the District.

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**Deficit Fund Balances**

Fund balances at June 30, 2016 included the following individual fund deficits:

<u>Nonmajor Governmental Funds</u>	<u>Deficit</u>
IDEA Part B	\$ 23,856
Title III Limited English Proficiency	1
Title I	1,169
Permanent Improvement	159,754
	<u><u>\$ 184,780</u></u>

The general fund is liable for any deficit in this fund and provides transfers when cash is required, not when accruals occur. The deficit fund balance resulted from adjustments for accrued liabilities.

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 5 - DEPOSITS AND INVESTMENTS - (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 District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Deposits with Financial Institutions**

At June 30, 2016, the carrying amount of all District deposits was \$2,950,913. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2016, \$2,461,290 of the District’s bank balance of \$3,256,737 was exposed to custodial risk as discussed below, while \$795,447 was covered by the FDIC.

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

**B. Investments**

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

<u>Investment type</u>	<u>Fair Value</u>	Investment Maturities			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>Greater than 24 months</u>
Negotiable CD's	\$ 3,241,537	\$ 496,558	\$ 1,493,484	\$ 499,214	\$ 752,281
Commercial paper	748,138	748,138	-	-	-
FHLMC	1,250,538	-	-	-	1,250,538
STAR Ohio	3,409,209	3,409,209	-	-	-
Total	<u>\$ 8,649,422</u>	<u>\$ 4,653,905</u>	<u>\$ 1,493,484</u>	<u>\$ 499,214</u>	<u>\$ 2,002,819</u>

The weighted average maturity of investments is 0.99 years.

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

The District's investments in negotiable CDs, FHLMC securities and commercial paper are valued using quoted market prices (Level 1 inputs). As discussed in Note 2.F, investments in STAR Ohio are measured at their net asset value per share.

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

*Credit Risk:* The District's investments in FHLMC securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. STAR Ohio was rated AAAm by Standard & Poor's. STAR Ohio must maintain the highest letter or numerical rating provided by at least one nationally recognized standard service. The negotiable CD's were not rated but are fully covered by the FDIC. The commercial paper was rated A1+ and A1 by Standard & Poor's and P1 by Moody's Investor Services. The District has no investment policy that would further limit its investment choices.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The FHLMC securities and commercial paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type at June 30, 2016:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
Negotiable CD's	\$ 3,241,537	37.48
Commercial paper	748,138	8.65
FHLMC	1,250,538	14.46
STAR Ohio	3,409,209	39.41
Total	<u>\$ 8,649,422</u>	<u>100.00</u>

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2016:

<u>Cash and investments per note</u>		
Carrying amount of deposits	\$ 2,950,913	
Investments	8,649,422	
Total	<u>\$ 11,600,335</u>	

<u>Cash and investments per statement of net position</u>		
Governmental activities	\$ 11,342,830	
Private-purpose trust fund	13,566	
Agency fund	243,939	
Total	<u>\$ 11,600,335</u>	

**NOTE 6 - INTERFUND TRANSACTIONS**

- A. Interfund loans receivable/payable consisted of the following at June 30, 2016, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 143,875
Bond retirement fund	Nonmajor governmental funds	<u>862,712</u>
Total		<u>\$ 1,006,587</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. The interfund receivable in the general fund represents (1) \$8,397 loaned from the general fund to nonmajor governmental funds to cover cash overdrafts in nonmajor governmental funds, and (2) \$135,478 in interfund loans made from the general fund to the permanent improvement fund (a nonmajor governmental fund). In addition, the District issued \$862,712 in manuscript debt from the bond retirement fund to the building fund (a nonmajor governmental fund). The debt provided temporary funding for buses until funds are received. The manuscript debt has a maturity date of one year from the date of issue and bears an annual interest rate of 1 percent. Interfund loans between governmental funds are eliminated on the government-wide financial statements.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 6 - INTERFUND TRANSACTIONS - (Continued)**

- B. Advances to/from other funds consisted of the following at June 30, 2016, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ <u>135,478</u>

Advances are long-term interfund loans that will not be repaid within one year. The long-term advance from general fund to the permanent improvement fund (a nonmajor governmental fund) is expected to be repaid in fiscal year 2018. Advances to/from other funds between governmental funds are eliminated on the government-wide financial statements.

- C. Interfund transfers for the year ended June 30, 2016, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfers from general fund to: Nonmajor governmental funds	\$ <u>100,400</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported on the statement of activities.

**NOTE 7 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed values as of January 1, 2015, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Public utility real and personal property taxes received in calendar year 2016 became a lien on December 31, 2014, were levied after April 1, 2015, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value.

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 7 - PROPERTY TAXES - (Continued)**

The District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2016, are available to finance fiscal year 2016 operations. The amount available as an advance at June 30, 2016 was \$8,663,323 in the general fund, \$1,427,838 in the bond retirement fund and \$110,173 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2015 was \$6,807,622 in the general fund, \$1,037,309 in the bond retirement fund and \$80,039 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are 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, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

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

	2015 Second Half Collections		2016 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential and other real estate	\$ 705,022,610	98.73	\$ 762,010,490	98.80
Public utility personal	<u>9,091,230</u>	<u>1.27</u>	<u>9,249,080</u>	<u>1.20</u>
Total	<u><u>\$ 714,113,840</u></u>	<u><u>100.00</u></u>	<u><u>\$ 771,259,570</u></u>	<u><u>100.00</u></u>
Tax rate per \$1,000 of assessed valuation	\$ 89.55		\$ 89.55	

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2016 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 34,280,124
Accounts	5,167
Intergovernmental	249,008
Accrued interest	12,036
Total governmental activities	<u>\$ 34,546,335</u>

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

**NOTE 9 - LEASE-PURCHASE OBLIGATIONS**

During fiscal year 2014, the District entered into lease-purchase agreements with PNC Equipment Finance, LLC to finance the acquisition of artificial turf at the high school. Lease payments made under the lease-purchase agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the lease-purchase is \$470,275. The lease-purchase agreement bears an interest rate of 2.87%.

During fiscal year 2014, the District entered into lease-purchase agreements with FirstMerit Bank, N.A. to finance the acquisition of computer and technology equipment. Lease payments made under the lease-purchase agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the lease-purchase is \$99,212. The lease-purchase agreement bears an interest rate of 2.97%.

Capital assets consisting of computers and land improvements (field turf project) have been capitalized in the amount of \$569,487. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Principal and interest payments in fiscal year 2016 of \$96,936 and \$10,899, respectively, were paid by the general fund.

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 9 - LEASE-PURCHASE OBLIGATIONS - (Continued)**

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreements based upon total allowable borrowings and the present value of the future minimum lease payments as of June 30, 2016 based upon amounts actually drawn:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 73,534
2018	73,534
2019	73,534
2020	73,534
2021	<u>36,768</u>
Total minimum lease payments	330,904
Less amount representing interest	<u>(22,396)</u>
Total obligation at June 30, 2016	<u>\$ 308,508</u>

**NOTE 10 - CAPITAL ASSETS**

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

	Balance <u>June 30, 2015</u>	Additions	Deductions	Balance <u>June 30, 2016</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 770,821	\$ _____ -	\$ _____ -	\$ 770,821
Total capital assets, not being depreciated	<u>770,821</u>	<u>_____ -</u>	<u>_____ -</u>	<u>770,821</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	5,475,363	132,469	-	5,607,832
Building/improvements	82,966,244	477,824	-	83,444,068
Furniture/equipment	6,631,481	374,707	(20,125)	6,986,063
Vehicles	1,726,932	225,801	(77,993)	1,874,740
Total capital assets, being depreciated	<u>96,800,020</u>	<u>1,210,801</u>	<u>(98,118)</u>	<u>97,912,703</u>
<i>Accumulated depreciation:</i>				
Land improvements	(1,658,974)	(226,249)	-	(1,885,223)
Building/improvements	(33,701,961)	(2,489,746)	-	(36,191,707)
Furniture/equipment	(4,896,439)	(299,664)	12,747	(5,183,356)
Vehicles	(1,000,774)	(131,680)	70,194	(1,062,260)
Total accumulated depreciation	<u>(41,258,148)</u>	<u>(3,147,339)</u>	<u>82,941</u>	<u>(44,322,546)</u>
Governmental activities capital assets, net	<u>\$ 56,312,693</u>	<u>\$ (1,936,538)</u>	<u>\$ (15,177)</u>	<u>\$ 54,360,978</u>

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 10 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental activities as follows:

Instruction:

Regular	\$ 1,186,604
Special	247,716
Vocational	25,953
Other	15,373

Support Services:

Pupil	113,833
Instructional staff	49,437
Board of education	2,953
Administration	123,298
Fiscal	51,390
Business	26,025
Operations and maintenance	248,318
Pupil transportation	206,458
Central	469,441

Operation of non-instructional:

Food service operations	29,814
Other non-instructional services	99,604
Extracurricular activities	<u>251,122</u>
Total depreciation expense	<u>\$ 3,147,339</u>

During fiscal year 2016, the District sustained structural damage to a portion of the Goldwood Elementary school. The insurance proceeds received related to the repair and replacement of the damaged area of the building have been reported in "sale of capital assets" on the fund financial statements and is factored into the "gain on disposal of capital assets" reported on the statement of activities.

**NOTE 11 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances (less amounts included in payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 376,077
Other governmental	<u>295,583</u>
Total	<u>\$ 671,660</u>

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 12 - LONG-TERM OBLIGATIONS**

- A. During fiscal year 2016, the following changes occurred in governmental activities long-term obligations:

	Balance <u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2016</u>	Amounts Due in <u>One Year</u>
<b>Governmental Activities:</b>					
General obligation bonds:					
Series 2014 refunding bonds:					
Current interest bonds	\$ 28,250,000	\$ -	\$ -	\$ 28,250,000	\$ -
Series 2010 school improvement:					
Current interest bonds	13,960,000	-	(1,025,000)	12,935,000	1,060,000
Capital appreciation bonds	420,000			420,000	
Accretion on capital appreciation bonds	141,498	35,963	-	177,461	-
Series 1998 school improvement:					
Current interest bonds	5,350,000	-	(1,690,000)	3,660,000	1,780,000
Total general obligation bonds	<u>48,121,498</u>	<u>35,963</u>	<u>(2,715,000)</u>	<u>45,442,461</u>	<u>2,840,000</u>
Net pension liability:					
STRS	36,941,222	5,450,226	-	42,391,448	-
SERS	7,854,179	793,959	-	8,648,138	-
Total net pension liability	<u>44,795,401</u>	<u>6,244,185</u>	<u>-</u>	<u>51,039,586</u>	<u>-</u>
Lease-purchase obligations	405,444	-	(96,936)	308,508	65,203
Compensated absences	4,613,919	690,398	(462,253)	4,842,064	462,839
Total governmental activities long-term liabilities	<u>97,936,262</u>	<u>\$ 6,970,546</u>	<u>\$ (3,274,189)</u>	<u>101,632,619</u>	<u>\$ 3,368,042</u>
Add: Unamortized premiums on bonds	<u>1,184,080</u>			<u>1,121,495</u>	
Total on statement of net position	<u><u>\$ 99,120,342</u></u>			<u><u>\$ 102,754,114</u></u>	

**School Improvement Refunding Bonds - Series 2014**

On December 30, 2014, the District issued \$28,250,000, in general obligation refunding bonds, which included \$11,040,000 in serial bonds and \$17,210,000 in term bonds with interest rates varying from 3.25 percent to 4.0 percent. The final stated maturity on the issue is December 1, 2044. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. These bonds are paid from the bond retirement fund. Proceeds were used to advance refund \$28,500,000 of the outstanding Series 2010 school improvement Build America Bonds (BABS).

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

The bonds were sold at a premium of \$837,902. Proceeds of \$28,786,310 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded Series 2010 school improvement BABs. As a result, \$28,500,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2016, the outstanding amount of the refunded bonds is \$28,500,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$286,310. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

**School Improvement Bonds - Series 2010**

On September 28, 2010, the District issued \$42,900,000, in general obligation school improvement bonds, including \$3,140,000 in serial bonds, \$28,500,000 in term Build America Bonds (BABs) and \$11,260,000 in sinking fund Qualified School Construction Bonds (QSCBs). Proceeds from the bond issue are being used to construct, renovate, remodel, add to, furnish, equip or otherwise improve school district buildings and facilities. The bonds were sold at a premium of \$443,449. Principal payments on the bonds are due December 1 or each year while interest payments are due on June 1 and December 1 of each year. Principal and interest payments are made from the bond retirement fund. During 2015, The District advance refunded the entire balance of the BABs, in the amount of \$28,500,000, through the issuance of the Series 2014 school improvement refunding bonds.

The serial bonds consist of current interest bonds, par value \$2,720,000, and capital appreciation bonds, par value \$420,000. The current interest serial bonds were issued for a seven year period with a final maturity at December 1, 2017. The serial bonds mature on December 1 in each year 2011 through 2017 and bear interest rates ranging from 1.0 percent to 4.0 percent. The serial bonds are not subject to redemption prior to maturity.

The capital appreciation bonds mature on December 1, 2027 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The effective interest rate on the capital appreciation bonds is 6.305%. The accreted value at maturity for the capital appreciation bond is \$1,220,000. Total accreted interest of \$177,461 has been included in the statement of net position at June 30, 2016.

The QSCBs mature on December 1, 2026 in the amount of \$11,260,000. The QSCBs bear an interest rate of 5.068 percent. The District receives a direct payment subsidy from the United States Treasury equal to 100% of the lesser of the interest payments on the bonds or the federal tax credits that would otherwise have been available to the holders of the bonds. The District records this subsidy from the federal government in the general fund. The QSCBs are subject to optional redemption, on any date on or after December 31, 2020, and extraordinary optional redemption, at the sole discretion of the District, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date. On December 1 in each year 2020 through 2026, the District is required to make a mandatory deposit into a sinking fund that will provide for payment of the QSCBs upon maturity.

**ROCKY RIVER CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

The QSCBs are subject to mandatory sinking fund requirements on each December 1 as follows:

<u>Year</u>	<u>Mandatory Sinking Fund Requirement</u>
2017	\$ 495,000
2018	1,130,000
2019	1,205,000
2020	1,205,000
2021	1,205,000
2022	1,205,000
2023	1,205,000
2024	1,205,000
2025	1,205,000
2026	<u>1,200,000</u>
Total	<u>\$ 11,260,000</u>

**School Improvement Bonds - Series 1998**

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

**Compensated Absences**

Compensated absences will be paid from the fund which the employee is paid which, for the District, is primarily the general fund and the food service fund (a nonmajor governmental fund).

**Lease-Purchase Obligations**

The lease-purchase obligations will be repaid from the general fund. See Note 9 for further detail on the District's lease-purchase obligations.

**Net Pension Liability**

The District's net pension liability is described in Note 15. The District pays obligations related to employee compensation from the fund benefitting from their service.

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**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

- B.** The following is a summary of the future debt service requirements, including mandatory sinking fund requirements, to retire bonded debt:

<u>Fiscal Year Ending</u>	<u>General Obligation Bonds</u>			<u>Capital Appreciation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,840,000	\$ 1,872,632	\$ 4,712,632	\$ -	\$ -	\$ -
2018	2,990,000	1,740,769	4,730,769	-	-	-
2019	1,130,000	1,677,944	2,807,944	-	-	-
2020	1,205,000	1,677,944	2,882,944	-	-	-
2021	1,205,000	1,677,944	2,882,944	-	-	-
2022 - 2026	6,025,000	8,389,720	14,414,720	-	-	-
2027 - 2031	4,940,000	5,601,167	10,541,167	420,000	800,000	1,220,000
2032 - 2036	7,300,000	4,087,146	11,387,146	-	-	-
2037 - 2041	8,815,000	2,533,801	11,348,801	-	-	-
2042 - 2045	<u>8,395,000</u>	<u>655,100</u>	<u>9,050,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 44,845,000</u>	<u>\$ 29,914,167</u>	<u>\$ 74,759,167</u>	<u>\$ 420,000</u>	<u>\$ 800,000</u>	<u>\$ 1,220,000</u>

**C. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The Code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2016, are a voted debt margin of \$29.2 million (including available funds of \$5 million) and an unvoted debt margin of \$0.8 million.

**NOTE 13 - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements, Board of Education policies and State laws. Teachers do not earn vacation. Support staff personnel assigned to work less than 240 days annually do not earn vacation. Support staff personnel assigned to work 240 days or more and managers earn annual vacation leave from 10 to 25 days, based on years of service. Administrators are entitled from 20 to 30 days of vacation leave annually, based on years of service or specific contractual terms. Administrators may not carry forward more than five vacation days, and those must be used by January 31<sup>st</sup> of the subsequent year.

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

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**NOTE 13 - COMPENSATED ABSENCES – (Continued)**

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

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

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

Classified union employees who have been employed by the District for at least two years and who meet the requirements of ORC Section 124.39 may choose between one of three plans for their severance payment. These plans offer a sick leave payment equal to either 33% or 60% of their accumulated but unused sick leave up to a maximum number of days depending upon the year of retirement and the plan chosen. In addition, employees with ten or more years of service are eligible for an additional payment depending upon their years of service ranging between \$50 and \$175 for each year of service with the District. Classified union employees may choose between plans for which they are eligible.

Administrators are eligible for severance payments equal to 33% of their accumulated but unused sick leave. Also, administrators will receive an amount equal to 30% of the administrator's current daily rate for each day of accumulated sick leave beyond 120 days as certified by the Treasurer's office. In addition, administrators shall receive a longevity payment equal to \$1,500 per year of employment as an administrator with the District if they retire.

**NOTE 14 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2016, the District contracted with various insurance companies through the Ohio Schools Council insurance program. Netherlands Insurance provides property, inland marine and crime insurance coverage. There is a \$10,000 deductible on building and contents, along with a \$1,000 deductible for employee dishonesty insurance with a \$500 deductible for forgery/alteration and computer fraud. The boiler and machinery coverage is provided by Travelers Insurance Company. The coverage provides a \$50,000,000 limit and a \$1,000 deductible.

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**NOTE 14 - RISK MANAGEMENT – (Continued)**

Liberty Mutual provides fleet and liability insurance. Automobile liability has a limit of \$1,000,000 per accident/occurrence and an equal amount of uninsured motorist coverage with a \$1,000 deductible for comprehensive and \$1,000 deductible for collision and replacement buses 10 years and newer. The general liability provides coverage with a limit of \$1,000,000 per occurrence. Coverage provided by these companies was as follows:

<u>Coverage</u>	<u>Amount</u>
Building and Contents- replacement cost	\$ 134,286,832
Boiler and Machinery	50,000,000
Automobile Liability	1,000,000
General Liability:	
Per occurrence	1,000,000
General Aggregate	2,000,000
Umbrella	10,000,000

**B. Group Health, Prescription, Dental, Life and Vision Insurance**

For fiscal year 2016, the District provided employee major medical, hospitalization and preventative care and prescription drug benefits through a self-insured program through the Suburban Health Consortium and administered by Medical Mutual of Ohio and Express Scripts, Inc. The Suburban Health Consortium (the “Consortium”) is a legally separate entity organized under Ohio Revised Code Section 9.833 as a joint self-insurance pool (see Note 2.A.). The Consortium was established on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and reducing costs of group health, life, dental and/or other insurance coverage for their employees and the eligible dependents and designated beneficiaries of such employees.

The vast majority of the District’s employees were covered by a PPO (preferred provider organization) plan with a co-insurance level of 90% subject to annual maximum amounts if they choose a network provider for services. The co-insurance level is 70% for non-network providers and is also subject to annual maximum amounts. The plan has a deductible of \$300 single/\$600 family for network services and \$300 single/\$600 family for non-network services. The deductible and co-insurance components, together, are subject to an annual out of pocket maximum amount. In addition, the plan required doctor’s office, urgent care, emergency room and prescription drug co-pays. As of the plan year starting October 1, 2015, the District was responsible for 86% of the monthly funding rates (14% is employee portion of the funding rate contribution) of \$1,129.68 for family coverage and \$531.60 for single coverage for all full-time equivalent (FTE) staff. Any employee who is scheduled to work at a FTE below 1.0 but greater than 0.5 is eligible for this coverage, but they are required to pay the difference in premium based on the difference between 1.0 and their scheduled FTE on top of the aforementioned 14% employee premium contribution. The funding rate is generally paid by the fund that pays the salary for the employee.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - RISK MANAGEMENT – (Continued)**

The District also offered a “minimum value plan” that is designed to comply with the affordability requirements of the Affordable Care Act (ACA) federal health insurance legislation. This plan offers lower monthly premiums, but has much higher deductibles and out-of-pocket limits for employees to meet. This plan was initially only offered to non-union employees starting in fiscal year 2016 as union contracts were already in place for bargaining unit members. However, based on union contract extensions that were agreed to with the district’s teaching union in April of 2016 and the district’s classified OAPSE union in May of 2016, this plan will be available to all employees starting July 1, 2016.

The District also provides employee dental benefits through a fully insured insurance program administered by MetLife that offers different levels of coverage through two plan structures. One plan is based on UCR (usual, customary and reasonable) that offers a higher level of coverage than the other plan, which is a fee schedule plan that pays a predetermined amount for various covered procedures. These plans provide dental benefits with a \$50 family and \$25 single deductible per year. For fiscal year 2016, premium rates were \$119.75 for a family plan and \$35.97 for a single plan per employee per month for the UCR (“High”) plan for all certificated, classified and administrative staff. The District is responsible for 60% of these premiums for all employees who choose this option with exception of administrators for whom the District pays 100% of these premiums, and tutors, who bear the entire cost of this coverage. The employee is responsible for the other 40%. For fiscal year 2016, premium rates were \$81.94 for a family plan and \$24.61 for a single plan per employee per month for the fee schedule (“Low”) plan for all certificated and classified staff who choose this option with exception of tutors who bear the entire cost of this coverage. The District is responsible for 80% of these premiums and the employee is responsible for the other 20% for all employees who choose this option. Any employee who is scheduled to work at a FTE below 1.0 but greater than 0.5 is eligible for this coverage, but they are required to pay the difference in premium based on the difference between 1.0 and their scheduled FTE on top of the 40% UCR plan/20% fee schedule plan employee premium contribution. The premium is generally paid by the fund that pays the salary for the employee.

A group life with accidental death and dismemberment insurance plan through MetLife is maintained for all employees who are scheduled to work at least a 0.5 FTE basis. The dollar amount of coverage ranges from \$30,000 - \$50,000 and is based on an employee’s position within the District. The entire premium cost of \$0.10 per \$1,000 of coverage per month is paid by the District. The Superintendent and Treasurer are covered for higher limits at comparable rates.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - RISK MANAGEMENT – (Continued)**

**C. Workers' Compensation Program**

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

**NOTE 15 - 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 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 District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 *pension and postemployment benefits payable* on both the accrual and modified accrual bases of accounting.

**B. Plan Description - School Employees Retirement System (SERS)**

Plan Description –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](http://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 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 year 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.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the 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 entire 14 percent was allocated to pension, death benefits, and Medicare B and no portion of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$737,764 for fiscal year 2016. Of this amount, \$108,703 is reported as pension and postemployment benefits payable.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**C. Plan Description - State Teachers Retirement System (STRS)**

Plan Description –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](http://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.

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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The 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 District's contractually required contribution to STRS was \$2,414,491 for fiscal year 2016. Of this amount, \$403,444 is reported as pension and postemployment benefits 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 District's proportion of the net pension liability was based on the 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>	<u>Total</u>
Proportionate Share of the Net Pension Liability Prior Measurement Date	0.15519200%	0.15187486%	
Proportionate Share of the Net Pension Liability Current Measurement Date	<u>0.15155960%</u>	<u>0.15338616%</u>	
Change in Proportionate Share	<u>0.00363240%</u>	<u>-0.00151130%</u>	
Proportion of the Net Pension Liability	\$ 8,648,138	\$ 42,391,448	\$ 51,039,586
Pension Expense	495,071	1,934,284	2,429,355

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**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 140,589	\$ 1,929,860	\$ 2,070,449
Changes in proportionate share and difference between District contributions and proportionate share of contributions	-	345,655	345,655
District contributions subsequent to the measurement date	<u>737,764</u>	<u>2,414,491</u>	<u>3,152,255</u>
Total deferred outflows of resources	<u><u>\$ 878,353</u></u>	<u><u>\$ 4,690,006</u></u>	<u><u>\$ 5,568,359</u></u>
<b>Deferred inflows of resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 308,918	\$ 2,997,741	\$ 3,306,659
Changes in proportionate share and difference between District contributions and proportionate share of contributions	<u>139,322</u>	<u>-</u>	<u>139,322</u>
Total deferred inflows of resources	<u><u>\$ 448,240</u></u>	<u><u>\$ 2,997,741</u></u>	<u><u>\$ 3,445,981</u></u>

\$3,152,255 reported as deferred outflows of resources related to pension resulting from 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2017	\$ (155,803)	\$ (585,470)	\$ (741,273)
2018	(155,803)	(585,470)	(741,273)
2019	(155,803)	(585,469)	(741,272)
2020	<u>159,758</u>	<u>1,034,183</u>	<u>1,193,941</u>
Total	<u><u>\$ (307,651)</u></u>	<u><u>\$ (722,226)</u></u>	<u><u>\$ (1,029,877)</u></u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - 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 22.00 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry 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.

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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US 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	<u>15.00</u>	7.50
Total	<u><u>100.00 %</u></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 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.

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 11,991,859	\$ 8,648,138	\$ 5,832,448

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 15 - 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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
Total	100.00 %	

**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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the 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 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:

	Current		
	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 58,884,919	\$ 42,391,448	\$ 28,443,759

**NOTE 16 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Health Care Plan Description - The 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](http://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, 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, none of the employer contribution 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 District's surcharge obligation was \$79,044.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 16 - POSTEMPLOYMENT BENEFITS - (Continued)**

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$79,044, \$113,122, and \$80,846, respectively. The amount for fiscal year 2016 will be paid in fiscal year 2017 and has been recorded as pension and postemployment benefits payable at June 30, 2016. The full amount has been contributed for fiscal years 2015 and 2014.

**B. State Teachers Retirement System**

Plan Description – The 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](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS 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 years 2016 and 2015, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$157,374, respectively. No contributions were required for fiscal years 2016 and 2015. The full amount has been contributed for fiscal year 2014.

**NOTE 17 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is party to legal proceedings pertaining to the District's construction projects. The District is withholding payment for certain vendors for non-performance or pending claims. District management believes that ultimate outcome of this litigation will result in either no further payments required or recovery of monies previously paid. Regardless, management is of the opinion that the ultimate outcome will not have a material effect, if any, on the financial condition of the District.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 17 – CONTINGENCIES – (Continued)**

**C. Foundation Funding**

District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. For the 2015-2016 school year, traditional Districts must comply with minimum hours of instruction, instead of 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 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 18 - BUDGETARY BASIS OF ACCOUNTING**

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);
- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING – (Continued)**

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

	<b>Net Change in Fund Balance</b>	<b><u>General fund</u></b>
Budget basis		\$ (235,577)
Net adjustment for revenue accruals		1,855,362
Net adjustment for expenditure accruals		(288,103)
Net adjustment for other sources/uses		149,178
Funds budgeted elsewhere		(48,008)
Adjustment for encumbrances		<u>419,780</u>
GAAP basis		<u>\$ 1,852,632</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These includes unclaimed monies fund, the uniform school supplies fund, the Beach building fund, the building rotary fund and the public school support fund.

**NOTE 19 - SET-ASIDES**

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by 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 fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

The following cash-basis information describes the change in the fiscal year-end set-aside amount for capital improvements. Disclosure of this information is required by State statute.

	<b><u>Capital Improvements</u></b>
Set-aside balance June 30, 2015	\$ -
Current year set-aside requirement	455,570
Current year qualifying expenditures	<u>(731,528)</u>
Total	<u>\$ (275,958)</u>
Balance carried forward to fiscal year 2017	<u>\$ -</u>
Set-aside balance June 30, 2016	<u>\$ -</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 20 - SIGNIFICANT SUBSEQUENT EVENTS**

On July 15, 2016, the District entered into a capital lease agreement for the acquisition of computers and related equipment. The present value of the future minimum lease payments under the capital lease obligation is \$340,000 bearing an annual interest rate of 1.38% with semi-annual payments due over a term of 36 months.

On August 11, 2016, the District issued bus acquisition notes (manuscript notes) in the amount of \$218,457.13. The notes bear an interest rate of 1.00% and mature on August 10, 2017.

On September 20, 2016, the District issued bus acquisition notes (manuscript notes) in the amount of \$22,828.55. The notes bear an interest rate of 1.00% and mature on September 19, 2017.

On December 15, 2016, the Board of Education adopted the first of two required resolutions to place a 4.9 mill property tax levy on the May 2, 2017 ballot for consideration by the electorate of the District. The purpose of the levy is to provide for current operating expenses (4.4 mills) and general permanent improvements (0.5 mill). It is anticipated that the second required resolution will be adopted at the Board's regularly scheduled meeting tentatively set for January 19, 2017.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST THREE FISCAL YEARS

	<b>2015</b>	<b>2014</b>	<b>2013</b>
District's proportion of the net pension liability	0.15155960%	0.15519200%	0.15519200%
District's proportionate share of the net pension liability	\$ 8,648,138	\$ 7,854,179	\$ 9,228,770
District's covered-employee payroll	\$ 4,562,739	\$ 4,509,574	\$ 4,438,288
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.54%	174.17%	207.94%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

Note: Information prior to fiscal year 2013 was unavailable.

Amount presented as of the School District measurement date which is the prior fiscal year end.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST THREE FISCAL YEARS

	<b>2015</b>	<b>2014</b>	<b>2013</b>
District's proportion of the net pension liability	0.15338616%	0.15187486%	0.15187486%
District's proportionate share of the net pension liability	\$ 42,391,448	\$ 36,941,222	\$ 44,004,142
District's covered-employee payroll	\$ 16,003,279	\$ 15,517,415	\$ 15,700,946
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.89%	238.06%	280.26%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	74.70%	69.30%

Note: Information prior to fiscal year 2013 was unavailable.

Amount presented as of the School District measurement date which is the prior fiscal year end.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO**

LAST TEN FISCAL YEARS

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Contractually required contribution	\$ 737,764	\$ 601,369	\$ 625,027	\$ 614,259
Contributions in relation to the contractually required contribution	<u>(737,764)</u>	<u>(601,369)</u>	<u>(625,027)</u>	<u>(614,259)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,269,743	\$ 4,562,739	\$ 4,509,574	\$ 4,438,288
Contributions as a percentage of covered-employee payroll	14.00%	13.18%	13.86%	13.84%

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
\$ 611,902	\$ 576,893	\$ 595,154	\$ 417,315	\$ 406,206	\$ 425,981
<u>(611,902)</u>	<u>(576,893)</u>	<u>(595,154)</u>	<u>(417,315)</u>	<u>(406,206)</u>	<u>(425,981)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,549,457	\$ 4,589,443	\$ 4,395,524	\$ 4,241,006	\$ 4,136,517	\$ 3,988,586
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

LAST TEN FISCAL YEARS

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Contractually required contribution	\$ 2,414,491	\$ 2,240,459	\$ 2,017,264	\$ 2,041,123
Contributions in relation to the contractually required contribution	<u>(2,414,491)</u>	<u>(2,240,459)</u>	<u>(2,017,264)</u>	<u>(2,041,123)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 17,246,364	\$ 16,003,279	\$ 15,517,415	\$ 15,700,946
Contributions as a percentage of covered-employee payroll	14.00%	14.00%	13.00%	13.00%

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
\$ 2,005,911	\$ 1,990,622	\$ 1,913,237	\$ 1,854,674	\$ 1,777,057	\$ 1,763,793
<u>(2,005,911)</u>	<u>(1,990,622)</u>	<u>(1,913,237)</u>	<u>(1,854,674)</u>	<u>(1,777,057)</u>	<u>(1,763,793)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 15,430,085	\$ 15,312,477	\$ 14,717,208	\$ 14,266,723	\$ 13,669,669	\$ 13,567,638
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :* There were no changes in benefit terms from the amounts reported for fiscal years 2014-2016.

*Changes in assumptions :* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. See the notes to the basic financials for the methods and assumptions in this calculation.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :* There were no changes in benefit terms from the amounts reported for fiscal years 2014-2016.

*Changes in assumptions :* There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. See the notes to the basic financials for the methods and assumptions in this calculation.

**COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES**

**SUPPLEMENTAL INFORMATION**

## **ROCKY RIVER CITY SCHOOL DISTRICT**

### **MAJOR FUNDS**

#### **General Fund**

The general fund accounts for and reports all financial resources not accounted for and reported in another fund. These general fund's activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation and administration.

### **OTHER MAJOR FUNDS**

#### ***Bond Retirement Fund***

The bond retirement fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 28,975,767	\$ 29,203,064	\$ 29,430,644	\$ 227,580
Tuition . . . . .	80,000	86,421	95,042	8,621
Transportation. . . . .	53,406	53,406	56,084	2,678
Earnings on investments . . . . .	50,000	72,000	81,674	9,674
Classroom materials and fees . . . . .	-	10,460	10,460	-
Rentals . . . . .	30,000	30,000	29,259	(741)
Contributions and donations. . . . .	-	-	50	50
Contract services. . . . .	148,033	141,200	108,476	(32,724)
Other local revenues. . . . .	-	12,570	22,925	10,355
Intergovernmental - State . . . . .	5,631,583	5,695,656	5,561,943	(133,713)
Intergovernmental - federal . . . . .	-	-	29,940	29,940
<i>Total revenues.</i> . . . . .	<u>34,968,789</u>	<u>35,304,777</u>	<u>35,426,497</u>	<u>121,720</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	11,198,535	11,093,322	10,843,323	249,999
Fringe benefits . . . . .	3,275,638	3,046,203	2,966,203	80,000
Purchased services . . . . .	934,210	971,383	931,383	40,000
Materials and supplies. . . . .	1,011,134	951,809	871,809	80,000
Capital outlay . . . . .	386,848	450,986	450,885	101
Other . . . . .	44,100	36,820	36,820	-
<i>Total instruction-regular.</i> . . . . .	<u>16,850,465</u>	<u>16,550,523</u>	<u>16,100,423</u>	<u>450,100</u>
Instruction-special:				
Salaries and wages . . . . .	2,708,303	3,252,716	3,252,716	-
Fringe benefits . . . . .	894,860	1,013,705	1,013,705	-
Purchased services . . . . .	550,460	389,424	389,424	-
Materials and supplies. . . . .	23,259	6,674	6,674	-
Capital outlay . . . . .	11,075	2,238	2,238	-
<i>Total instruction-special.</i> . . . . .	<u>4,187,957</u>	<u>4,664,757</u>	<u>4,664,757</u>	<u>-</u>
Instruction-vocational:				
Purchased services . . . . .	550,000	549,687	549,687	-
<i>Total instruction-vocational.</i> . . . . .	<u>550,000</u>	<u>549,687</u>	<u>549,687</u>	<u>-</u>
Instruction-other:				
Salaries and wages . . . . .	263,030	360,718	360,718	-
Fringe benefits . . . . .	67,237	82,441	82,441	-
Purchased services . . . . .	-	1,100	1,100	-
<i>Total instruction-other.</i> . . . . .	<u>330,267</u>	<u>444,259</u>	<u>444,259</u>	<u>-</u>
Support services-pupil:				
Salaries and wages . . . . .	1,294,286	1,246,024	1,246,024	-
Fringe benefits . . . . .	357,649	324,710	324,710	-
Purchased services . . . . .	347,829	306,155	306,155	-
Materials and supplies. . . . .	40,345	20,068	20,068	-
Capital outlay . . . . .	600	-	-	-
Other . . . . .	1,195	1,050	1,050	-
<i>Total support services-pupil.</i> . . . . .	<u>2,041,904</u>	<u>1,898,007</u>	<u>1,898,007</u>	<u>-</u>

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-instructional staff:				
Salaries and wages . . . . .	\$ 418,335	\$ 417,934	\$ 417,934	\$ -
Fringe benefits . . . . .	183,163	177,661	177,661	-
Purchased services . . . . .	203,148	239,333	239,333	-
Materials and supplies. . . . .	15,811	9,192	9,192	-
Capital outlay . . . . .	-	12,435	12,435	-
Other . . . . .	500	578	578	-
Total support services-instructional staff . . . . .	820,957	857,133	857,133	-
Support services-board of education:				
Salaries and wages . . . . .	12,500	12,500	12,500	-
Fringe benefits . . . . .	49	2,197	2,197	-
Purchased services . . . . .	7,869	9,444	9,444	-
Materials and supplies. . . . .	350	348	348	-
Capital outlay . . . . .	5,100	-	-	-
Other . . . . .	13,400	12,272	12,272	-
Total support services-board of education . . . . .	39,268	36,761	36,761	-
Support services-administration:				
Salaries and wages . . . . .	1,715,494	1,660,860	1,600,860	60,000
Fringe benefits . . . . .	694,118	654,692	614,692	40,000
Purchased services . . . . .	19,616	19,436	19,436	-
Materials and supplies. . . . .	5,780	7,358	7,358	-
Capital outlay . . . . .	3,050	4,533	4,533	-
Other . . . . .	4,939	4,222	4,222	-
Total support services-administration. . . . .	2,442,997	2,351,101	2,251,101	100,000
Support services-fiscal:				
Salaries and wages . . . . .	248,121	306,069	306,069	-
Fringe benefits . . . . .	236,080	114,133	114,133	-
Purchased services . . . . .	79,891	91,146	91,146	-
Materials and supplies. . . . .	9,600	2,959	2,959	-
Other . . . . .	512,167	522,223	522,223	-
Total support services-fiscal . . . . .	1,085,859	1,036,530	1,036,530	-
Support services-business:				
Salaries and wages . . . . .	76,628	131,801	131,801	-
Fringe benefits . . . . .	36,239	50,848	50,848	-
Purchased services . . . . .	359,503	276,329	276,329	-
Materials and supplies. . . . .	43,695	33,079	33,079	-
Capital outlay . . . . .	8,000	2,481	2,481	-
Other . . . . .	55,000	57,582	57,582	-
Total support services-business . . . . .	579,065	552,120	552,120	-

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-operations and maintenance:				
Salaries and wages . . . . .	\$ 1,474,934	\$ 1,499,248	\$ 1,499,248	\$ -
Fringe benefits . . . . .	517,370	537,959	537,959	-
Purchased services . . . . .	1,656,705	1,423,424	1,343,424	80,000
Materials and supplies. . . . .	196,531	227,101	227,101	-
Capital outlay . . . . .	226,196	185,695	166,439	19,256
Other . . . . .	1,500	170	170	-
Total support services-operations and maintenance . . . . .	<u>4,073,236</u>	<u>3,873,597</u>	<u>3,774,341</u>	<u>99,256</u>
Support services-pupil transportation:				
Salaries and wages . . . . .	894,386	901,581	901,581	-
Fringe benefits . . . . .	287,850	289,307	289,307	-
Purchased services . . . . .	228,855	173,533	173,533	-
Materials and supplies. . . . .	213,059	106,459	106,459	-
Capital outlay . . . . .	116,211	86,190	24,273	61,917
Other . . . . .	385	230	230	-
Total support services-pupil transportation . . . . .	<u>1,740,746</u>	<u>1,557,300</u>	<u>1,495,383</u>	<u>61,917</u>
Support services-central:				
Salaries and wages . . . . .	256,634	392,491	392,491	-
Fringe benefits . . . . .	115,040	140,074	140,074	-
Purchased services . . . . .	129,890	123,392	123,392	-
Materials and supplies. . . . .	7,539	9,891	9,891	-
Capital outlay . . . . .	10,000	-	-	-
Other . . . . .	3,400	1,956	1,956	-
Total support services-central . . . . .	<u>522,503</u>	<u>667,804</u>	<u>667,804</u>	<u>-</u>
Extracurricular activities:				
Salaries and wages . . . . .	760,270	790,289	790,289	-
Fringe benefits . . . . .	170,036	165,563	165,563	-
Purchased services . . . . .	141,652	159,541	159,541	-
Materials and supplies. . . . .	4,850	5,386	5,386	-
Capital outlay . . . . .	-	14,576	14,576	-
Total extracurricular activities. . . . .	<u>1,076,808</u>	<u>1,135,355</u>	<u>1,135,355</u>	<u>-</u>
Facilities acquisition and construction				
Capital outlay . . . . .	<u>15,014</u>	<u>8,870</u>	<u>8,870</u>	<u>-</u>
Total facilities acquisition and construction .	<u>15,014</u>	<u>8,870</u>	<u>8,870</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>36,357,046</u>	<u>36,183,804</u>	<u>35,472,531</u>	<u>711,273</u>

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
	\$	\$	\$	
<i>Excess of revenues over expenditures . . . . .</i>	<u>\$ (1,388,257)</u>	<u>\$ (879,027)</u>	<u>\$ (46,034)</u>	<u>\$ 832,993</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	-	63,058	65,166	2,108
Refund of prior year's receipts . . . . .	-	(13,388)	(13,388)	-
Transfers in. . . . .	175,000	175,000	175,000	-
Transfers out. . . . .	(305,000)	(277,900)	(277,900)	-
Advances out. . . . .	(220,000)	(200,624)	(200,956)	(332)
Sale of assets . . . . .	10,000	10,000	62,535	52,535
<i>Total other financing sources (uses) . . . . .</i>	<u>(340,000)</u>	<u>(243,854)</u>	<u>(189,543)</u>	<u>54,311</u>
<i>Net change in fund balance . . . . .</i>	<u>(1,728,257)</u>	<u>(1,122,881)</u>	<u>(235,577)</u>	<u>887,304</u>
<i>Fund balance at beginning of year . . . . .</i>	<u>\$5,400,170</u>	<u>5,400,170</u>	<u>5,400,170</u>	<u>-</u>
<i>Prior year encumbrances appropriated. . . . .</i>	<u>783,372</u>	<u>783,372</u>	<u>783,372</u>	<u>-</u>
<i>Fund balance at end of year. . . . .</i>	<u><u>\$ 4,455,285</u></u>	<u><u>\$ 5,060,661</u></u>	<u><u>\$ 5,947,965</u></u>	<u><u>\$ 887,304</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BOND RETIREMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 3,961,182	\$ 4,256,636	\$ 4,256,636	\$ -
Intergovernmental - State . . . . .	545,338	579,625	579,625	-
Intergovernmental-federal . . . . .	515,638	518,689	518,576	(113)
Total revenues. . . . .	<u>5,022,158</u>	<u>5,354,950</u>	<u>5,354,837</u>	<u>(113)</u>
<b>Expenditures:</b>				
Current:				
Support services-fiscal				
Other . . . . .	65,000	69,251	69,251	-
Total support services-fiscal . . . . .	<u>65,000</u>	<u>69,251</u>	<u>69,251</u>	<u>-</u>
Debt service:				
Principal retirement. . . . .	2,715,000	2,715,000	2,715,000	-
Interest and fiscal charges . . . . .	2,002,463	2,002,463	2,002,463	-
Total debt service . . . . .	<u>4,717,463</u>	<u>4,717,463</u>	<u>4,717,463</u>	<u>-</u>
Total expenditures . . . . .	<u>4,782,463</u>	<u>4,786,714</u>	<u>4,786,714</u>	<u>-</u>
Net change in fund balance . . . . .	239,695	568,236	568,123	(113)
Fund balance at beginning of year . . . . .	3,026,172	3,026,172	3,026,172	-
Fund balance at end of year. . . . .	<u>\$ 3,265,867</u>	<u>\$ 3,594,408</u>	<u>\$ 3,594,295</u>	<u>\$ (113)</u>

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

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 527,718	\$ 1,410,248	\$ 1,937,966
Receivables:			
Property taxes . . . . .	- - -	339,786	339,786
Intergovernmental . . . . .	74,888	- - -	74,888
Materials and supplies inventory . . . . .	974	- - -	974
Inventory held for resale . . . . .	<u>4,329</u>	<u>- - -</u>	<u>4,329</u>
Total assets . . . . .	<u><u>\$ 607,909</u></u>	<u><u>\$ 1,750,034</u></u>	<u><u>\$ 2,357,943</u></u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 3,383	\$ 187,252	\$ 190,635
Retainage payable. . . . .	- - -	189,314	189,314
Accrued wages and benefits payable . . . . .	91,928	- - -	91,928
Interfund loan payable . . . . .	8,397	998,190	1,006,587
Intergovernmental payable . . . . .	1,131	- - -	1,131
Pension obligation payable. . . . .	18,379	- - -	18,379
Advance from other funds . . . . .	<u>- - -</u>	<u>135,478</u>	<u>135,478</u>
Total liabilities. . . . .	<u><u>123,218</u></u>	<u><u>1,510,234</u></u>	<u><u>1,633,452</u></u>
<b>Deferred inflows of resources:</b>			
Property tax levied for the next fiscal year . . . . .	- - -	217,003	217,003
Delinquent property tax revenue not available . . . . .	- - -	12,610	12,610
Intergovernmental revenue not available. . . . .	<u>24,160</u>	<u>- - -</u>	<u>24,160</u>
Total deferred inflows of resources . . . . .	<u><u>24,160</u></u>	<u><u>229,613</u></u>	<u><u>253,773</u></u>
<b>Fund Balances:</b>			
Nonspendable:			
Materials and supplies inventory. . . . .	974	- - -	974
Restricted:			
Capital improvements. . . . .	- - -	169,941	169,941
Food service operations . . . . .	64,840	- - -	64,840
Non-public schools . . . . .	308,971	- - -	308,971
Targeted academic assistance . . . . .	328	- - -	328
Other purposes. . . . .	34,930	- - -	34,930
Extracurricular . . . . .	66,449	- - -	66,449
Committed:			
Other purposes. . . . .	9,065	- - -	9,065
Unassigned (deficit) . . . . .	<u>(25,026)</u>	<u>(159,754)</u>	<u>(184,780)</u>
Total fund balances . . . . .	<u><u>460,531</u></u>	<u><u>10,187</u></u>	<u><u>470,718</u></u>
Total liabilities, deferred inflows and fund balances .	<u><u>\$ 607,909</u></u>	<u><u>\$ 1,750,034</u></u>	<u><u>\$ 2,357,943</u></u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ -	\$ 358,349	\$ 358,349
Earnings on investments . . . . .	1,688	11	1,699
Charges for services . . . . .	348,458	-	348,458
Extracurricular activities . . . . .	365,947	-	365,947
Rental income . . . . .	558	171,397	171,955
Contributions and donations . . . . .	105,979	-	105,979
Other local revenues . . . . .	94,413	-	94,413
Intergovernmental - state . . . . .	1,461,004	44,725	1,505,729
Intergovernmental - federal . . . . .	1,063,470	-	1,063,470
Total revenue . . . . .	<u>3,441,517</u>	<u>574,482</u>	<u>4,015,999</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	56,661	145,632	202,293
Special . . . . .	664,116	-	664,116
Support services:			
Pupil . . . . .	183,729	68	183,797
Instructional staff . . . . .	28,270	71,323	99,593
Administration . . . . .	-	180	180
Fiscal . . . . .	-	5,417	5,417
Business . . . . .	-	22	22
Operations and maintenance . . . . .	-	577,589	577,589
Pupil transportation . . . . .	16,702	177,013	193,715
Central . . . . .	-	989	989
Operation of non-instructional services:			
Food service operations . . . . .	427,629	-	427,629
Other non-instructional services . . . . .	1,428,756	-	1,428,756
Extracurricular activities . . . . .	568,731	90	568,821
Debt service:			
Interest and fiscal charges . . . . .	-	6,156	6,156
Total expenditures . . . . .	<u>3,374,594</u>	<u>984,479</u>	<u>4,359,073</u>
Excess of revenues over (under) expenditures . . . . .	<u>66,923</u>	<u>(409,997)</u>	<u>(343,074)</u>
<b>Other financing sources:</b>			
Transfers in . . . . .	<u>100,400</u>	<u>-</u>	<u>100,400</u>
Total other financing sources . . . . .	<u>100,400</u>	<u>-</u>	<u>100,400</u>
Net change in fund balances . . . . .	<u>167,323</u>	<u>(409,997)</u>	<u>(242,674)</u>
<b>Fund balances at beginning of year . . . . .</b>	<u>293,208</u>	<u>420,184</u>	<u>713,392</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 460,531</u>	<u>\$ 10,187</u>	<u>\$ 470,718</u>

**ROCKY RIVER CITY SCHOOL DISTRICT**  
**FUND DESCRIPTIONS - NONMAJOR SPECIAL REVENUE FUNDS**

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

***Food Service Fund***

This fund accounts for the financial transactions related to the food service operations of the District.

***Special Trust Fund***

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

***Other Grants Fund***

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

***District Managed Activity Fund***

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

***Auxiliary Services Fund***

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

***Data Communications Fund***

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

***Miscellaneous State Grants Fund***

This fund accounts for various monies received from state agencies which are not classified elsewhere.

***Title VI-B Fund***

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

***Title III Fund***

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

***Title I Fund***

To account for State of Ohio and federal grants that provide financial assistance to meet the special needs of educationally deprived children.

***Preschool Disability Fund***

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

***Title II-A Fund***

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

## **FUND DESCRIPTIONS - 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.

### ***Unclaimed Monies Fund***

This fund accounts for the unclaimed monies within the District. These monies must be held for a period of time, after that time period passes, the monies may be returned to the general fund.

### ***Uniform School Supplies Fund***

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

### ***Beach Building Fund***

This fund accounts for the revenues and expenditures related to the operation of the Beach School facility that is leased to outside educational and service organizations for the benefit of the school community at-large.

### ***Building Rotary Fund***

This fund accounts for curricular and related activities (e.g. field trips) within a school building that are paid for mainly by student fees.

### ***Public School Support Fund***

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

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

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2016**

	Food Service	Special Trust	Other Grants	District Managed Activity
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 97,764	\$ 9,065	\$ 35,019	\$ 69,604
Receivables:				
Accounts. . . . .	-	-	-	-
Intergovernmental . . . . .	-	-	-	-
Materials and supplies inventory . . . . .	974	-	-	-
Inventory held for resale . . . . .	<u>4,329</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets. . . . .	<u><u>\$ 103,067</u></u>	<u><u>\$ 9,065</u></u>	<u><u>\$ 35,019</u></u>	<u><u>\$ 69,604</u></u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 234	\$ -	\$ 89	\$ 2,767
Accrued wages and benefits . . . . .	27,260	-	-	-
Interfund loan payable . . . . .	-	-	-	-
Intergovernmental payable . . . . .	337	-	-	-
Pension obligation payable. . . . .	<u>9,422</u>	<u>-</u>	<u>-</u>	<u>388</u>
Total liabilities. . . . .	<u><u>37,253</u></u>	<u><u>-</u></u>	<u><u>89</u></u>	<u><u>3,155</u></u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available. . . . .	-	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	974	-	-	-
Restricted:				
Non-public schools . . . . .	-	-	-	-
Food service operations . . . . .	64,840	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Other purposes. . . . .	-	9,065	34,930	-
Extracurricular . . . . .	-	-	-	66,449
Committed:				
Other purposes. . . . .	-	-	-	-
Unassigned (deficit) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances . . . . .	<u>65,814</u>	<u>9,065</u>	<u>34,930</u>	<u>66,449</u>
Total liabilities and fund balances . . . . .	<u><u>\$ 103,067</u></u>	<u><u>\$ 9,065</u></u>	<u><u>\$ 35,019</u></u>	<u><u>\$ 69,604</u></u>

Auxiliary Services	Title VI-B	Title III	Title I	Title II-A	Total Nonmajor Special Revenue Funds
\$ 310,425	\$ 5,841	\$ -	\$ -	\$ -	\$ 527,718
-	-	-	-	-	-
-	39,460	10	34,173	1,245	74,888
-	-	-	-	-	974
-	-	-	-	-	4,329
<b>\$ 310,425</b>	<b>\$ 45,301</b>	<b>\$ 10</b>	<b>\$ 34,173</b>	<b>\$ 1,245</b>	<b>\$ 607,909</b>
 \$ -	 \$ -	 \$ -	 \$ -	 \$ 293	 \$ 3,383
1,286	38,979	-	24,403	-	91,928
-	-	11	7,762	624	8,397
7	434	-	353	-	1,131
161	5,584	-	2,824	-	18,379
<b>1,454</b>	<b>44,997</b>	<b>11</b>	<b>35,342</b>	<b>917</b>	<b>123,218</b>
 -	 24,160	 -	 -	 -	 24,160
 -	 24,160	 -	 -	 -	 24,160
 -	 -	 -	 -	 -	 974
 308,971	 -	 -	 -	 -	 308,971
 -	 -	 -	 -	 -	 64,840
 -	 -	 -	 -	 328	 328
 -	 -	 -	 -	 -	 43,995
 -	 -	 -	 -	 -	 66,449
 -	 -	 -	 -	 -	 -
 - (23,856)	 - (1)	 - (1,169)	 -	 -	 (25,026)
<b>308,971</b>	<b>(23,856)</b>	<b>(1)</b>	<b>(1,169)</b>	<b>328</b>	<b>460,531</b>
<b>\$ 310,425</b>	<b>\$ 45,301</b>	<b>\$ 10</b>	<b>\$ 34,173</b>	<b>\$ 1,245</b>	<b>\$ 607,909</b>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Food Service	Special Trust	Other Grants	District Managed Activity
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 369	\$ -	\$ -	\$ -
Charges for services . . . . .	348,458	-	-	-
Extracurricular activities . . . . .	-	-	-	365,947
Rentals . . . . .	-	-	-	558
Contributions and donations . . . . .	-	3,000	56,526	46,453
Other local revenues . . . . .	10,865	-	-	83,548
Intergovernmental - state . . . . .	1,872	-	-	-
Intergovernmental - federal . . . . .	100,937	-	-	-
Total revenue . . . . .	<u>462,501</u>	<u>3,000</u>	<u>56,526</u>	<u>496,506</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	-	32,299	-
Special . . . . .	-	-	7,318	-
Support services:				
Pupil . . . . .	-	-	2,316	-
Instructional staff . . . . .	-	-	300	-
Pupil transportation . . . . .	-	-	-	-
Operation of non-instructional services:				
Food service operations . . . . .	427,629	-	-	-
Other non-instructional services . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	2,201	566,530
Total expenditures . . . . .	<u>427,629</u>	<u>-</u>	<u>44,434</u>	<u>566,530</u>
Excess of revenues over (under) expenditures . . . . .	<u>34,872</u>	<u>3,000</u>	<u>12,092</u>	<u>(70,024)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	400	100,000
Total other financing sources . . . . .	-	-	400	100,000
Net change in fund balances . . . . .	<u>34,872</u>	<u>3,000</u>	<u>12,492</u>	<u>29,976</u>
<b>Fund balances (deficit)</b>				
<b>at beginning of year . . . . .</b>	<u>30,942</u>	<u>6,065</u>	<u>22,438</u>	<u>36,473</u>
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 65,814</u>	<u>\$ 9,065</u>	<u>\$ 34,930</u>	<u>\$ 66,449</u>

Auxiliary Services	Data Communications	Miscellaneous State Grants	Title VI-B	Title III
\$ 1,319	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,451,932	7,200	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>687,394</u>	<u>12,918</u>
<u>1,453,251</u>	<u>7,200</u>	<u>-</u>	<u>687,394</u>	<u>12,918</u>
-	7,200	-	-	-
-	-	-	441,111	11,646
-	-	-	181,413	-
-	-	-	-	1,273
-	-	16,702	-	-
-	-	-	-	-
1,331,644	-	-	83,952	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,331,644</u>	<u>7,200</u>	<u>16,702</u>	<u>706,476</u>	<u>12,919</u>
<u>121,607</u>	<u>-</u>	<u>(16,702)</u>	<u>(19,082)</u>	<u>(1)</u>
-	-	-	-	-
-	-	-	-	-
121,607	-	(16,702)	(19,082)	(1)
187,364	-	16,702	(4,774)	-
<u>\$ 308,971</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (23,856)</u>	<u>\$ (1)</u>

-- Continued

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Title I	Preschool Disability	Title II-A	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ 1,688
Charges for services. . . . .	-	-	-	348,458
Extracurricular activities . . . . .	-	-	-	365,947
Rentals . . . . .	-	-	-	558
Contributions and donations . . . . .	-	-	-	105,979
Other local revenues . . . . .	-	-	-	94,413
Intergovernmental - state . . . . .	-	-	-	1,461,004
Intergovernmental - federal . . . . .	196,925	10,513	54,783	1,063,470
 Total revenue . . . . .	 196,925	 10,513	 54,783	 3,441,517
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	-	17,162	56,661
Special . . . . .	193,528	10,513	-	664,116
Support services:				
Pupil . . . . .	-	-	-	183,729
Instructional staff. . . . .	-	-	26,697	28,270
Pupil transportation . . . . .	-	-	-	16,702
Operation of non-instructional services:				
Food service operations . . . . .	-	-	-	427,629
Other non-instructional services. . . . .	2,564	-	10,596	1,428,756
Extracurricular activities . . . . .	-	-	-	568,731
 Total expenditures . . . . .	 196,092	 10,513	 54,455	 3,374,594
 Excess of revenues over (under) expenditures . . . . .	 833	 -	 328	 66,923
<b>Other financing sources:</b>				
Transfers in. . . . .	-	-	-	100,400
 Total other financing sources . . . . .	 -	 -	 -	 100,400
 Net change in fund balances . . . . .	 833	 -	 328	 167,323
<b>Fund balances (deficit)</b>				
at beginning of year . . . . .	(2,002)	-	-	293,208
 <b>Fund balances (deficit) at end of year . . . . .</b>	 <b>\$ (1,169)</b>	 <b>\$ -</b>	 <b>\$ 328</b>	 <b>\$ 460,531</b>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 25	\$ 300	\$ 369	\$ 69
Charges for services . . . . .	294,200	354,200	349,555	(4,645)
Other local revenue . . . . .	6,100	6,100	10,864	4,764
Intergovernmental - State . . . . .	2,000	2,000	1,872	(128)
Intergovernmental - Federal . . . . .	80,000	80,000	83,941	3,941
<i>Total revenues.</i> . . . . .	<u>382,325</u>	<u>442,600</u>	<u>446,601</u>	<u>4,001</u>
<b>Expenditures:</b>				
Current:				
Operation of non-instructional services - food service operations:				
Salaries and wages . . . . .	169,301	167,125	167,125	-
Fringe benefits . . . . .	55,451	55,252	55,252	-
Purchased services . . . . .	10,500	6,260	6,260	-
Materials and supplies. . . . .	151,871	173,986	173,161	825
Other . . . . .	8,500	11,497	11,497	-
Total operation of non-instructional services - food service operations . . . . .	<u>395,623</u>	<u>414,120</u>	<u>413,295</u>	<u>825</u>
<i>Total expenditures</i> . . . . .	<u>395,623</u>	<u>414,120</u>	<u>413,295</u>	<u>825</u>
<i>Net change in fund balance</i> . . . . .	(13,298)	28,480	33,306	4,826
<i>Fund balance at beginning of year</i> . . . . .	63,798	63,798	63,798	-
<i>Prior year encumbrances appropriated</i> . . . . .	460	460	460	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 50,960</u>	<u>\$ 92,738</u>	<u>\$ 97,564</u>	<u>\$ 4,826</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPECIAL TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Contributions and donations . . . . .	\$ 3,000	\$ 3,000	\$ 3,000	\$ _____ -
<i>Total revenues</i> . . . . .	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>_____ -</u>
<i>Net change in fund balance</i> . . . . .	3,000	3,000	3,000	-
<i>Fund balance at beginning of year</i> . . . . .	6,065	6,065	6,065	_____ -
<i>Fund balance at end of year</i> . . . . .	<u>\$ 9,065</u>	<u>\$ 9,065</u>	<u>\$ 9,065</u>	<u>\$ _____ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
OTHER GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Contributions and donations . . . . .	\$ -	\$ 56,011	\$ 56,526	\$ 515
Total revenues. . . . .	<u>-</u>	<u>56,011</u>	<u>56,526</u>	<u>515</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Purchased services . . . . .	1,056	9,271	1,465	7,806
Materials and supplies. . . . .	872	11,290	7,398	3,892
Capital outlay . . . . .	2,513	28,857	27,780	1,077
Other . . . . .	-	250	250	-
Total instruction-regular. . . . .	<u>4,441</u>	<u>49,668</u>	<u>36,893</u>	<u>12,775</u>
Instruction-special:				
Purchased services . . . . .	1,325	1,325	1,140	185
Materials and supplies. . . . .	5	1,952	1,909	43
Capital outlay . . . . .	-	4,580	4,434	146
Total instruction-special. . . . .	<u>1,330</u>	<u>7,857</u>	<u>7,483</u>	<u>374</u>
Support services-pupil:				
Purchased services . . . . .	-	600	600	-
Materials and supplies. . . . .	204	204	163	41
Capital outlay . . . . .	-	1,494	1,488	6
Other . . . . .	61	61	65	(4)
Total support services-pupil. . . . .	<u>265</u>	<u>2,359</u>	<u>2,316</u>	<u>43</u>
Support services-instructional staff:				
Materials and supplies. . . . .	373	373	300	73
Total support services-instructional staff. . . . .	<u>373</u>	<u>373</u>	<u>300</u>	<u>73</u>
Extracurricular activities:				
Purchased services . . . . .	117	317	200	117
Materials and supplies. . . . .	-	1,500	1,292	208
Capital outlay . . . . .	250	715	709	6
Total operation of non-instructional				
Total extracurricular activities. . . . .	<u>367</u>	<u>2,532</u>	<u>2,201</u>	<u>331</u>
Total expenditures . . . . .	<u>6,776</u>	<u>62,789</u>	<u>49,193</u>	<u>13,596</u>
Excess of revenues over (under) expenditures . . . . .	<u>(6,776)</u>	<u>(6,778)</u>	<u>7,333</u>	<u>14,111</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	-	400	400
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>400</u>	<u>400</u>
Net change in fund balance . . . . .	<u>(6,776)</u>	<u>(6,778)</u>	<u>7,733</u>	<u>14,511</u>
Fund balance at beginning of year . . . . .	21,240	21,240	21,240	-
Prior year encumbrances appropriated. . . . .	3,457	3,457	3,457	-
Fund balance at end of year. . . . .	<u>\$ 17,921</u>	<u>\$ 17,919</u>	<u>\$ 32,430</u>	<u>\$ 14,511</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DISTRICT MANAGED ACTIVITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Extracurricular activities . . . . .	\$ 274,160	\$ 345,488	\$ 364,858	\$ 19,370
Rentals . . . . .	-	-	558	558
Contributions and donations . . . . .	28,200	60,585	46,453	(14,132)
Other local revenue. . . . .	113,580	114,080	82,675	(31,405)
<i>Total revenues.</i> . . . . .	<u>415,940</u>	<u>520,153</u>	<u>494,544</u>	<u>(25,609)</u>
<b>Expenditures:</b>				
Current:				
Extracurricular activities:				
Salaries and wages . . . . .	13,040	18,974	18,974	-
Fringe benefits . . . . .	1,605	2,853	2,853	-
Purchased services . . . . .	232,008	277,039	252,087	24,952
Materials and supplies. . . . .	137,123	149,252	149,252	-
Capital outlay . . . . .	84,319	120,120	120,120	-
Other . . . . .	57,031	55,149	55,149	-
Total extracurricular activities. . . . .	<u>525,126</u>	<u>623,387</u>	<u>598,435</u>	<u>24,952</u>
<i>Total expenditures</i> . . . . .	<u>525,126</u>	<u>623,387</u>	<u>598,435</u>	<u>24,952</u>
<i>Excess of revenues ( under) expenditures</i> . . . . .	<u>(109,186)</u>	<u>(103,234)</u>	<u>(103,891)</u>	<u>(657)</u>
<b>Other financing sources:</b>				
Refund of prior year's expenditures . . . . .	-	-	871	871
Transfers in . . . . .	102,800	103,890	101,090	(2,800)
<i>Total other financing sources</i> . . . . .	<u>102,800</u>	<u>103,890</u>	<u>101,961</u>	<u>(1,929)</u>
<i>Net change in fund balance</i> . . . . .	<u>(6,386)</u>	<u>656</u>	<u>(1,930)</u>	<u>(2,586)</u>
<i>Fund balance at beginning of year</i> . . . . .	43,258	43,258	43,258	-
<i>Prior year encumbrances appropriated</i> . . . . .	11,725	11,725	11,725	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 48,597</u>	<u>\$ 55,639</u>	<u>\$ 53,053</u>	<u>\$ (2,586)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
AUXILIARY SERVICES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ 1,310	\$ 1,320	\$ 10
Intergovernmental - State. . . . .	<u>729,444</u>	<u>1,451,931</u>	<u>1,451,931</u>	<u>-</u>
<i>Total revenues.</i> . . . . .	<u>729,444</u>	<u>1,453,241</u>	<u>1,453,251</u>	<u>10</u>
<b>Expenditures:</b>				
Current:				
Operation of non-instructional services - other non-instructional services:				
Salaries and wages . . . . .	10,571	10,701	10,701	-
Fringe benefits . . . . .	3,421	5,278	5,278	-
Purchased services . . . . .	208,021	885,446	854,317	31,129
Materials and supplies. . . . .	579,912	516,315	369,769	146,546
Capital outlay . . . . .	169,049	272,368	200,591	71,777
Total operation on non-instructional services - other non-instructional services . . . . .	<u>970,974</u>	<u>1,690,108</u>	<u>1,440,656</u>	<u>249,452</u>
<i>Total expenditures</i> . . . . .	<u>970,974</u>	<u>1,690,108</u>	<u>1,440,656</u>	<u>249,452</u>
<i>Excess of revenues over (under) expenditures</i> . . . . .	<u>(241,530)</u>	<u>(236,867)</u>	<u>12,595</u>	<u>249,462</u>
<b>Other financing sources (uses):</b>				
Refund of prior year expenditure. . . . .	-	-	888	888
Refund of prior year's receipts . . . . .	-	(4,665)	(4,665)	-
<i>Total other financing sources (uses).</i> . . . . .	<u>-</u>	<u>(4,665)</u>	<u>(3,777)</u>	<u>888</u>
<i>Net change in fund balance</i> . . . . .	<u>(241,530)</u>	<u>(241,532)</u>	<u>8,818</u>	<u>250,350</u>
<i>Fund balance at beginning of year</i> . . . . .	439	439	439	-
<i>Prior year encumbrances appropriated</i> . . . . .	<u>241,531</u>	<u>241,531</u>	<u>241,531</u>	<u>-</u>
<i>Fund balance at end of year</i> . . . . .	<u>\$ 440</u>	<u>\$ 438</u>	<u>\$ 250,788</u>	<u>\$ 250,350</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DATA COMMUNICATIONS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
	\$	\$	\$	
<b>Revenues:</b>				
Intergovernmental - State . . . . .	\$ -	\$ 7,200	\$ 7,200	\$ -
Total revenues. . . . .	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Purchased services . . . . .	-	7,200	7,200	-
Total instruction-regular. . . . .	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>-</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	-	-	-	-
<i>Fund balance at beginning of year</i> . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year</i> . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS STATE GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)	
	Original	Final	Actual		
<b>Expenditures:</b>					
Current:					
Support services-pupil transportation					
Capital outlay . . . . .	\$ 16,702	\$ 16,702	\$ 16,702	\$ _____ -	
Total support services-pupil transportation . . . . .	16,702	16,702	16,702	_____ -	
<i>Total expenditures</i> . . . . .	<i>16,702</i>	<i>16,702</i>	<i>16,702</i>	<i>_____ -</i>	
<i>Net change in fund balance</i> . . . . .	(16,702)	(16,702)	(16,702)	-	
<i>Fund balance at beginning of year</i> . . . . .	16,702	16,702	16,702	_____ -	
<i>Fund balance at end of year</i> . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI-B FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 765,487	\$ 765,487	\$ 719,390	\$ (46,097)
<i>Total revenues.</i> . . . . .	<u>765,487</u>	<u>765,487</u>	<u>719,390</u>	<u>(46,097)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Salaries and wages . . . . .	85,124	97,567	85,685	11,882
Fringe benefits . . . . .	35,878	42,083	36,223	5,860
Purchased services . . . . .	293,039	318,644	316,795	1,849
<i>Total instruction-special.</i> . . . . .	<u>414,041</u>	<u>458,294</u>	<u>438,703</u>	<u>19,591</u>
Support services-pupil:				
Salaries and wages . . . . .	123,256	140,605	120,062	20,543
Fringe benefits . . . . .	38,567	44,974	38,408	6,566
Purchased services . . . . .	24,000	28,000	27,160	840
<i>Total support services-pupil.</i> . . . . .	<u>185,823</u>	<u>213,579</u>	<u>185,630</u>	<u>27,949</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services . . . . .	83,127	83,952	83,952	-
<i>Total operation of non-instructional services - other non-instructional services.</i> . . . . .	<u>83,127</u>	<u>83,952</u>	<u>83,952</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>682,991</u>	<u>755,825</u>	<u>708,285</u>	<u>47,540</u>
<i>Net change in fund balance</i> . . . . .	82,496	9,662	11,105	1,443
<i>Fund (deficit) at beginning of year</i> . . . . .	(9,662)	(9,662)	(9,662)	-
<i>Prior year encumbrances appropriated</i> . . . . .	-	-	-	-
<i>Fund (deficit) at end of year.</i> . . . . .	<u>\$ 72,834</u>	<u>\$ -</u>	<u>\$ 1,443</u>	<u>\$ 1,443</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE III FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 2,607	\$ 14,920	\$ 13,793	\$ (1,127)
<i>Total revenues</i> . . . . .	<u>2,607</u>	<u>14,920</u>	<u>13,793</u>	<u>(1,127)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special				
Salaries and wages . . . . .	-	9,225	9,225	-
Fringe benefits . . . . .	-	1,489	1,480	9
Materials and supplies . . . . .	-	1,014	941	73
Total instruction-special . . . . .	<u>-</u>	<u>11,728</u>	<u>11,646</u>	<u>82</u>
Support services-instructional staff:				
Purchased services . . . . .	-	2,307	1,273	1,034
Total support services-instructional staff . . . . .	<u>-</u>	<u>2,307</u>	<u>1,273</u>	<u>1,034</u>
<i>Total expenditures</i> . . . . .	<u>-</u>	<u>14,035</u>	<u>12,919</u>	<u>1,116</u>
<i>Net change in fund balance</i> . . . . .	2,607	885	874	(11)
<i>Fund (deficit) at beginning of year</i> . . . . .	(885)	(885)	(885)	-
<i>Fund (deficit) at end of year</i> . . . . .	<u>\$ 1,722</u>	<u>\$ -</u>	<u>\$ (11)</u>	<u>\$ (11)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE I FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 218,138	\$ 218,120	\$ 183,947	\$ (34,173)
<i>Total revenues</i> . . . . .	<u>218,138</u>	<u>218,120</u>	<u>183,947</u>	<u>(34,173)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Salaries and wages . . . . .	163,269	184,033	161,392	22,641
Fringe benefits . . . . .	<u>33,674</u>	<u>23,694</u>	<u>19,926</u>	<u>3,768</u>
Total instruction-special . . . . .	<u>196,943</u>	<u>207,727</u>	<u>181,318</u>	<u>26,409</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services . . . . .	-	2,564	2,564	-
Total operation of non-instructional services - other non-instructional services . . . . .	-	2,564	2,564	-
<i>Total expenditures</i> . . . . .	<u>196,943</u>	<u>210,291</u>	<u>183,882</u>	<u>26,409</u>
<i>Net change in fund balance</i> . . . . .	21,195	7,829	65	(7,764)
<i>Fund (deficit) at beginning of year</i> . . . . .	(7,827)	(7,827)	(7,827)	-
<i>Prior year encumbrances appropriated</i> . . . . .	-	-	-	-
<i>Fund (deficit) at end of year</i> . . . . .	<u>\$ 13,368</u>	<u>\$ 2</u>	<u>\$ (7,762)</u>	<u>\$ (7,764)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PRESCHOOL DISABILITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 10,513	\$ 10,513	\$ 10,513	\$ _____ -
<i>Total revenues</i> . . . . .	<u>10,513</u>	<u>10,513</u>	<u>10,513</u>	<u>_____ -</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Salaries and wages . . . . .	-	8,400	8,400	-
Fringe benefits . . . . .	-	2,113	2,113	_____ -
Total instruction-special . . . . .	<u>-</u>	<u>10,513</u>	<u>10,513</u>	<u>_____ -</u>
<i>Total expenditures</i> . . . . .	<u>-</u>	<u>10,513</u>	<u>10,513</u>	<u>_____ -</u>
<i>Net change in fund balance</i> . . . . .	10,513	-	-	-
<i>Fund balance at beginning of year</i> . . . . .	-	-	-	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 10,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE II-A FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 54,904	\$ 55,517	\$ 53,538	\$ (1,979)
<i>Total revenues</i> . . . . .	<u>54,904</u>	<u>55,517</u>	<u>53,538</u>	<u>(1,979)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	20,000	14,705	14,705	-
Fringe benefits . . . . .	3,230	2,273	2,458	(185)
Total instruction-regular. . . . .	<u>23,230</u>	<u>16,978</u>	<u>17,163</u>	<u>(185)</u>
Support services-instructional staff:				
Purchased services . . . . .	30,000	26,696	26,696	-
Total support services-instructional staff. . . . .	<u>30,000</u>	<u>26,696</u>	<u>26,696</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services . . . . .	1,674	11,843	10,925	918
Total operation of non-instructional services - other non-instructional services . . . . .	<u>1,674</u>	<u>11,843</u>	<u>10,925</u>	<u>918</u>
<i>Total expenditures</i> . . . . .	<u>54,904</u>	<u>55,517</u>	<u>54,784</u>	<u>733</u>
<i>Net change in fund balance</i> . . . . .	-	-	(1,246)	(1,246)
<i>Fund balance at beginning of year</i> . . . . .	-	-	-	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,246)</u>	<u>\$ (1,246)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNCLAIMED MONIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Other local revenues. . . . .	\$ -	\$ -	\$ 1,054	\$ 1,054
<i>Total revenues</i> . . . . .	<u>-</u>	<u>-</u>	<u>1,054</u>	<u>1,054</u>
<b>Other financing uses:</b>				
Refund of prior year's (receipts) . . . . .	(500)	(12,327)	(12,327)	-
<i>Total other financing uses</i> . . . . .	<u>(500)</u>	<u>(12,327)</u>	<u>(12,327)</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	(500)	(12,327)	(11,273)	1,054
<i>Fund balance at beginning of year</i> . . . . .	\$ 12,327	\$ 12,327	\$ 12,327	\$ -
<i>Fund balance at end of year</i> . . . . .	<u>\$ 11,827</u>	<u>\$ -</u>	<u>\$ 1,054</u>	<u>\$ 1,054</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNIFORM SCHOOL SUPPLIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Classroom materials and fees . . . . .	\$ 29,050	\$ 29,300	\$ 27,096	\$ (2,204)
<i>Total revenues.</i> . . . . .	<u>29,050</u>	<u>29,300</u>	<u>27,096</u>	<u>(2,204)</u>
<b>Expenditures:</b>				
Current:				
Operation of non-instructional services - other non-instructional services:				
Materials and supplies. . . . .	33,500	34,050	28,550	5,500
Total operation of non-instructional services - other non-instructional services . . . . .	<u>33,500</u>	<u>34,050</u>	<u>28,550</u>	<u>5,500</u>
<i>Total expenditures</i> . . . . .	<u>33,500</u>	<u>34,050</u>	<u>28,550</u>	<u>5,500</u>
<i>Net change in fund balance</i> . . . . .	(4,450)	(4,750)	(1,454)	3,296
<i>Fund balance at beginning of year</i> . . . . .	25,968	25,968	25,968	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 21,518</u>	<u>\$ 21,218</u>	<u>\$ 24,514</u>	<u>\$ 3,296</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BEACH BUILDING FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Expenditures:</b>				
Current:				
Support services-operations and maintenance:				
Capital outlay . . . . .	\$ -	\$ 379	\$ 379	\$ -
Total support services-operations and maintenance . . . . .	-	379	379	-
<i>Total expenditures</i> . . . . .	-	379	379	-
<i>Net change in fund balance</i> . . . . .	-	(379)	(379)	-
<i>Fund balance at beginning of year</i> . . . . .	379	379	379	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING ROTARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Tuition . . . . .	\$ 7,000	\$ 11,000	\$ 9,625	\$ (1,375)
Transportation. . . . .	10,000	10,000	7,989	(2,011)
Extracurricular activities . . . . .	15,530	15,530	18,450	2,920
Classroom materials and fees . . . . .	147,190	182,230	198,609	16,379
Contributions and donations. . . . .	-	910	929	19
Other local revenues. . . . .	76,300	76,300	63,069	(13,231)
<i>Total revenues.</i> . . . . .	<u>256,020</u>	<u>295,970</u>	<u>298,671</u>	<u>2,701</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	-	11,686	11,686	-
Fringe benefits . . . . .	-	1,743	1,743	-
Purchased services . . . . .	4,950	9,143	9,143	-
Materials and supplies. . . . .	99,146	95,923	95,923	-
Capital outlay . . . . .	6,250	4,361	4,361	-
Other . . . . .	14,600	9,732	9,732	-
<i>Total instruction-regular.</i> . . . . .	<u>124,946</u>	<u>132,588</u>	<u>132,588</u>	<u>-</u>
Support services-pupil:				
Purchased services . . . . .	70,250	68,191	68,191	-
Materials and supplies. . . . .	5,250	3,536	3,536	-
Capital outlay . . . . .	2,625	89,771	84,152	5,619
Other . . . . .	32,900	60,280	60,280	-
<i>Total support services-pupil.</i> . . . . .	<u>111,025</u>	<u>221,778</u>	<u>216,159</u>	<u>5,619</u>
Support services-instructional staff:				
Purchased services . . . . .	-	1,125	1,125	-
Capital outlay . . . . .	739	739	739	-
<i>Total support services-instructional staff.</i> . . . . .	<u>739</u>	<u>1,864</u>	<u>1,864</u>	<u>-</u>
Support services-central:				
Other . . . . .	8,000	7,626	7,626	-
<i>Total support services-central</i> . . . . .	<u>8,000</u>	<u>7,626</u>	<u>7,626</u>	<u>-</u>
Extracurricular activities:				
Materials and supplies. . . . .	1,400	423	423	-
<i>Total extracurricular activities.</i> . . . . .	<u>1,400</u>	<u>423</u>	<u>423</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>246,110</u>	<u>364,279</u>	<u>358,660</u>	<u>5,619</u>
<i>Excess of revenues over expenditures</i> . . . . .	<u>9,910</u>	<u>(68,309)</u>	<u>(59,989)</u>	<u>8,320</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	2,500	2,500
Refund of prior year's expenditures . . . . .	780	780	400	(380)
Sale of capital assets . . . . .	270	270	146	(124)
<i>Total other financing sources (uses)</i> . . . . .	<u>1,050</u>	<u>1,050</u>	<u>3,046</u>	<u>1,996</u>
<i>Net change in fund balance</i> . . . . .	<u>10,960</u>	<u>(67,259)</u>	<u>(56,943)</u>	<u>10,316</u>
<i>Fund balance at beginning of year</i> . . . . .	<u>161,699</u>	<u>161,699</u>	<u>161,699</u>	<u>-</u>
<i>Prior year encumbrances appropriated</i> . . . . .	<u>4,993</u>	<u>4,993</u>	<u>4,993</u>	<u>-</u>
<i>Fund balance at end of year</i> . . . . .	<u><u>\$ 177,652</u></u>	<u><u>\$ 99,433</u></u>	<u><u>\$ 109,749</u></u>	<u><u>\$ 10,316</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PUBLIC SCHOOL SUPPORT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Tuition . . . . .	\$ 19,000	\$ 19,000	\$ 15,475	\$ (3,525)
Extracurricular activities . . . . .	-	-	6,630	6,630
Contributions and donations . . . . .	27,300	48,201	50,057	1,856
Other local revenues . . . . .	15,350	15,350	14,245	(1,105)
<i>Total revenues.</i> . . . . .	<u>61,650</u>	<u>82,551</u>	<u>86,407</u>	<u>3,856</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	-	252	252	-
Purchased services . . . . .	-	3,660	3,660	-
Materials and supplies. . . . .	1,716	8,636	3,636	5,000
Capital outlay . . . . .	450	19,540	19,540	-
<i>Total instruction-regular.</i> . . . . .	<u>2,166</u>	<u>32,088</u>	<u>27,088</u>	<u>5,000</u>
Instruction-special:				
Purchased services . . . . .	1,800	1,607	1,607	-
Materials and supplies. . . . .	7,364	11,556	6,556	5,000
Capital outlay . . . . .	13,500	8,883	4,880	4,003
Other . . . . .	-	11	11	-
<i>Total instruction-special</i> . . . . .	<u>22,664</u>	<u>22,057</u>	<u>13,054</u>	<u>9,003</u>
Support services-pupil:				
Fringe benefits . . . . .	-	40	40	-
Purchased services . . . . .	5,350	6,509	6,509	-
Materials and supplies. . . . .	20,044	22,440	17,439	5,001
Capital outlay . . . . .	1,950	1,742	1,742	-
Other . . . . .	13,800	11,311	11,311	-
<i>Total support services-pupil.</i> . . . . .	<u>41,144</u>	<u>42,042</u>	<u>37,041</u>	<u>5,001</u>
Support services-instructional staff:				
Purchased services . . . . .	1,500	953	953	-
Total support services-instructional staff . . . . .	<u>1,500</u>	<u>953</u>	<u>953</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>67,474</u>	<u>97,140</u>	<u>78,136</u>	<u>19,004</u>
<i>Net change in fund balance</i> . . . . .	<u>(5,824)</u>	<u>(14,589)</u>	<u>8,271</u>	<u>22,860</u>
<i>Fund balance at beginning of year</i> . . . . .	<u>130,228</u>	<u>130,228</u>	<u>130,228</u>	<u>-</u>
<i>Prior year encumbrances appropriated</i> . . . . .	<u>1,420</u>	<u>1,420</u>	<u>1,420</u>	<u>-</u>
<i>Fund balance at end of year</i> . . . . .	<u><b>\$ 125,824</b></u>	<u><b>\$ 117,059</b></u>	<u><b>\$ 139,919</b></u>	<u><b>\$ 22,860</b></u>

**ROCKY RIVER CITY SCHOOL DISTRICT**  
**FUND DESCRIPTION - NONMAJOR CAPITAL PROJECTS FUND**

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

***Permanent Improvement Fund***

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

***Building Fund***

This building fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or other capital assets.

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

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2016

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 1,029	\$ 1,409,219	\$ 1,410,248
Receivables:			
Property taxes . . . . .	339,786	-	339,786
Total assets . . . . .	<u>\$ 340,815</u>	<u>\$ 1,409,219</u>	<u>\$ 1,750,034</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ -	\$ 187,252	\$ 187,252
Retainage payable. . . . .	-	189,314	189,314
Interfund loan payable . . . . .	135,478	862,712	998,190
Advance from other funds. . . . .	135,478	-	135,478
Total liabilities. . . . .	<u>270,956</u>	<u>1,239,278</u>	<u>1,510,234</u>
<b>Deferred inflows of resources:</b>			
Property tax levied for the next fiscal year . . . . .	217,003	-	217,003
Delinquent property tax revenue not available . . . . .	12,610	-	12,610
Total deferred inflows of resources . . . . .	<u>229,613</u>	<u>-</u>	<u>229,613</u>
<b>Fund Balances:</b>			
Restricted:			
Capital improvements. . . . .	-	169,941	169,941
Unassigned (deficit) . . . . .	<u>(159,754)</u>	<u>-</u>	<u>(159,754)</u>
Total fund balances . . . . .	<u>(159,754)</u>	<u>169,941</u>	<u>10,187</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 340,815</u>	<u>\$ 1,409,219</u>	<u>\$ 1,750,034</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
From local sources:			
Property taxes. . . . .	\$ 358,349	\$ -	\$ 358,349
Earnings on investments . . . . .	11	-	11
Rentals . . . . .	33,498	137,899	171,397
Intergovernmental - state . . . . .	<u>44,725</u>	<u>-</u>	<u>44,725</u>
Total revenue . . . . .	<u>436,583</u>	<u>137,899</u>	<u>574,482</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular. . . . .	28,368	117,264	145,632
Support services:			
Pupil . . . . .	-	68	68
Instructional staff. . . . .	3,003	68,320	71,323
Administration . . . . .	-	180	180
Fiscal. . . . .	5,282	135	5,417
Business . . . . .	-	22	22
Operations and maintenance of plant . . .	577,589	-	577,589
Pupil transportation . . . . .	-	177,013	177,013
Central . . . . .	-	989	989
Extracurricular activities . . . . .	-	90	90
Debt service:			
Interest and fiscal charges. . . . .	-	6,156	6,156
Total expenditures . . . . .	<u>614,242</u>	<u>370,237</u>	<u>984,479</u>
Net change in fund balances . . . . .	<u>(177,659)</u>	<u>(232,338)</u>	<u>(409,997)</u>
<b>Fund balances</b>			
<b>at beginning of year</b> . . . . .	<u>17,905</u>	<u>402,279</u>	<u>420,184</u>
<b>Fund balances at end of year</b> . . . . .	<u>\$ (159,754)</u>	<u>\$ 169,941</u>	<u>\$ 10,187</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PERMANENT IMPROVEMENTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 310,140	\$ 329,150	\$ 328,215	\$ (935)
Earnings on investments . . . . .	-	-	11	11
Rentals . . . . .	171,396	171,396	171,396	-
Intergovernmental-state . . . . .	42,091	44,264	44,726	462
<i>Total revenues.</i> . . . . .	<u>523,627</u>	<u>544,810</u>	<u>544,348</u>	<u>(462)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Purchased services . . . . .	28,368	28,368	28,368	-
<i>Total instruction-regular.</i> . . . . .	<u>28,368</u>	<u>28,368</u>	<u>28,368</u>	<u>-</u>
Support services-instructional staff				
Capital outlay . . . . .	8,500	3,003	3,003	-
<i>Total support services-instructional staff.</i> . . . . .	<u>8,500</u>	<u>3,003</u>	<u>3,003</u>	<u>-</u>
Support services-fiscal:				
Other . . . . .	-	5,282	5,282	-
<i>Total support services-fiscal</i> . . . . .	<u>-</u>	<u>5,282</u>	<u>5,282</u>	<u>-</u>
Support services-operations and maintenance:				
Capital outlay . . . . .	576,235	577,589	577,589	-
<i>Total support services-operations and maintenance.</i> . . . . .	<u>576,235</u>	<u>577,589</u>	<u>577,589</u>	<u>-</u>
Debt service:				
Principal retirement. . . . .	131,076	131,743	131,743	-
Interest and fiscal charges . . . . .	6,161	6,156	6,156	-
<i>Total debt service</i> . . . . .	<u>137,237</u>	<u>137,899</u>	<u>137,899</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>750,340</u>	<u>752,141</u>	<u>752,141</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i> . . . . .	<u>(226,713)</u>	<u>(207,331)</u>	<u>(207,793)</u>	<u>(462)</u>
<b>Other financing sources:</b>				
Advances in . . . . .	220,000	220,000	200,956	(19,044)
<i>Total other financing sources</i> . . . . .	<u>220,000</u>	<u>220,000</u>	<u>200,956</u>	<u>(19,044)</u>
<i>Net change in fund balance</i> . . . . .	(6,713)	12,669	(6,837)	(19,506)
<i>Fund balance at beginning of year</i> . . . . .	1,153	1,153	1,153	-
<i>Prior year encumbrances appropriated</i> . . . . .	6,713	6,713	6,713	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 1,153</u>	<u>\$ 20,535</u>	<u>\$ 1,029</u>	<u>\$ (19,506)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Expenditures:</b>				
Current:				
Support services-pupil transportation:				
Capital outlay . . . . .	\$ 177,013	\$ 177,013	\$ 177,013	\$ _____ -
Total support services-pupil transportation . . . . .	<u>177,013</u>	<u>177,013</u>	<u>177,013</u>	<u>_____ -</u>
Facilities acquisition and construction:				
Purchased services . . . . .	101,585	101,585	101,585	_____ -
Capital outlay . . . . .	<u>112,857</u>	<u>112,857</u>	<u>112,857</u>	<u>_____ -</u>
Total facilities acquisition and construction. . . . .	<u>214,442</u>	<u>214,442</u>	<u>214,442</u>	<u>_____ -</u>
<i>Total expenditures</i> . . . . .	<u>391,455</u>	<u>391,455</u>	<u>391,455</u>	<u>_____ -</u>
<i>Excess of revenues (under) expenditures</i> . . . . .	<u>(391,455)</u>	<u>(391,455)</u>	<u>(391,455)</u>	<u>_____ -</u>
<b>Other financing sources:</b>				
Sale of notes . . . . .	-	378,384	378,384	_____ -
<i>Total other financing sources</i> . . . . .	<u>-</u>	<u>378,384</u>	<u>378,384</u>	<u>_____ -</u>
<i>Net change in fund balance</i> . . . . .	<u>(391,455)</u>	<u>(13,071)</u>	<u>(13,071)</u>	<u>_____ -</u>
<i>Fund balance at beginning of year</i> . . . . .	993,406	993,406	993,406	_____ -
<i>Prior year encumbrances appropriated</i> . . . . .	<u>214,442</u>	<u>214,442</u>	<u>214,442</u>	<u>_____ -</u>
<i>Fund balance at end of year</i> . . . . .	<u>\$ 816,393</u>	<u>\$ 1,194,777</u>	<u>\$ 1,194,777</u>	<u>\$ _____ -</u>

## **ROCKY RIVER CITY SCHOOL DISTRICT**

### **NONMAJOR INTERNAL SERVICE FUNDS - FUND DESCRIPTIONS**

#### **Internal Service Funds**

An Internal Service Fund is used to account for the financing of services provided by one department to the other departments of the government or to other districts on a cost reimbursement basis.

#### ***EMPLOYEE 125 PLAN/WELLNESS FUND***

This fund accounts for a flexible benefits plan offered to District employees, and for wellness benefits through the District's medical insurance.

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS  
EMPLOYEE 125 PLAN/WELLNESS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Operating revenues:</b>				
Charges for services. . . . .	\$ -	\$ 95,180	\$ 85,102	\$ (10,078)
<i>Total operating revenues</i> . . . . .	<u>-</u>	<u>95,180</u>	<u>85,102</u>	<u>(10,078)</u>
<b>Operating expenses:</b>				
Salaries and wages . . . . .	-	460	460	-
Fringe benefits . . . . .	-	14,675	12,025	2,650
Other . . . . .	-	76,305	70,378	5,927
<i>Total operating expenses</i> . . . . .	<u>-</u>	<u>91,440</u>	<u>82,863</u>	<u>8,577</u>
<i>Operating income (loss)</i> . . . . .	<u>-</u>	<u>3,740</u>	<u>2,239</u>	<u>(1,501)</u>
<b>Nonoperating revenues:</b>				
Transfes in . . . . .	-	2,000	-	(2,000)
<i>Total nonoperating revenues</i> . . . . .	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
<i>Net change in fund equity</i> . . . . .	<u>-</u>	<u>5,740</u>	<u>2,239</u>	<u>(3,501)</u>
<i>Fund equity at beginning of year</i> . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Prior year encumbrances appropriated</i> . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund equity at end of year</i> . . . . .	<u>\$ -</u>	<u>\$ 5,740</u>	<u>\$ 2,239</u>	<u>\$ (3,501)</u>

**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**  
**FUND DESCRIPTIONS - FIDUCIARY FUNDS**

**Fiduciary Funds**

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

**Private-Purpose Trust Fund**

***Special Trust Fund***

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

**Agency Funds**

***OHSAA Tournaments***

This fund reflects resources that are collected for various tournaments and remitted to the Ohio High School Athletic Association (OHSAA).

***Student Managed Activities Fund***

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

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPECIAL TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Interest . . . . .	\$ -	\$ -	\$ 35	\$ 35
Contributions and donations . . . . .	<u>24,500</u>	<u>24,500</u>	<u>20,430</u>	<u>(4,070)</u>
<i>Total revenues</i> . . . . .	<u>24,500</u>	<u>24,500</u>	<u>20,465</u>	<u>(4,035)</u>
<b>Expenses:</b>				
Other . . . . .	<u>22,500</u>	<u>23,650</u>	<u>21,155</u>	<u>2,495</u>
<i>Total expenses</i> . . . . .	<u>22,500</u>	<u>23,650</u>	<u>21,155</u>	<u>2,495</u>
<i>Net change in fund equity</i> . . . . .	2,000	850	(690)	(1,540)
<i>Fund equity at beginning of year</i> . . . . .	<u>14,256</u>	<u>14,256</u>	<u>14,256</u>	<u>-</u>
<i>Fund equity at end of year</i> . . . . .	<u>\$ 16,256</u>	<u>\$ 15,106</u>	<u>\$ 13,566</u>	<u>\$ (1,540)</u>

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

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Beginning Balance July 1, 2015	Additions	Deletions	Ending Balance June 30, 2016
<b>OHSAA Tournaments</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 80,729	\$ 120,834	\$ 80,729	\$ 120,834
Total assets . . . . .	<u>\$ 80,729</u>	<u>\$ 120,834</u>	<u>\$ 80,729</u>	<u>\$ 120,834</u>
<b>Liabilities:</b>				
Intergovernmental payable. . . . .	\$ 80,729	\$ 120,834	\$ 80,729	\$ 120,834
Total liabilities . . . . .	<u>\$ 80,729</u>	<u>\$ 120,834</u>	<u>\$ 80,729</u>	<u>\$ 120,834</u>
<b>Student Managed Activities</b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 142,271	\$ 123,105	\$ 142,271	\$ 123,105
Total assets . . . . .	<u>\$ 142,271</u>	<u>\$ 123,105</u>	<u>\$ 142,271</u>	<u>\$ 123,105</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 543	\$ 3,611	\$ 543	\$ 3,611
Due to students. . . . .	<u>141,728</u>	<u>119,494</u>	<u>141,728</u>	<u>119,494</u>
Total liabilities . . . . .	<u>\$ 142,271</u>	<u>\$ 123,105</u>	<u>\$ 142,271</u>	<u>\$ 123,105</u>
<b>Total - All Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 223,000	\$ 243,939	\$ 223,000	\$ 243,939
Total assets . . . . .	<u>\$ 223,000</u>	<u>\$ 243,939</u>	<u>\$ 223,000</u>	<u>\$ 243,939</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 543	\$ 3,611	\$ 543	\$ 3,611
Intergovernmental payable. . . . .	80,729	120,834	80,729	120,834
Due to students . . . . .	<u>141,728</u>	<u>119,494</u>	<u>141,728</u>	<u>119,494</u>
<i>Total liabilities.</i> . . . . .	<u>\$ 223,000</u>	<u>\$ 243,939</u>	<u>\$ 223,000</u>	<u>\$ 243,939</u>

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# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2016

## Statistical Section



*Rocky River High School Homecoming*

**ROCKY RIVER CITY SCHOOL DISTRICT**  
Cuyahoga County, Ohio



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

**STATISTICAL SECTION**

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>152-163</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>164-171</b>
<b>Debt Capacity</b> 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.	<b>172-175</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>176-177</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>178-189</b>

**Sources:** Sources are noted on the individual schedules.

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

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 7,937,930	\$ 7,029,479	\$ 8,623,122	\$ 9,527,711
Restricted	5,459,290	4,432,950	3,210,557	2,786,843
Unrestricted	(41,262,947)	(43,377,711)	(45,895,435)	658,256
Total governmental activities net position	<u>\$ (27,865,727)</u>	<u>\$ (31,915,282)</u>	<u>\$ (34,061,756)</u>	<u>\$ 12,972,810</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 7,937,930	\$ 7,029,479	\$ 8,623,122	\$ 9,527,711
Restricted	5,459,290	4,432,950	3,210,557	2,786,843
Unrestricted	(41,262,947)	(43,377,711)	(45,895,435)	658,256
Total primary government net position	<u>\$ (27,865,727)</u>	<u>\$ (31,915,282)</u>	<u>\$ (34,061,756)</u>	<u>\$ 12,972,810</u>

**Source:** School District financial records.

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007</b>
\$ 9,666,718	\$ 9,282,817	\$ 10,925,096	\$ 10,230,730	\$ 8,737,992	\$ 8,356,023
2,925,573	4,054,466	5,547,810	4,906,042	4,928,512	4,196,704
(628,426)	(2,556,104)	(4,666,245)	(5,525,069)	(6,173,832)	(4,774,288)
<b>\$ 11,963,865</b>	<b>\$ 10,781,179</b>	<b>\$ 11,806,661</b>	<b>\$ 9,611,703</b>	<b>\$ 7,492,672</b>	<b>\$ 7,778,439</b>
\$ -	\$ -	\$ -	\$ -	\$ 341,648	\$ 295,026
-	-	-	-	34,200	39,385
<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 375,848</b>	<b>\$ 334,411</b>
\$ 9,666,718	\$ 9,282,817	\$ 10,925,096	\$ 10,230,730	\$ 9,079,640	\$ 8,651,049
2,925,573	4,054,466	5,547,810	4,906,042	4,928,512	4,196,704
(628,426)	(2,556,104)	(4,666,245)	(5,525,069)	(6,139,632)	(4,734,903)
<b>\$ 11,963,865</b>	<b>\$ 10,781,179</b>	<b>\$ 11,806,661</b>	<b>\$ 9,611,703</b>	<b>\$ 7,868,520</b>	<b>\$ 8,112,850</b>

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

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Expenses</b>				
Governmental activities:				
Instruction:				
Regular	\$ 17,091,513	\$ 16,546,508	\$ 16,298,898	\$ 15,417,387
Special	5,528,063	5,294,245	5,449,465	4,540,779
Vocational	575,640	571,305	626,356	524,835
Other	482,378	378,902	31,647	40,578
Support services:				
Pupil	2,271,806	2,278,495	2,314,205	2,161,345
Instructional staff	958,588	898,872	859,521	1,472,831
Board of education	39,207	43,966	37,217	33,534
Administration	2,393,423	2,262,717	2,096,746	1,995,774
Fiscal	1,151,899	1,127,433	1,042,007	1,011,056
Business	621,087	672,249	596,468	602,245
Operations and maintenance	3,903,847	3,894,476	4,499,876	3,923,545
Pupil transportation	1,696,185	1,852,909	2,210,219	1,791,764
Central	1,098,364	1,101,607	1,078,882	1,104,954
Operation of non-instructional services:				
Food service operations	455,659	435,311	486,890	449,119
Other non-instructional services	1,538,558	1,746,340	1,322,546	1,583,653
Extracurricular activities	1,723,651	1,925,428	1,697,129	1,480,834
Interest and fiscal charges	1,992,131	2,588,663	2,852,591	2,932,133
Total governmental activities expenses	<u>43,521,999</u>	<u>43,619,426</u>	<u>43,500,663</u>	<u>41,066,366</u>
Business-type activities:				
Food service	-	-	-	-
Uniform school supplies	-	-	-	-
Community programs	-	-	-	-
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government expenses	<u>\$ 43,521,999</u>	<u>\$ 43,619,426</u>	<u>\$ 43,500,663</u>	<u>\$ 41,066,366</u>

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007</b>
\$ 14,736,546	\$ 16,667,445	\$ 15,090,090	\$ 14,733,245	\$ 14,272,906	\$ 13,861,514
4,255,107	4,360,242	4,802,387	4,068,587	3,884,987	3,717,779
559,365	423,993	462,821	397,153	443,201	409,280
38,196	30,088	53,441	29,452	28,836	28,320
2,160,361	2,639,569	1,985,548	1,861,316	2,001,434	1,752,641
1,470,997	677,425	1,101,615	874,144	803,996	811,663
37,005	36,911	34,022	41,586	36,505	33,198
1,841,920	2,104,742	1,889,108	2,150,914	2,230,446	1,743,637
1,056,593	814,365	864,956	757,846	765,655	489,910
533,510	548,013	462,926	466,440	472,923	383,535
3,565,530	4,085,468	3,732,605	4,030,992	3,515,979	3,235,860
1,804,987	1,803,409	1,505,943	1,608,530	1,579,159	1,458,464
870,089	678,328	801,557	757,888	710,439	876,022
433,770	459,911	459,772	446,698	-	-
1,439,606	1,731,691	1,346,330	1,705,982	1,589,312	1,561,863
1,291,766	1,394,445	1,108,610	1,206,220	1,160,128	1,163,814
3,085,191	2,738,383	1,089,502	1,195,718	1,229,402	1,276,812
<u>39,180,539</u>	<u>41,194,428</u>	<u>36,791,233</u>	<u>36,332,711</u>	<u>34,725,308</u>	<u>32,804,312</u>
-	-	-	-	520,334	504,529
-	-	-	-	26,144	27,002
-	-	-	-	344,804	347,036
-	-	-	-	891,282	878,567
<u>\$ 39,180,539</u>	<u>\$ 41,194,428</u>	<u>\$ 36,791,233</u>	<u>\$ 36,332,711</u>	<u>\$ 35,616,590</u>	<u>\$ 33,682,879</u>

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

CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

<b>Program Revenues</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 253,054	\$ 332,047	\$ 343,724	\$ 421,296
Special	3,799	7,528	-	6,176
Support services:				
Pupil	154,796	113,570	116,031	141,136
Instructional staff	1,744	777	201	-
Board of education	-	-	-	-
Administration	-	-	605	-
Fiscal	288	1,212	1,188	3,198
Business	-	-	13,182	17,456
Operations and maintenance	184,144	367,036	14,899	-
Pupil transportation	56,084	47,669	124,667	54,696
Central	4,349	5,818	9,416	11,999
Operation of non-instructional services:				
Food service operations	359,323	312,307	279,003	303,142
Other non-instructional services	28,150	32,031	39,280	27,531
Extracurricular activities	366,800	369,914	287,251	275,558
Operating grants and contributions:				
Instruction:				
Regular	86,272	59,751	94,731	89,649
Special	882,199	836,860	1,039,051	572,528
Vocational	3,022	3,782	4,438	-
Support services:				
Pupil	209,450	222,361	264,780	240,918
Instructional staff	29,155	33,347	43,232	121,831
Administration	-	-	-	-
Business	-	-	-	2,334
Operations and maintenance	-	18,423	-	9,336
Pupil transportation	124,038	150,268	142,774	119,369
Central	17	-	-	-
Operation of non-instructional services:				
Food service operations	103,178	119,743	99,674	90,694
Other non-instructional services	1,550,917	1,571,728	1,474,629	1,422,990
Extracurricular activities	132,802	116,957	114,758	117,985
Capital grants and contributions:				
Instruction:				
Regular	2,000	7,000	-	40,274
Support services:				
Operations and maintenance	-	16,175	142,070	-
Pupil transportation	-	-	-	-
Extracurricular activities	-	7,500	-	-
Total governmental program revenues	<u>4,535,581</u>	<u>4,753,804</u>	<u>4,649,584</u>	<u>4,090,096</u>
Business-type activities:				
Charges for services:				
Food service	-	-	-	-
Uniform school supplies	-	-	-	-
Community programs	-	-	-	-
Operating grants and contributions:				
Food service	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenue	<u>\$ 4,535,581</u>	<u>\$ 4,753,804</u>	<u>\$ 4,649,584</u>	<u>\$ 4,090,096</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(38,986,418)	(38,865,622)	(38,851,079)	(36,976,270)
Business-type activities	-	-	-	-
Total primary government net expense	<u>\$ (38,986,418)</u>	<u>\$ (38,865,622)</u>	<u>\$ (38,851,079)</u>	<u>\$ (36,976,270)</u>

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007</b>
\$	367,012 30,042	\$ 404,870 -	\$ 470,407 698	\$ 304,643 -	\$ 201,032 -	\$ 194,811 -
	74,489	74,474	142,131 47,800 555	62,949	37,392	54,668
	-	-	-	-	-	-
	-	43,429	-	2,272	2,103	-
	12,151	9,619	-	3,186	911	-
	67,312	61,696	1,043	-	5,468	-
	16,646	53,775	133,966	191,234	120,793	183,697
	53,567	6,947	2,710	83,687	95,793	-
	-	-	12,018	12,235	1,006	-
	300,500	317,847	327,170	351,342	-	-
	26,738	29,156	11,248	31,665	-	-
	209,067	372,949	193,277	327,396	312,012	333,815
	48,282	228,097	170,212	108,650	121,565	81,500
	510,184	825,341	1,151,662	751,431	581,242	579,995
	-	-	-	-	-	-
	217,192	330,673	49,130	73,944	123,347	106,874
	115,283	86,519	60,014	68,877	52,438	29,379
	-	4,138	1,088	-	-	250
	-	-	-	-	-	-
	-	-	-	-	-	-
	110,365	95,618	107,742	99,680	617	69,392
	-	6,145	5,000	7,937	9,410	9,125
	116,327	112,829	110,176	111,136	-	-
	1,431,212	1,397,654	1,485,982	1,491,222	1,583,365	1,498,419
	87,435	18,441	66,989	10,794	7,457	5,038
	-	-	-	-	19,188	-
	-	-	-	-	-	3,869
	-	-	-	22,028	87,131	19,245
	-	-	-	-	-	-
	<u>3,793,804</u>	<u>4,480,217</u>	<u>4,551,018</u>	<u>4,116,308</u>	<u>3,365,953</u>	<u>3,170,077</u>
	-	-	-	-	364,937	378,379
	-	-	-	-	24,096	24,950
	-	-	-	-	240,631	243,447
	-	-	-	-	<u>112,969</u>	<u>101,179</u>
	-	-	-	-	<u>742,633</u>	<u>747,955</u>
	<u>\$ 3,793,804</u>	<u>\$ 4,480,217</u>	<u>\$ 4,551,018</u>	<u>\$ 4,116,308</u>	<u>\$ 4,108,586</u>	<u>\$ 3,918,032</u>
	(35,386,735)	(36,714,211)	(32,240,215)	(32,216,403)	(31,359,355) (148,649)	(29,634,235) (130,612)
	<u>\$ (35,386,735)</u>	<u>\$ (36,714,211)</u>	<u>\$ (32,240,215)</u>	<u>\$ (32,216,403)</u>	<u>\$ (31,508,004)</u>	<u>\$ (29,764,847)</u>

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

CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 31,323,703	\$ 29,517,041	\$ 30,643,867	\$ 26,812,721
Debt service	4,661,835	4,170,723	4,289,516	3,757,568
Capital outlay	359,481	320,871	249,019	-
Grants and entitlements not restricted				
to specific programs	6,413,061	6,698,371	6,770,388	6,615,122
Investment earnings	95,231	73,717	46,764	64,417
Gain on sale of lease revenue	-	-	-	495,579
Gain on sale of capital assets	47,358	-	-	-
Miscellaneous	135,304	231,373	407,580	239,808
Transfers	-	-	-	-
Total governmental activities	<u>43,035,973</u>	<u>41,012,096</u>	<u>42,407,134</u>	<u>37,985,215</u>
Business-type activities:				
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Transfers	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 43,035,973</u>	<u>\$ 41,012,096</u>	<u>\$ 42,407,134</u>	<u>\$ 37,985,215</u>
<b>Change in Net Position</b>				
Governmental activities	4,049,555	2,146,474	3,556,055	1,008,945
Business-type activities	-	-	-	-
Total primary government	<u>\$ 4,049,555</u>	<u>\$ 2,146,474</u>	<u>\$ 3,556,055</u>	<u>\$ 1,008,945</u>

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

**Source:** School District financial records.

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007</b>
\$ 25,455,709 3,876,812	\$ 25,017,106 3,494,806	\$ 25,250,490 2,817,174	\$ 24,814,979 3,016,324	\$ 22,319,494 3,305,489	\$ 22,597,480 3,151,471
-	-	-	-	-	-
6,828,628 158,482	7,196,864 166,881	6,227,352 81,327	5,891,502 142,032	5,102,939 289,371	4,622,584 406,434
-	-	-	-	-	-
249,790	203,200	58,830	94,749	56,295	259,535 (40,000)
<u>36,569,421</u>	<u>36,078,857</u>	<u>34,435,173</u>	<u>33,959,586</u>	<u>31,073,588</u>	<u>30,997,504</u>
-	-	-	-	4,663	5,273
-	-	-	-	185,423	59,198
-	-	-	-	-	40,000
-	-	-	-	190,086	104,471
<u>\$ 36,569,421</u>	<u>\$ 36,078,857</u>	<u>\$ 34,435,173</u>	<u>\$ 33,959,586</u>	<u>\$ 31,263,674</u>	<u>\$ 31,101,975</u>
1,182,686 -	(635,354) -	2,194,958 -	1,743,183 -	(285,767) 41,437 \$ (244,330)	1,363,269 (26,141) \$ 1,337,128
<u>\$ 1,182,686</u>	<u>\$ (635,354)</u>	<u>\$ 2,194,958</u>	<u>\$ 1,743,183</u>	<u>\$ (244,330)</u>	<u>\$ 1,337,128</u>

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

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

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
General Fund:				
Nonspendable	\$ 199,985	\$ 185,417	\$ 58,976	\$ 44,111
Assigned	1,348,877	1,845,865	528,029	541,757
Unassigned	9,432,384	7,097,332	6,883,904	2,546,542
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
Total general fund	<b><u>\$ 10,981,246</u></b>	<b><u>\$ 9,128,614</u></b>	<b><u>\$ 7,470,909</u></b>	<b><u>\$ 3,132,410</u></b>
All Other Governmental Funds:				
Nonspendable	\$ 974	\$ 718	\$ 790	\$ 873
Restricted	5,667,592	4,758,961	3,768,459	8,582,860
Committed	9,065	23,970	437,820	602,245
Unassigned (deficit)	(184,780)	(6,776)	(5,084)	(6,106)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Total all other governmental funds	<b><u>\$ 5,492,851</u></b>	<b><u>\$ 4,776,873</u></b>	<b><u>\$ 4,201,985</u></b>	<b><u>\$ 9,179,872</u></b>
Total governmental funds	<b><u>\$ 16,474,097</u></b>	<b><u>\$ 13,905,487</u></b>	<b><u>\$ 11,672,894</u></b>	<b><u>\$ 12,312,282</u></b>

**Source:** School District financial records.

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007</b>
\$ 56,091	\$ 65,417	\$ -	\$ -	\$ -	\$ -
1,219,015	1,220,021	-	-	-	-
733,396	359,644	-	-	-	-
-	-	3,787,100	4,097,095	3,377,689	2,878,496
-	-	(3,416,462)	(4,378,385)	(5,048,840)	(3,497,628)
<b>\$ 2,008,502</b>	<b>\$ 1,645,082</b>	<b>\$ 370,638</b>	<b>\$ (281,290)</b>	<b>\$ (1,671,151)</b>	<b>\$ (619,132)</b>
\$ 9,808	\$ 14,767	\$ -	\$ -	\$ -	\$ -
22,932,638	41,177,372	-	-	-	-
68,519	56,079	-	-	-	-
(3,541)	(2,264)	-	-	-	-
-	-	4,729,827	4,637,940	4,189,258	3,701,362
-	-	595,369	157,608	245,941	172,108
-	-	(846,687)	(559,461)	(426,111)	(62,930)
<b>\$ 23,007,424</b>	<b>\$ 41,245,954</b>	<b>\$ 4,478,509</b>	<b>\$ 4,236,087</b>	<b>\$ 4,009,088</b>	<b>\$ 3,810,540</b>
<b>\$ 25,015,926</b>	<b>\$ 42,891,036</b>	<b>\$ 4,849,147</b>	<b>\$ 3,954,797</b>	<b>\$ 2,337,937</b>	<b>\$ 3,191,408</b>

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

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

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Revenues</b>				
From local sources:				
Property taxes	\$ 36,291,859	\$ 34,070,103	\$ 35,291,160	\$ 30,960,931
Tuition	65,712	130,422	126,906	84,547
Transportation fees	64,073	57,891	54,372	78,071
Earnings on investments	94,265	70,043	45,442	85,906
Charges for services	348,458	312,307	279,003	303,142
Extracurricular activities	391,027	378,655	268,776	290,281
Classroom materials and fees	236,165	194,115	212,639	200,480
Contributions and donations	157,015	138,762	163,651	168,669
Rental income	200,034	215,630	217,150	245,982
Contract services	108,476	130,875	100,601	116,085
Other local revenues	230,771	314,300	537,491	785,111
Intergovernmental - Intermediate	-	-	-	-
Intergovernmental - State	7,656,758	7,731,072	7,618,520	6,952,881
Intergovernmental - Federal	1,611,986	1,888,511	2,190,815	2,202,342
Total revenues	<u>47,456,599</u>	<u>45,632,686</u>	<u>47,106,526</u>	<u>42,474,428</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	16,220,433	15,489,863	15,024,382	15,372,846
Special	5,393,621	5,115,014	5,158,739	4,334,903
Vocational	549,687	545,158	603,251	509,236
Other	459,907	322,928	30,480	39,439
Current:				
Pupil	2,300,683	2,270,790	2,179,148	2,194,626
Instructional staff	944,928	838,728	813,764	1,419,784
Board of education	36,254	40,989	35,077	32,012
Administration	2,349,706	2,195,048	1,986,935	1,880,084
Fiscal	1,105,800	1,076,153	1,004,009	974,167
Business	526,389	546,672	614,260	597,525
Operations and maintenance	4,426,113	3,781,541	3,895,820	3,649,831
Pupil transportation	1,667,101	1,621,945	2,036,363	1,635,614
Central	669,544	659,067	712,571	766,496
Operation of non-instructional services:				
Food service operations	427,629	398,302	420,881	419,234
Other non-instructional services	1,467,995	1,639,375	1,269,621	1,627,731
Extracurricular activities	1,564,410	1,727,562	1,481,407	1,496,981
Facilities acquisitions and construction	8,870	836,697	6,336,134	14,273,590
Debt service:				
Principal retirement	2,811,936	1,947,298	1,892,300	1,758,871
Interest and fiscal charges	2,019,518	2,358,615	2,840,827	2,921,922
Bond issuance costs	-	300,739	-	-
Total expenditures	<u>44,950,524</u>	<u>43,712,484</u>	<u>48,335,969</u>	<u>55,904,892</u>
Excess of revenues over (under) expenditures	<u>2,506,075</u>	<u>1,920,202</u>	<u>(1,229,443)</u>	<u>(13,430,464)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	100,400	124,000	310,000	60,000
Transfers (out)	(100,400)	(124,000)	(310,000)	(60,000)
Inception of lease-purchase transactions	-	-	569,487	725,000
Sale of capital assets	62,535	10,799	20,568	1,820
Premium on bonds issued	-	837,902	-	-
Issuance of bonds	-	28,250,000	-	-
Payment to refunded bond escrow agent	-	(28,786,310)	-	-
Total other financing sources (uses)	<u>62,535</u>	<u>312,391</u>	<u>590,055</u>	<u>726,820</u>
Net change in fund balances	<u>\$ 2,568,610</u>	<u>\$ 2,232,593</u>	<u>\$ (639,388)</u>	<u>\$ (12,703,644)</u>
Capital expenditures (included in expenditures above)	<u>1,210,801</u>	<u>850,762</u>	<u>5,792,412</u>	<u>15,119,412</u>
Debt service principal and interest as a percentage of noncapital expenditures	11.05%	10.05%	11.13%	11.48%

**Source:** School District financial records.

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007</b>
\$	28,831,318	\$ 28,521,440	\$ 27,857,601	\$ 28,099,864	\$ 25,419,002	\$ 25,666,088
88,948	69,593	62,507	75,650	89,613	87,308	
9,088	7,004	7,308	13,819	2,340	-	
159,598	150,324	83,742	144,994	291,928	405,647	
300,500	317,847	327,170	351,342	-	-	
199,979	281,985	193,618	261,450	209,092	232,094	
247,676	257,072	213,890	217,594	23,026	16,277	
70,922	269,203	136,144	122,470	95,691	65,102	
239,878	98,075	338,166	295,270	273,984	201,196	
105,055	103,098	161,023	-	-	-	
312,798	287,160	158,195	310,233	279,509	508,575	
38,866	-	-	-	-	-	
7,071,095	7,711,068	7,630,815	7,402,508	6,659,186	6,089,404	
2,404,810	2,418,011	1,596,002	1,063,772	918,098	870,993	
<b>40,080,531</b>	<b>40,491,880</b>	<b>38,766,181</b>	<b>38,358,966</b>	<b>34,261,469</b>	<b>34,142,684</b>	
14,512,892	15,293,849	14,410,989	14,417,955	13,326,223	13,218,752	
4,068,858	4,228,153	4,586,956	3,923,212	3,715,276	3,548,628	
537,264	407,817	445,609	378,009	413,149	404,383	
40,233	28,808	51,038	28,300	26,948	26,574	
2,212,290	2,367,578	1,951,138	1,819,965	1,873,323	1,732,285	
1,417,043	712,031	1,009,683	815,644	861,608	798,914	
35,785	35,503	32,757	40,458	38,499	31,896	
1,818,026	2,059,252	1,932,072	1,924,195	2,053,567	1,721,160	
1,012,905	781,896	824,275	726,228	714,321	468,239	
520,189	492,901	447,419	445,663	450,682	362,302	
3,406,352	3,617,987	3,643,025	3,812,350	3,329,102	3,120,493	
1,733,713	1,635,298	1,441,001	1,631,701	1,845,272	1,277,071	
743,407	689,364	740,188	712,942	664,206	896,374	
433,324	442,084	442,056	470,604	-	-	
1,358,160	1,665,163	1,320,582	1,644,408	1,576,174	1,561,811	
1,191,961	1,343,061	1,097,727	1,202,554	1,110,154	1,100,494	
17,339,334	4,885,284	331,290	75,280	34,638	2,425	
2,583,193	2,526,880	2,442,268	2,324,123	2,192,469	2,085,918	
3,001,103	2,290,403	721,758	797,726	889,329	990,462	
-	435,150	-	-	-	-	
<b>57,966,032</b>	<b>45,938,462</b>	<b>37,871,831</b>	<b>37,191,317</b>	<b>35,114,940</b>	<b>33,348,181</b>	
(17,885,501)	(5,446,582)	894,350	1,167,649	(853,471)	794,503	
50,000	30,378	210,926	31,000	-	231,148	
(50,000)	(30,378)	(210,926)	(31,000)	-	(271,148)	
-	100,000	-	321,818	-	-	
10,391	-	-	-	-	-	
-	443,449	-	-	-	-	
-	42,900,000	-	-	-	-	
-	-	-	-	-	-	
<b>10,391</b>	<b>43,443,449</b>	<b>-</b>	<b>321,818</b>	<b>-</b>	<b>(40,000)</b>	
<b>\$ (17,875,110)</b>	<b>\$ 37,996,867</b>	<b>\$ 894,350</b>	<b>\$ 1,489,467</b>	<b>\$ (853,471)</b>	<b>\$ 754,503</b>	
17,631,972	4,885,284	597,337	768,906	656,267	458,047	
13.85%	11.73%	8.49%	8.57%	8.94%	9.35%	

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

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

<b>Collection Year</b>	<b>Real Property</b>		<b>Tangible Personal Property</b>		<b>Public Utility</b>		
	<b>Assessed Value</b>	<b>Estimated Actual Value (1)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value (1)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value (1)</b>	
2016	\$ 762,010,490	\$ 2,177,172,829	\$ -	\$ -	\$ 9,249,080	\$ 10,510,318	
2015	705,022,610	2,014,350,314	-	-	9,091,230	10,330,943	
2014	699,150,170	1,997,571,914	-	-	8,655,880	9,836,227	
2013 (2)	697,315,460	1,992,329,886	-	-	7,754,640	8,812,091	
2012	699,829,940	1,999,514,114	-	-	7,105,100	8,073,977	
2011	703,240,090	2,009,257,400	-	-	6,831,460	7,763,023	
2010 (3)	708,948,780	2,025,567,943	-	-	6,680,600	7,591,591	
2009	735,800,820	2,102,288,057	4,651,620	74,425,920	6,322,670	7,184,852	
2008	728,712,840	2,082,036,686	8,975,082	143,601,312	6,044,760	6,869,045	
2007 (2)	722,592,150	2,064,549,000	12,471,366	99,770,928	8,839,250	10,044,602	

**Source:** Cuyahoga County Fiscal Officer's Office

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

Real estate is assessed at 35% of actual value.

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

For collection year 2010, capital assets and inventory for tangible personal property is phased-out.

For collection years 2008 and 2009, capital assets and inventory for tangible personal property is assessed at 6.25% of actual value.

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

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

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

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

(2) Reappraisal of property values.

(3) Triennial update of property values.

<b>Total</b>			
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>%</b>	<b>Direct Tax Rates</b>
\$ 771,259,570	\$ 2,187,683,147	35.25%	89.55
714,113,840	2,024,681,257	35.27%	89.55
707,806,050	2,007,408,142	35.26%	89.55
705,070,100	2,001,141,977	35.23%	89.45
706,935,040	2,007,588,092	35.21%	84.35
710,071,550	2,017,020,423	35.20%	84.30
715,629,380	2,033,159,534	35.20%	82.70
746,775,110	2,183,898,829	34.19%	82.70
743,732,682	2,232,507,043	33.31%	77.10
743,902,766	2,174,364,530	34.21%	77.20

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

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

Tax Year/ Collection Year	Overlapping Rates			Direct Rates			
	County (1)	Library	City	Voted		Unvoted	Total
				General	Bond		
2015/2016	20.93	6.10	10.90	78.50	6.48	4.57	89.55
2014/2015	20.93	6.10	10.90	78.50	6.48	4.57	89.55
2013/2014	18.10	6.10	10.90	78.50	6.48	4.57	89.55
2012/2013	18.50	6.10	10.90	78.50	6.38	4.57	89.45
2011/2012	18.30	6.10	10.90	73.60	6.18	4.57	84.35
2010/2011	18.40	6.10	10.90	73.60	6.13	4.57	84.30
2009/2010	18.10	6.10	10.90	73.60	4.53	4.57	82.70
2008/2009	18.10	6.10	10.90	73.55	4.58	4.57	82.70
2007/2008	18.20	6.10	10.90	67.70	4.83	4.57	77.10
2006/2007	18.20	6.10	10.90	67.70	4.93	4.57	77.20

**Source:** Cuyahoga County Fiscal Officer's Office

(1) Includes the Cleveland Metropolitan Park District, Cuyahoga County College District and Cleveland-Cuyahoga County Port Authority

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

PRINCIPAL TAXPAYERS  
REAL ESTATE TAX  
DECEMBER 31, 2015 AND DECEMBER 31, 2006

<b>December 31, 2015</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Real Estate Assessed Value</b>
Inland Westgate, LLC	\$ 21,398,490	1	2.81%
Rocky River Apartments, LLC	7,984,830	2	1.05%
Westwood Town Center LLC	7,258,590	3	0.95%
Cleveland Electric Illuminating Co.	7,189,290	4	0.94%
Target Corporation	4,128,220	5	0.54%
Beachcliff Properties Limited Partnership	4,051,740	6	0.53%
SPK Perrysburg Associates LLC	3,277,890	7	0.43%
Westwood Country Club	2,899,760	8	0.38%
Presidential Apts Ltd	2,884,040	9	0.38%
Normandy Assoc Ltd Partn	2,802,880	10	0.37%
Total	<u>\$ 63,875,730</u>		<u>8.37%</u>
Total Real Estate Valuation	<u>\$ 762,010,490</u>		

<b>December 31, 2006</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Real Estate Assessed Value</b>
Westwood Towne Center Inc.	\$ 7,274,720	1	1.01%
Westgate Mall, LLC	6,916,080	2	0.96%
Normandy Associates, Ltd.	4,850,980	3	0.67%
Presidential Apartments, Ltd.	3,992,940	4	0.55%
Spielberger, John D	3,245,010	5	0.45%
W & F Plaza Investments	2,624,310	6	0.36%
Linden Apartments Company	2,548,600	7	0.35%
Gross Management, Inc.	2,500,790	8	0.35%
SRK Perrysburg Assoc., LLC	2,456,580	9	0.34%
Westwood Country Club	2,369,080	10	0.33%
Total	<u>\$ 38,779,090</u>		<u>5.35%</u>
Total Real Estate Valuation	<u>\$ 722,592,150</u>		

**Source:** Cuyahoga County Fiscal Officer's Office

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

PRINCIPAL TAXPAYERS  
TANGIBLE PERSONAL PROPERTY AND PUBLIC UTILITY PROPERTY TAX  
DECEMBER 31, 2015 AND DECEMBER 31, 2006

**December 31, 2015**

<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Tangible Personal Property and Public Utility Assessed Value</b>
Cleveland Electric Illuminating Company	7,189,290	1	77.73%
American Transmission Systems Company	1,092,110	2	11.81%
East Ohio Gas Company	967,680	3	10.46%
Norfolk Southern	32,640	4	0.35%
Total	\$ 9,281,720		100.35%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 9,249,080	*	

\* The reason the total reflected here is less than the sum of the top four taxpayers shown here is due to the fact that this total is the one certified by the State Dept. of Taxation for the tax year starting 1/1/2015 (collection year starting 1/1/2016), while the totals reflected for the individual taxpayers shown above are the updated totals as of 1/25/2016.

**December 31, 2006**

<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Tangible Personal Property and Public Utility Assessed Value</b>
Cleveland Electric Illuminating Company	\$ 4,779,040	1	22.43%
Ohio Bell Telephone Company	1,166,940	2	5.48%
Riser Foods Company	853,530	3	4.01%
East Ohio Gas Company	696,840	4	3.27%
Home Depot USA Inc.	646,570	5	3.03%
American Transmission Systems Company	456,170	6	2.14%
Target Corp.	341,200	7	1.60%
Cox Communications Inc.	309,280	8	1.45%
Kohls Department Stores Inc.	282,260	9	1.32%
Marc Glassman, Inc.	269,090	10	1.26%
Total	\$ 9,800,920		46.00%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 21,310,616		

**Source:** Cuyahoga County Fiscal Officer's Office

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

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Tax Year/ Collection Year</b>	<b>Current Levy</b>	<b>Delinquent Levy</b>	<b>Total Levy</b>	<b>Current Collection</b>	<b>Percent of Current Levy Collected</b>
2015/2016	\$ 39,132,617	\$ 1,516,211	\$ 40,648,828	\$ 38,350,553	98.00%
2014/2015	37,502,694	1,509,397	39,012,091	36,168,702	96.44%
2013/2014	37,291,914	1,120,008	38,411,922	36,263,892	97.24%
2012/2013	36,930,318	1,242,340	38,172,658	35,697,430	96.66%
2011/2012	33,231,431	1,665,608	34,897,039	31,958,000	96.17%
2010/2011	33,146,482	1,269,304	34,415,786	31,676,029	95.56%
2009/2010	32,124,787	1,318,363	33,443,150	30,939,802	96.31%
2008/2009	32,504,011	1,191,057	33,695,068	31,583,352	97.17%
2007/2008	28,241,365	1,137,993	29,379,358	27,363,631	96.89%
2006/2007	27,707,351	1,081,982	28,789,333	25,588,848	92.35%

**Source:** Cuyahoga County Fiscal Officer's Office

<b>Delinquent Collection</b>	<b>Total Collection</b>	<b>Total Collection As a Percent of Total Levy</b>
\$ 773,935	\$ 39,124,488	96.25%
883,269	37,051,971	94.98%
723,435	36,987,328	96.29%
831,332	36,528,761	95.69%
1,321,291	33,278,691	95.36%
682,872	32,358,901	94.02%
682,471	31,622,273	94.56%
754,216	32,337,568	95.97%
885,454	28,249,085	96.15%
596,088	26,184,936	90.95%

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

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

<b>Fiscal Year</b>	<b>Governmental Activities</b>				<b>(a) Total Primary Government</b>	<b>(b) Per Capita</b>	<b>(b) Per ADM</b>	<b>(c) Percentage of Personal Income</b>
	<b>General Obligation Bonds</b>	<b>Bond Anticipation Notes</b>	<b>Lease Purchase Obligations</b>	<b>Capital Leases</b>				
2016	\$ 46,563,956	\$ -	\$ 308,508	\$ -	\$ 46,872,464	2,319	17,051	5.63%
2015	\$ 49,305,578	\$ -	\$ 405,444	\$ -	\$ 49,711,022	2,459	17,946	5.97%
2014	50,342,460	-	742,742	-	51,085,202	2,527	18,970	6.13%
2013	51,853,680	-	535,555	-	52,389,235	2,592	19,882	6.29%
2012	52,866,086	-	119,426	-	52,985,512	2,621	20,101	6.36%
2011	55,237,640	-	212,619	-	55,450,259	2,743	21,229	6.66%
2010	14,494,842	-	214,499	-	14,709,341	709	5,563	2.05%
2009	16,470,932	-	296,767	-	16,767,699	809	6,254	2.33%
2008	18,314,079	78,800	-	49,072	18,441,951	889	6,866	2.57%
2007	20,115,503	-	-	96,541	20,212,044	975	7,497	2.81%

**Sources:**

- (a) See notes to the financial statements regarding the District's outstanding debt information. Bonded debt includes accrued interest on capital appreciation bonds and unamortized premiums.
- (b) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, population and enrollment information.
- (c) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, and population. Personal income equals per capita personal income times population.

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

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

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds (1)</b>	<b>Resources Available to Pay Principal (2)</b>	<b>Net General Bonded Debt</b>		
2016	\$ 46,563,956	\$ 5,022,133	\$ 41,541,823	1.90%	2,055
2015	49,305,578	4,063,481	45,242,097	2.23%	2,238
2014	50,342,460	3,029,172	47,313,288	2.36%	2,341
2013	51,853,680	2,587,712	49,265,968	2.46%	2,437
2012	52,866,086	2,624,034	50,242,052	2.50%	2,486
2011	55,237,640	3,825,673	51,411,967	2.55%	2,544
2010	14,494,842	4,644,106	9,850,736	0.48%	475
2009	16,470,932	4,509,591	11,961,341	0.55%	577
2008	18,314,079	4,070,534	14,243,545	0.64%	687
2007	20,115,503	3,471,661	16,643,842	0.77%	803

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

- (1) Includes unamortized premiums and accrued interest on capital appreciation bonds.
- (2) Represents the fund balance of the bond retirement fund. Portion specific to principal and interest cannot be determined. Entire balance may be applied to principal.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2016

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Direct debt:</b>			
Rocky River City School District	\$ 46,872,464	100.00%	\$ 46,872,464
Total direct debt	<u>46,872,464</u>		<u>46,872,464</u>
<b>Overlapping debt:</b>			
City of Rocky River	10,845,000	96.72%	10,488,820
Cuyahoga County	243,900,000	2.80%	6,833,873
Regional Transit Authority	88,715,000	2.80%	2,485,720
City of Fairview Park	21,090,000	6.48%	1,367,321
Total overlapping debt	<u>364,550,000</u>		<u>21,175,734</u>
Total direct and overlapping debt	<u>\$ 411,422,464</u>		<u>\$ 68,048,198</u>

**Source:** Cuyahoga County Fiscal Officer.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2016 collection year. Outstanding debt for all other subdivisions includes general obligation debt only.

(2) See notes to the financial statements regarding the District's outstanding debt, including lease purchase obligations.

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

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

<b>Fiscal Year (1)</b>	<b>Voted Debt Limit</b>	<b>Total Debt Applicable to Limit (2)</b>	<b>Debt Service Available Balance</b>	<b>Net Debt Applicable to Limit</b>	<b>Voted Legal Debt Margin</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2016	\$ 69,413,361	\$ 45,265,000	\$ 5,022,133	\$ 40,242,867	\$ 29,170,494	57.98%
2015	64,270,246	47,980,000	4,063,481	43,916,519	20,353,727	68.33%
2014	63,702,545	49,840,000	3,029,172	46,810,828	16,891,717	73.48%
2013	63,456,309	51,370,000	2,587,712	48,782,288	14,674,021	76.88%
2012	63,624,154	52,820,000	2,624,034	50,195,966	13,428,188	78.89%
2011	63,906,440	54,279,896	3,825,673	50,454,223	13,452,217	78.95%
2010	64,406,644	9,850,736	4,644,106	5,206,630	59,200,014	8.08%
2009	66,791,114	11,961,341	4,509,591	7,451,750	59,339,364	11.16%
2008	66,128,184	14,243,545	4,070,534	10,173,011	55,955,173	15.38%
2007	65,555,924	16,643,842	3,471,661	13,172,181	52,383,743	20.09%

**Voted Debt Limit Calculation for Fiscal Year 2016**

Assessed Value	\$ 771,259,570
Debt Limit (9% of assessed value)	X 9%
Voted Debt Limit	<u><u>\$ 69,413,361</u></u>

**Source:** Cuyahoga County Fiscal Officer and District financial records

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

- (1) In accordance with House Bill No. 66, the assessed valuation of tangible personal property is excluded from the total assessed valuation used to calculate the voted debt limit for years 2007-2011.
- (2) Total debt excludes accrued interest on capital appreciation bonds.

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

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<b>Year</b>	<b>Population (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Total Personal Income (4)</b>	<b>Median Age(1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rates (3)</b>		
						<b>Cuyahoga County</b>	<b>Ohio</b>	<b>United States</b>
2016	20,213	\$ 41,207	\$ 832,917,091	46	2,749	5.6%	5.0%	4.9%
2015	20,213	41,207	832,917,091	46	2,770	5.0%	4.3%	5.2%
2014	20,213	41,207	832,917,091	46	2,693	7.9%	5.5%	6.1%
2013	20,213	41,207	832,917,091	46	2,635	7.3%	7.2%	7.6%
2012	20,213	41,207	832,917,091	46	2,636	6.9%	7.0%	7.8%
2011	20,213	41,207	832,917,091	46	2,612	8.9%	8.8%	9.2%
2010	20,735	34,663	718,737,305	44	2,644	9.7%	10.0%	9.6%
2009	20,735	34,663	718,737,305	44	2,681	10.2%	11.2%	10.2%
2008	20,735	34,663	718,737,305	44	2,686	8.1%	6.6%	5.5%
2007	20,735	34,663	718,737,305	44	2,696	6.5%	6.1%	4.5%

(1) U. S. Census Bureau - 2000 and 2010 Census

(2) District records

(3) [www.economagic.com](http://www.economagic.com)

(4) "population" times "per capital personal income"

N/A - Data Not Accessible

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

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO (a)

<b>Employer</b>	<b>December 31, 2014 (a)</b>	
	<b>Employees</b>	<b>Percentage of Total City Employment per Number of Employees</b>
City of Rocky River	641	4.32%
Rocky River Board of Education	567	3.82%
Riser Foods Co.	282	1.90%
Westwood Country Club Co.	248	1.67%
Cleveland Yacht Club Co.	247	1.66%
Marc Glassman Inc.	233	1.57%
Magnificat High School	213	1.43%
JP Recovery Services Inc.	211	1.42%
Lowe's Home Center	206	1.39%
CRS Marketing Services, Inc.	198	1.33%
Total	<u><u>3,046</u></u>	<u><u>20.51%</u></u>
Total Number of Employees (1), (2)	<u><u>14,848</u></u>	

<b>Employer</b>	<b>December 31, 2006</b>	
	<b>Employees</b>	<b>Percentage of Total City Employment per Number of Employees</b>
City of Rocky River	679	12.16%
Rocky River City School District	601	10.77%
Riser Foods	400	7.17%
Normandy LTD	337	6.04%
Cuyahoga County Auditor	279	5.00%
Magnificat High School	201	3.60%
Dawson Corp. LTD	84	1.50%
Ultimate Warranty Corp.	80	1.43%
McDonald & Company Securities	46	0.82%
Ver-A-Fast Corporation	43	0.77%
Total	<u><u>2,750</u></u>	<u><u>49.27%</u></u>
Total Number of Employees (1), (3)	<u><u>5,582</u></u>	

**Source:** City of Rocky River; City of Cleveland - Central Collection Agency (CCA).

(a) Information for December 31, 2015 was not available. The most current information, December 31, 2014, is presented.

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

(2) Total City employment based upon an estimate from the Central Collection Agency (CCA) on number of W-2's filed as of 2011, the most current information available.

(3) Total City employment based upon an estimate from the Central Collection Agency (CCA) withholding information, not based upon the number of employees.

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

**STAFFING STATISTICS  
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION  
LAST TEN FISCAL YEARS**

<b>Type</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Professional Staff:</b>						
Teaching Staff:						
Elementary	26.16	25.54	25.84	25.48	25.58	26.00
Intermediate	35.28	32.62	32.02	32.25	33.24	33.67
Middle	42.28	39.28	36.68	37.75	36.12	36.12
High	55.03	53.74	53.34	55.09	54.15	51.78
Tutors	29.12	27.17	22.89	21.59	21.77	22.21
Others		2.92	3.00	3.50	3.50	2.50
Administration	18.50	19.50	18.25	18.45	18.45	18.00
Auxiliary Positions:						
Counselors	7.00	7.00	6.00	6.00	6.00	6.75
Speech	2.80	2.80	2.80	2.80	2.80	2.80
Mental Health Specialists	2.00	2.00	2.00	2.00	2.00	2.00 *
Occupational/PT	0.86	0.86	0.86	0.86	0.81	0.81 *
Support Staff:						
Secretarial	29.70	29.70	29.30	28.55	29.78	30.62
Aides	33.93	31.74	28.70	20.12	18.37	18.76
Learning Assistants	1.89	1.89	1.94	1.94	1.94	1.94
Lunch and Hall Monitors/Security	3.88	4.21	3.98	6.78	6.75	6.20
Cooks/Food Service	4.52	4.52	4.52	4.52	4.52	4.52
Custodial	22.90	22.37	21.84	20.48	21.29	21.23
Maintenance	6.00	6.00	6.00	6.00	7.00	7.00
Bus Driver	13.12	13.10	13.38	11.38	11.10	11.97
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00
Athletic Trainer		*	*	*	*	*
Other Central Support	2.00	1.87	0.00	0.80	0.80	1.00
Total	<u>338.97</u>	<u>330.83</u>	<u>315.34</u>	<u>308.34</u>	<u>307.97</u>	<u>307.88</u>
<b>Function</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Instruction:						
Regular	150.23	144.65	139.69	137.06	137.71	136.23
Special	65.79	63.79	52.05	54.45	50.53	50.72
Vocational		**	**	**	**	**
Other	5.00	5.43	22.79	17.51	17.51	16.87
Support Services:						
Pupil	13.30	13.20	6.75	6.75	6.75	7.75
Instructional staff	9.00	9.00	12.00	12.00	12.00	12.00
Administration	19.50	19.00	19.05	19.25	19.25	18.80
Fiscal	7.00	5.00	5.00	4.00	4.00	4.28
Business	2.75	2.55	1.00	1.00	1.00	1.00
Operations and maintenance	30.90	31.37	28.84	27.48	30.29	30.23
Pupil transportation	20.15	21.16	17.38	17.82	17.41	18.28
Central	3.75	3.75	3.07	3.07	3.07	3.27
Food Service Operations	8.90	9.23	5.02	5.25	5.75	5.75
Extracurricular activities	2.70	2.70	2.70	2.70	2.70	2.70
Total	<u>338.97</u>	<u>330.83</u>	<u>315.34</u>	<u>308.34</u>	<u>307.97</u>	<u>307.88</u>

**Source:** School District records.

\* A portion of these services were contracted out to a third party in lieu of being provided by a staff member.

\*\* These services were contracted out through the Lakewood City School District as part of a career technical planning district that includes the Districts of Rocky River, Lakewood, Westlake and Bay Village.

N/A - Information Not Accessible.

<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
26.60	27.50	26.25	28.00
33.27	33.27	31.52	31.27
37.67	37.82	38.20	37.40
52.43	52.28	52.73	51.13
22.67	18.72	17.12	16.20
1.50	0.00	0.00	2.00
17.00	16.00	16.00	16.00
 5.75	 6.75	 7.00	 7.00
2.80	2.80	2.80	2.80
1.00 *	1.00 *	1.00 *	1.00
N/A *	N/A *	N/A *	N/A
 30.62	 30.04	 30.70	 30.40
19.10	19.57	20.47	21.80 *
1.94	1.94	3.89	4.96
6.00	6.19	6.19	7.11
4.74	4.52	5.35	5.91
21.23	20.74	17.10	19.16
7.00	7.00	8.00	6.00
12.07	14.07	12.20	11.67
2.00	2.00	2.00	2.00
*	*	*	*
0.50	1.50	1.17	1.17
 <u>305.89</u>	 <u>303.71</u>	 <u>299.69</u>	 <u>302.98</u>
<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
136.23	139.00	137.60	137.10
50.10	49.35	50.31	49.39
**	**	**	**
15.06	13.35	14.90	17.08
 7.75	 7.75	 8.00	 8.00
12.00	12.00	12.00	12.00
18.80	17.80	17.80	17.80
4.40	4.00	4.00	4.00
1.00	1.00	1.00	1.00
30.23	28.74	25.10	27.16
18.38	18.38	16.76	15.67
3.27	3.67	4.17	4.17
5.97	5.97	5.35	6.91
2.70	2.70	2.70	2.70
 <u>305.89</u>	 <u>303.71</u>	 <u>299.69</u>	 <u>302.98</u>

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

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Instruction:</b>					
Regular, Special and Vocational Enrollment (students)	2,749	2,770	2,693	2,635	2,636
Graduation Count	221	209	223	202	229
Graduation Rate	99.50%	98.50%	99.55%	98.06%	99.13%
Student attendance rate	96.90%	96.70%	96.80%	96.30%	96.50%
<b>Support services:</b>					
Board of education					
Regular meetings per year (based on calendar year)	22	22	22	22	22
Special meetings per year (based on calendar year)	6	6	6	12	10
Administration					
Teacher attendance rate	95.60%	94.95%	95.70%	95.90%	96.50%
Fiscal					
Nonpayroll checks issued	3,516	3,970	4,225	3,990	4,131
Payroll checks/direct deposits issued	10,126	9,813	10,273	10,868	10,941
Operations and maintenance					
Work orders completed	*	572	573	615	1,200
Square footage maintained		537,975	537,975	537,095	537,975
Pupil transportation					
Avg. students transported daily		1,152	1,193	1,170	1,202
Food service operations					
Meals served to students	**	64,460	64,539	62,605	60,711
Milk served to students	**	66,662	49,221	43,235	42,000
Percentage of students receiving free/reduced cost meals		13.28%	13.18%	12.95%	12.83%
					12.78%

**Source:** School District records and Ohio Department of Education

\* During fiscal year 2014, the District fully implemented a new automated work order system, so 2014 forward reflects actual totals. In addition to processing these work orders, the facilities department processes numerous routine maintenance-type jobs as well as emergency requests that would not be tracked through a formal work order.

\*\* The District does not operate a lunch program for its two elementary buildings, but does serve milk to students in these

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
2,612	2,644	2,681	2,686	2,696
229	210	244	211	229
96.20%	98.60%	99.20%	99.10%	96.90%
96.40%	96.30%	96.60%	96.50%	96.40%
22	22	22	21	22
11	13	10	14	18
95.70%	95.30%	95.30%	95.50%	94.90%
4,239	4,152	4,363	4,157	4,374
10,958	10,079	10,926	10,836	10,771
1,000	950	1,200	1,220	900
504,168	504,168	504,168	504,168	504,168
1,110	1,116	1,179	1,230	1,455
82,408	90,338	104,621	104,800	110,719
38,498	52,399	56,687	64,926	61,564
11.03%	11.53%	9.66%	7.55%	7.12%

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

**CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Land	\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821
Construction in progress	-	-	-	25,327,818
Land improvements	3,722,609	3,816,389	3,924,636	1,536,262
Building/improvements	47,252,361	49,264,283	51,305,610	25,051,022
Furniture/equipment	1,802,707	1,735,042	2,004,474	2,476,517
Vehicles	<u>812,480</u>	<u>726,158</u>	<u>744,293</u>	<u>477,868</u>
 Total Governmental Activities				
Capital Assets, net	<u><u>\$ 54,360,978</u></u>	<u><u>\$ 56,312,693</u></u>	<u><u>\$ 58,749,834</u></u>	<u><u>\$ 55,640,308</u></u>

**Source:** School District financial records.

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

**Note:** Amounts above are presented net of accumulated depreciation.

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>	<b>2007</b>
\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821	\$ 722,230	\$ 722,230
18,357,047	4,572,353	292,550	-	-	-
1,163,807	1,192,029	1,240,900	1,275,515	1,297,873	1,588,029
20,143,772	18,722,146	19,916,232	20,882,476	21,870,716	23,561,292
1,635,959	1,076,685	1,042,833	1,077,834	785,235	839,466
562,458	568,269	666,739	679,979	598,938	295,675
<b><u>\$ 42,633,864</u></b>	<b><u>\$ 26,902,303</u></b>	<b><u>\$ 23,930,075</u></b>	<b><u>\$ 24,686,625</u></b>	<b><u>\$ 25,274,992</u></b>	<b><u>\$ 27,006,692</u></b>

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

**SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Goldwood Elementary (1927)					
Square feet	57,150	57,150	57,150	57,150	55,070
Capacity (students)	655	667	645	588	588
Enrollment	595	606	586	565	579
Kensington Intermediate (1926)					
Square feet	68,980	68,980	68,100	68,980	68,100
Capacity (students)	697	711	682	610	610
Enrollment	634	646	620	592	582
Rocky River Middle School (2000)					
Square feet	107,000	107,000	107,000	107,000	107,000
Capacity (students)	724	722	684	659	659
Enrollment	658	656	622	625	610
Rocky River High School (1950)					
Square feet	247,893	247,893	247,893	247,893	247,893
Capacity (students)	1,100	1,100	1,100	1,100	1,100
Enrollment	854	855	865	853	865
Beach Education Center (1930)					
Square feet	37,780	37,780	37,780	37,780	37,780
Capacity (students)	-	-	-	-	150
Enrollment	N/A	N/A	N/A	N/A	N/A
Wooster Road Elementary (1955)					
Square feet	19,172	19,172	19,172	19,172	19,172
Capacity (students)	0	0	0	0	0
Enrollment	**	**	**	**	**
Total Square Feet	537,975	537,975	537,095	537,975	535,015
Total Capacity	3,176	3,199	3,111	2,957	3,107
Total Enrollment ***	2,741	2,763	2,693	2,635	2,636

**Source:** School District records.

**Note:** Year of original construction is in parentheses. Any increases in square footage and capacity are the result of new construction, renovations and additions.

Capacity is expressed in the estimated number of students a building is equipped to handle and is subject to changes in federal, state or local standards and programming as well as modifications to physical building characteristics as needed.

\* Only a small portion of this building was being utilized for pre-kindergarten special education students through the 2004-2005 school year. This program was moved to Goldwood Primary School of the 2005-2006 school year. A portion of this building was leased out to a private pre-school through the 2011-2012 school year, but that lease has terminated as of 6/30/12. As of July 2011, the majority of this building is being utilized as the District's Board of Education/Administrative Offices in place of the previous location which was demolished as part of the District's construction and renovation project that commenced in 2010.

\*\* This building has not been needed for pre-kindergarten through 12 educational purposes during the last 10 years and is currently being leased to the Cleveland Clinic Health System for use as a healthcare facility.

\*\*\* Enrollment reflected here does not include students who are outplaced due to special needs

N/A - Data Not Available or Not Applicable

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
55,070	55,070	55,070	55,070	55,070
588	588	588	588	588
546	561	563	558	568
68,100	68,100	68,100	68,100	68,100
596	596	596	596	596
556	575	584	588	577
110,000	110,000	110,000	110,000	110,000
659	659	659	659	659
632	615	606	631	643
214,046	214,046	214,046	214,046	214,046
936	936	936	936	936
878	893	928	909	908
37,780	37,780	37,780	37,780	37,780
404	404	404	404	404
*	*	*	*	*
19,172	19,172	19,172	19,172	19,172
205	205	205	205	205
**	**	**	**	**
504,168	504,168	504,168	504,168	504,168
3,388	3,388	3,388	3,388	3,388
2,612	2,644	2,681	2,686	2,696

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

**OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Government</b>		<b>Governmental Activities</b>		<b>Enrollment</b>	<b>Percent Change</b>
	<b>Expenditures (1)</b>	<b>Cost per pupil</b>	<b>Expenses (1)</b>	<b>Cost per pupil</b>		
2016	\$ 40,119,070	\$ 14,594	\$ 41,529,868	\$ 15,107	2,749	-0.76%
2015	39,105,832	14,118	41,030,763	14,813	2,770	2.86%
2014	43,602,842	16,191	40,648,072	15,094	2,693	2.20%
2013	51,224,099	19,440	38,134,233	14,472	2,635	-0.04%
2012	52,381,736	19,872	36,095,348	13,693	2,636	0.92%
2011	40,686,029	15,577	38,456,045	14,723	2,612	-1.21%
2010	34,707,805	13,127	35,701,731	13,503	2,644	-1.38%
2009	34,069,468	12,708	35,136,993	13,106	2,681	-0.19%
2008	32,033,142	11,926	33,495,906	12,471	2,686	-0.37%
2007	30,271,801	11,228	31,527,500	11,694	2,696	2.12%

**Source:** District records

**Note:** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

(1) Debt Service totals have been excluded.

<b>Teaching Staff</b>	<b>Pupil/Teacher Ratio</b>	<b>Student Attendance Percentage</b>
180	15.27	96.90%
171	16.20	96.70%
170	15.84	96.80%
170	15.50	96.30%
170	15.51	96.50%
166	15.73	96.40%
166	15.93	96.30%
166	16.15	96.60%
162	16.58	96.50%
163	16.54	96.40%

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

CERTIFICATED TEACHING STAFF EDUCATION, EXPERIENCE AND AVERAGE SALARY INFORMATION  
LAST TEN FISCAL YEARS

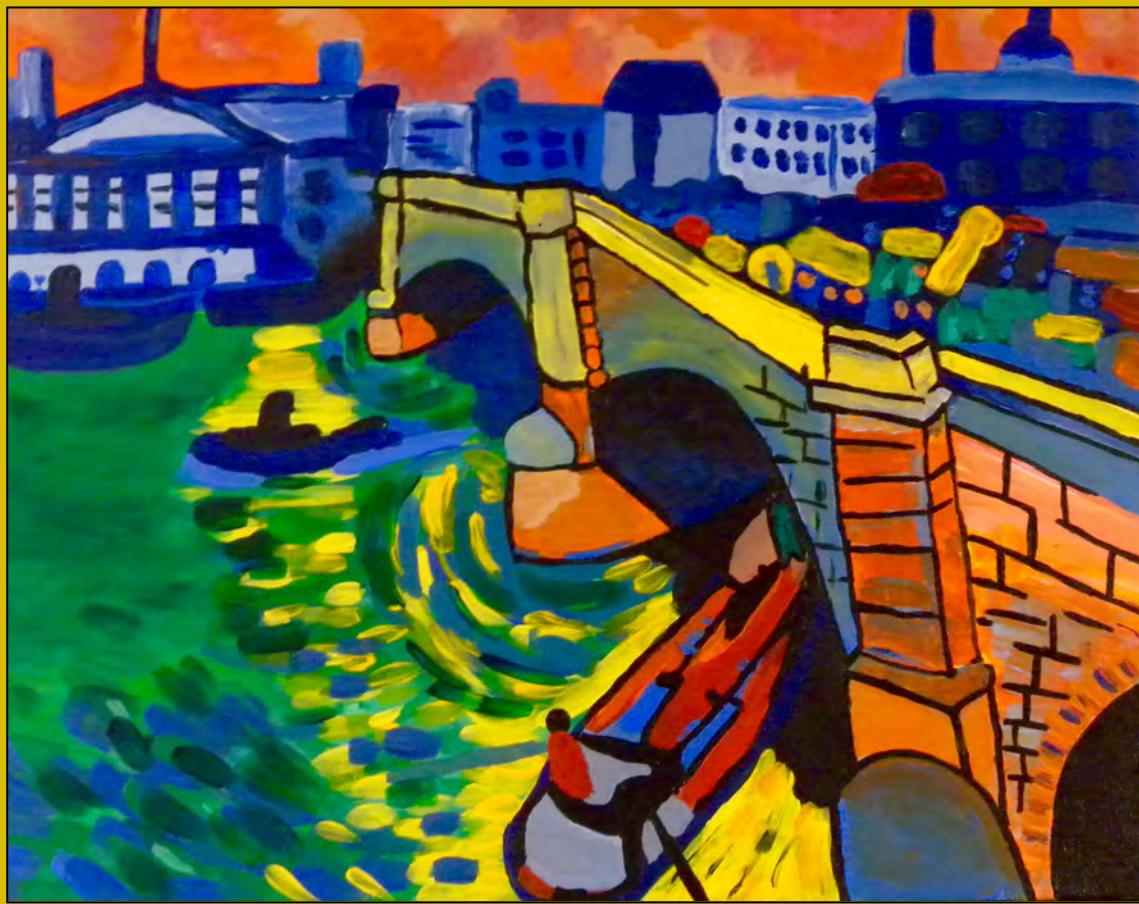
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Education</b>				
<i>College Degree Attained (Number of Staff/% of Total)</i>				
Bachelor's Degree	15	8.33%	8	4.68%
Bachelor's Degree + 9 hours	4	2.22%	4	2.34%
Bachelor's Degree + 18 hours	10	5.56%	16	9.36%
Master's Degree	70	38.88%	61	35.67%
Master's Degree + 9 hours	28	15.56%	29	16.96%
Master's Degree + 18 hours	21	11.67%	20	11.70%
Master's Degree + 27 hours	10	5.56%	11	6.43%
Master's Degree + 36 hours	22	12.22%	22	12.86%
Total	180	100.00%	171	100.00%
	170	100.00%	170	100.00%
	170	100.00%	170	100.00%
<b>Experience</b>				
<i>Range of Years' Experience (Number of Staff/% of Total)</i>				
0 - 5	24	13.33%	16	9.36%
6 - 10	38	21.11%	38	22.22%
11 and over	118	65.56%	117	68.42%
Total	180	100.00%	171	100.00%
	170	100.00%	170	100.00%
	170	100.00%	170	100.00%
Average Teacher Salary	\$77,195	\$75,969	\$70,512	\$72,456

**Source:** School District Records and Ohio Department of Education.

**Note:** Excludes administrators, tutors and other certificated personnel that are certified teachers under Ohio law.

	<b>2012</b>		<b>2011</b>		<b>2010</b>		<b>2009</b>		<b>2008</b>		<b>2007</b>
9	5.29%	4	2.41%	6	3.61%	9	5.42%	7	4.32%	8	4.91%
6	3.53%	9	5.42%	9	5.42%	10	6.02%	9	5.56%	13	7.98%
16	9.41%	18	10.84%	21	12.65%	18	10.84%	24	14.81%	16	9.82%
60	35.29%	55	33.13%	48	28.92%	49	29.52%	41	25.32%	47	28.82%
25	14.71%	23	13.86%	27	16.27%	28	16.87%	27	16.67%	26	15.95%
22	12.94%	21	12.65%	18	10.84%	16	9.64%	17	10.49%	16	9.82%
10	5.88%	13	7.83%	14	8.43%	14	8.43%	13	8.02%	13	7.98%
22	12.94%	23	13.86%	23	13.86%	22	13.25%	24	14.81%	24	14.72%
170	100.00%	166	100.00%	166	100.00%	166	100.00%	162	100.00%	163	100.00%
29	17.06%	17	10.24%	33	19.88%	26	15.66%	20	12.35%	20	12.27%
37	21.76%	34	20.48%	21	12.65%	29	17.47%	31	19.14%	33	20.25%
104	61.18%	115	69.28%	112	67.47%	111	66.87%	111	68.51%	110	67.48%
170	100.00%	166	100.00%	166	100.00%	166	100.00%	162	100.00%	163	100.00%
	\$72,800		\$73,950		\$70,850		\$67,535		\$65,596		\$64,697

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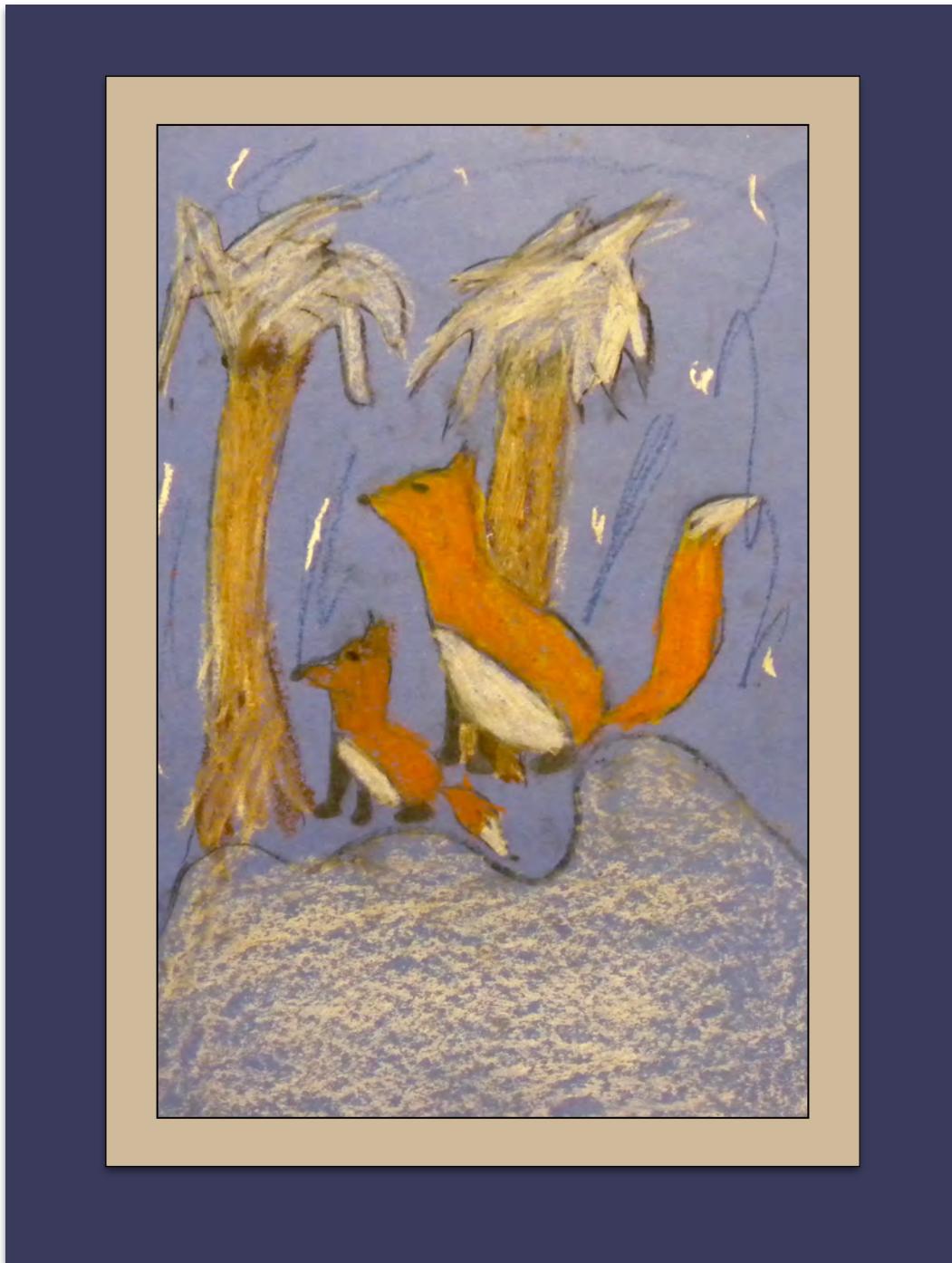


*Amber Rudy*  
Grade 12

**ROCKY RIVER CITY SCHOOL DISTRICT**  
Cuyahoga County, Ohio

# ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County, Ohio



*Isabella Phillips*  
Grade 1



# Dave Yost • Auditor of State

ROCKY RIVER CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

#### CLERK'S CERTIFICATION

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

A handwritten signature in cursive script that reads "Susan Babbitt".

CLERK OF THE BUREAU

CERTIFIED  
MARCH 9, 2017