



Dave Yost • Auditor of State

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

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**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2015**

Federal Grantor <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education:</i>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	\$49,986		\$49,986	
National School Lunch Program	10.555	306,949	\$80,220	306,949	\$80,220
Total Child Nutrition Cluster		<u>\$356,935</u>		<u>\$356,935</u>	
Healthy Cuisine for Kids Culinary Lab Training	10.574	600		600	
Total U.S. Department of Agriculture		<u>357,535</u>	<u>80,220</u>	<u>357,535</u>	<u>80,220</u>
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Ohio Department of Education:</i>					
Special Education Cluster (IDEA):					
Special Education - Grants to States (IDEA, Part B) - 2014	84.027	0		60,245	
Special Education - Grants to States (IDEA, Part B) - 2015	84.027	758,805		760,854	
Total Special Education - Grants to States (IDEA, Part B)		<u>758,805</u>		<u>821,099</u>	
Special Education - Preschool Grants (IDEA Preschool) - 2014	84.173	0		0	
Special Education - Preschool Grants (IDEA Preschool) - 2015	84.173	18,057		18,057	
Total Special Education - Preschool Grants (IDEA Preschool)		<u>18,057</u>		<u>18,057</u>	
Total Special Education Cluster (IDEA)		<u>776,862</u>		<u>839,156</u>	
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) - 2014	84.010	34,018		65,876	
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) - 2015	84.010	406,905		393,332	
Total Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)		<u>440,923</u>		<u>459,208</u>	
English Language Acquisition Grants (Title III) - 2014	84.365	1,169		2,338	
English Language Acquisition Grants (Title III) - 2015	84.365	38,861		33,578	
Immigrant (Title III) - 2014	84.365	425		445	
Immigrant (Title III) - 2015	84.365	4,867		4,867	
Total English Language Acquisition Grants (Title III)		<u>45,322</u>		<u>41,228</u>	
Improving Teacher Quality State Grants - 2014	84.367	11,148		16,211	
Improving Teacher Quality State Grants - 2015	84.367	51,656		59,207	
Total Improving Teacher Quality State Grants		<u>62,804</u>		<u>75,418</u>	
Entry Year Teacher 2014	84.412	0		0	
Entry Year Teacher 2015	84.412	896		896	
Total Entry Year Teacher		<u>896</u>		<u>896</u>	
Miscellaneous Federal Grant - Drug Free Communities	84.395A	132,891		132,891	
Total U.S. Department of Education		<u>1,459,698</u>		<u>1,548,797</u>	
Total Federal Financial Assistance		<u>\$1,817,233</u>	<u>\$80,220</u>	<u>\$1,906,332</u>	<u>\$80,220</u>

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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

NOTE D - MATCHING REQUIREMENTS

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

CFDA – Catalog of Federal Domestic Assistance.



Dave Yost • Auditor of State

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Royalton City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2015, 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 11, 2015, wherein we noted the District adopted Government Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27 and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Dave Yost
Auditor of State
Columbus, Ohio

December 11, 2015



Dave Yost • Auditor of State

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

North Royalton City School District
Cuyahoga County
4906 Fleet Avenue
Cleveland, Ohio 44105

To the Board of Directors:

Report on Compliance for Each Major Federal Program

We have audited the North Royalton City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the North Royalton City School District's major federal programs for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Special Education Cluster

As described in finding 2015-001 in the accompanying schedule of findings, the District did not comply with requirements regarding *Procurement and Suspension and Debarment* applicable to its Special Education Cluster major federal program. Compliance with this requirement is necessary, in our opinion, for the District to comply with requirements applicable to this program.

Qualified Opinion on Special Education Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Special Education Cluster* paragraph, the North Royalton City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its Special Education Cluster for the year ended June 30, 2015.

Unmodified Opinion on the Other Major Federal Program

In our opinion, the North Royalton City School District complied in all material respects with the requirements referred to above that could directly and materially affect its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended June 30, 2015.

Other Matters

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected

North Royalton City School District
Cuyahoga County

Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance Required by OMB Circular A-133, And the Federal Awards
Receipts and Expenditures Schedule

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and corrected. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2015-001 to be a material weakness.

The District's response to our internal control over compliance finding is described in the accompanying schedule of findings and corrective action plan. We did not audit the District's response and, accordingly, we express no opinion on it.

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

Report on the Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the North Royalton City School District, Cuyahoga County, Ohio (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 11, 2015. Our opinion also explained that the District adopted *Governmental Accounting Standard Nos. 68* - an amendment of GASB Statement No. 27 and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* during the year. We conducted our audit to opine on the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Dave Yost
Auditor of State
Columbus, Ohio

December 11, 2015

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**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified for all major programs except for the Special Education Cluster which was Qualified
(d)(1)(vi)	Are there any reportable findings under § .510(a)?	Yes
(d)(1)(vii)	Major Program:	Special Education Cluster (IDEA): Special Education - Grants to States (IDEA, Part B) - CFDA #84.027 Special Education - Preschool Grants (IDEA Preschool) - CFDA #84.173 Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA) – CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015
(Continued)**

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2015-001
CFDA Title and Number	Special Education Cluster (IDEA): Special Education - Grants to States (IDEA, Part B) - CFDA #84.027 Special Education - Preschool Grants (IDEA Preschool) - CFDA #84.173
Federal Award Number / Year	2015
Federal Agency	U.S. Department of Education
Pass-Through Agency	Ohio Department of Education

Material Weakness, Material Noncompliance Finding – Procurement and Suspension and Debarment

7 CFR Section 3016.35 states that grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension”. 2 CFR Part 180 provides Office of Management and Budget (OMB) guidelines to agencies on government wide debarment and suspension. “Covered transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR section 180.215.

The District made payments with Special Education federal funds to a vendor which exceeded \$25,000. No documentation was maintained or provided to indicate the District applied methods to verify the vendor was not suspended or debarred, prior to disbursement.

The failure to maintain and provide evidence of the verification procedures places federal resources at risk from contractors engaged in dishonest or illegal conduct or are otherwise unable to satisfactorily perform their responsibilities.

We recommend the District implement procedures to maintain evidence of compliance with suspension and debarment requirements.

Official’s Response:

We reviewed our procedures and process as is relates to 7 CFR Section 3016.35 and we will being to maintain hard copies so that we provide documentation to ensure compliance with procurement, suspension and debarment requirements.

**NORTH ROYALTON CITY SCHOOL DISTRICT
CUYAHOGA COUNTY**

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2015**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-001	We reviewed our procedures and process as is relates to 7 CFR Section 3016.35 and we will being to maintain hard copies so that we provide documentation to ensure compliance with procurement, suspension and debarment requirements.	2015	Biagio Sidoti, Treasurer

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*North Royalton City School District
North Royalton, Ohio*



"We Inspire and Empower Learners"

*Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015*

*North Royalton, Ohio
City School District*

*Comprehensive
Annual Financial Report
For the Fiscal Year Ended June 30, 2015*

Prepared by

*Treasurer's Office
Biagio Sidoti, CPA
Treasurer*

INTRODUCTORY SECTION

North Royalton City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015
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North Royalton City Schools

Administrative Office

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

December 11, 2015

Board of Education Members
North Royalton City School District

Gregory Gurka
Superintendent
(440) 582-9030

Biagio Sidoti
Treasurer
(440) 582-9045

James Presot
Assistant
Superintendent
(440) 582-9034

Patrick Farrell
Director of Personnel
(440) 582-9036

Melissa Vojta
Director of Curriculum
and Instruction
(440) 582-9038

Julie Bogden
Director of Pupil
Services
(440) 582-9143

It is our privilege to present to you the Comprehensive Annual Financial Report (CAFR) of the North Royalton City School District (School District) for the fiscal year ended June 30, 2015. This CAFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

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

Under Ohio law, regular audits are required to be performed on all financial related operations of the School District. These audits may be done by either the State Auditor's Office or, if the State Auditor permits, an independent public accounting firm. For fiscal year 2015, the School District was audited by the Auditor of State's Office. Their unmodified opinion is included in the financial section of this CAFR.

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

The School District

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

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

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

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

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

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

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

The Reporting Entity

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

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

Economic Condition and Outlook

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

The North Royalton City School District receives 71 percent of its governmental revenues from local property tax collections. Therefore, the long-term financial health of the School District is very dependent on its tax base. The total assessed value of the School District's tax duplicate rose by nearly 7 percent in the last ten years. The increased value in the duplicate is due to revisions in property values made by the County Fiscal Officer every three years and new construction taking place in the School District.

Enrollment for fiscal year 2006 was 4,599 students. Enrollment for fiscal year 2015 was 4,597 students. The School District enlists the assistance of a professional demographer to develop enrollment projections. Projections are developed assuming low, moderate and high growth rates in the School District. The last

enrollment projections completed in April 2015 indicated the growth in the student population will stabilize and have a gradual decline. Student enrollment projections for fiscal year 2025 estimates an enrollment at 4,062 students.

Educational Program

During fiscal year 2015, the School District's curriculum included a wide range of electives and comprehensive courses of study in college preparatory, liberal arts and technical career programs. The School District offers advanced placement courses at the high school in Calculus AB, Calculus BC, English Literature and Composition, Macroeconomics, Microeconomics, Physics I, Physics II, Psychology, Spanish, Statistics, U.S. Government and Politics, and U.S. History.

The graduating Class of 2015 exceeded the State average scores on both the American College Test (ACT) and the Scholastic Aptitude Test (SAT). The composite score of 23.7 on the ACT surpassed the State average of 22. The mean scores for North Royalton students on the SAT of 570 in mathematics and 556 in critical reading are fairly consistent with the State mean scores of 563 and 557, respectively. North Royalton students also outscored the State average in writing with a score of 549 compared to 537. The Class of 2015 had one National Merit Finalist, two National Merit commended students, and one National AP scholar.

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

Ninety-two percent of the high school graduates last year indicated they intended to continue their education at the university or college level with 79 percent attending a four-year college and 13 percent attending a two-year college. The high school offers 198 courses on the main campus with an additional 50 vocational offerings at Cuyahoga Valley Career Center. Additional academic statistics from the Class of 2015 include: 28 percent received an Honors Diploma, 16 percent were members of the National Honor Society, 10 percent graduated Magna Cum Laude and 10 students graduated Summa Cum Laude.

Major Initiatives

2014-2015 School Year:

- Implementing the Common Core academic standards in English language arts and math, and the new Ohio academic standards in science, social studies, world languages, and fine arts.
- Continued development of common assessments in all subject areas to provide a vehicle for common instructional dialog and adjusting instruction to raise student achievement.
- Continue with the Ohio Improvement Process, providing teachers with collaboration time through a variety of modified schedules, early releases, and teacher meetings before and after school to discuss student achievement and adjust instruction. This process involves the District Leadership Team, Building Leadership Teams and Teacher Based Teams.
- Continued use of TestingWerks student data warehouse to provide teachers an electronic tool for storing and analyzing student data, as well as producing powerful growth and comparison reports used to monitor data for the Third Grade Reading Guarantee.
- Continue the use of benchmark assessments in reading and math, including Dynamic Indicators of Basic Early Literacy Skills, Study Island, Scholastic Reading Inventory, and Developmental Reading Assessment.
- Adoption of a comprehensive K-4 Math textbook to provide rigorous instruction on updated State standards. The series offers online components and professional development opportunities for the teachers.
- Adopted an elementary technology curriculum (K-4) to be implemented during weekly technology classes. The course covers computer basics, keyboarding, research strategies, and digital citizenship.

- Adopted updated AP Physics textbook and reworked existing classroom space in the high school to create a Physics lab. Laptop computers and updated materials have been purchased to provide all necessary tools for the course.
- Continued expansion of technology in the classrooms including SMART Boards and Chromebooks, with individual devices being purchased in lieu of textbooks in some subject areas. All buildings have complete wireless access for instruction.
- Continued Title I Reading services to identified students at all elementary buildings, as well as North Royalton Middle School in reading and/or math. Continued English Language Learner services for second language learners as well as specialized instruction for at risk students at all building levels.
- Continued use of the co-teaching model for special education students and utilizing effective strategies to increase achievement of these students.
- Continued use of Federal and State grant funds through the Comprehensive Continuous Improvement Plan to match grant dollars with the most effective instructional practices and tools.
- Developed Student Growth Measures and Student Learning Objectives for all subjects to meet the requirements of student achievement growth data for the Ohio Teacher Evaluation System.
- Prepare students and staff for the transition of new online State assessments in all subject areas, which are different from the assessments administered last year.

For the Future:

- Continue the curriculum review cycle with a focus on Health/Physical Education (updated State standards and assessment), Gateway to Technology STEM initiative at the middle school, and remaining areas of high school mathematics, English language arts, and science, as necessary.
- Continue the development of common assessments in all instructional areas to be used for professional dialog and increasing student achievement.
- Continue to fine-tune the vertical alignment for instructional technology with an increased level of instruction at the elementary grades.
- Training and implementation of select Wilson Reading System programs at all levels to address needs of students requiring intervention.
- Continue to address the mandates of the Third Grade Reading Guarantee.
- Increased understanding of the Response to Intervention process at all levels with professional development in Teacher-Based Teams for differentiated instruction.
- Explore universal screening assessment tools to ensure student needs are being identified and met properly.
- Explore how to best service students identified as gifted at the elementary level to ensure that the most intensive needs are being met.
- Address the mandates of College Credit Plus.
- Affiliation for the 2015-2016 school year changed to the Suburban League for the competitive sports programs available for grades 7 through 12.

Long Term Planning

The School District has placed an emphasis on long term planning. The administrative staff meets twice per year to review and discuss staffing levels for the next five years in light of enrollment changes and program requirements. Enrollment projections are completed by professional demographers and the results are analyzed and incorporated into the operating and capital budget projections for the next five year period. Operating costs and capital expenditure needs are also reviewed and analyzed during these meetings. Our student academic needs and high performance expectations have placed stress to our aging facilities as it relates to our operating and capital budgets.

Relevant Financial Policies

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

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to North Royalton City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

Acknowledgments

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

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

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

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

Respectfully submitted,



Biagio Sidoti, CPA
Treasurer



Gregory Gurka
Superintendent

North Royalton City School District

Principal Officials

June 30, 2015

Board of Education

Ms. Anne Reinkober.....President
Ms. Jacquelyn Arendt..... Vice President
Dr. Susan Clark Member
Dr. John Kelly Member
Ms. Barbara Zindroski..... Member

Treasurer

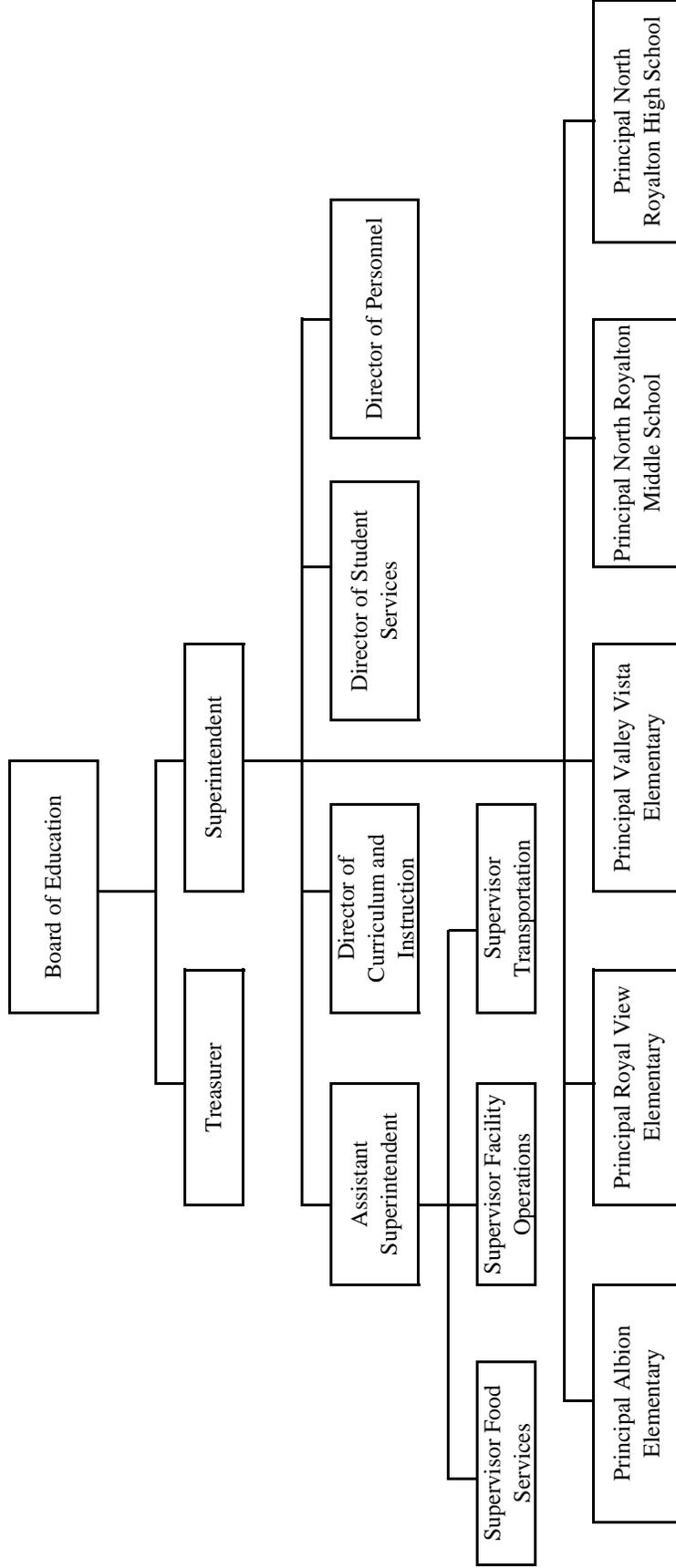
Mr. Biagio Sidoti, CPA

Administration

Mr. Greg Gurka Superintendent
Mr. James J. Presot.....Assistant Superintendent
Mr. Patrick Farrell Director of Personnel
Ms. Melissa Vojta..... Director of Curriculum and Instruction
Ms. Susan Welch..... Director of Pupil Services

North Royalton City School District

Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

North Royalton City School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

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**FINANCIAL
SECTION**



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Royalton City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the North Royalton City School District, Cuyahoga County, Ohio, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the District adopted Government Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions* - an amendment of GASB Statement No. 27 and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 11, 2015

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North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

The discussion and analysis of North Royalton City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the transmittal letter, the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ❑ Total revenues were \$6,073,312 higher than total expenses; therefore, increasing net position by 12.3 percent over the prior year.
- ❑ General revenues accounted for \$53,331,555 in revenue, or 90.6 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,525,060, or 9.4 percent of total revenues of \$58,856,615.
- ❑ The School District had \$52,783,303 in expenses related to governmental activities; only \$5,525,060 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supported the remaining expenses.
- ❑ At the close of the fiscal year, the School District's governmental funds reported combined fund balances of \$22,880,381, an increase of \$4,557,756 over the prior year. Approximately, 74.1 percent of this amount (\$16,959,339) is available for spending at the School District's discretion (unassigned fund balance).
- ❑ At the end of the fiscal year, unassigned fund balance for the general fund was \$16,963,381, or 35.7 percent of total general fund expenditures.
- ❑ With the implementation of GASB 68, the School District's long-term outstanding obligations are \$67,460,036 higher than they would be without implementation due to the net pension liability (See Note 20).

Using this Comprehensive Annual Financial Report (CAFR)

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

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

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While these statements contain information about the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The statement of net position and the statement of activities answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the School District's Most Significant Funds

The analysis of the School District's major funds begins on page 12. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general and bond retirement debt service funds.

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

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

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2015 compared to 2014:

Table 1
 Net Position
 Governmental Activities

	2015	Restated 2014	Change
Assets			
Current and Other Assets	\$55,994,900	\$55,656,680	\$338,220
Capital Assets, Net of Depreciation	22,341,205	23,450,616	(1,109,411)
Total Assets	78,336,105	79,107,296	(771,191)
Deferred Outflows of Resources			
Deferred Charge on Refunding	127,297	620,766	493,469
Pension	4,851,433	4,008,444	(842,989)
Total Deferred Outflows of Resources	4,978,730	4,629,210	(349,520)
Liabilities			
Current and Other Liabilities	5,926,056	5,995,837	69,781
Long-Term Liabilities:			
Due Within One Year	2,365,765	1,848,572	(517,193)
Due in More Than One Year:			
Net Pension Liability	67,460,036	80,148,569	12,688,533
Other Amounts	12,341,588	15,076,011	2,734,423
Total Liabilities	88,093,445	103,068,989	14,975,544
Deferred Inflows of Resources			
Property Taxes	26,271,622	29,977,643	3,706,021
Pension	12,186,582	0	(12,186,582)
Total Deferred Inflows of Resources	38,458,204	29,977,643	(8,480,561)
Net Position			
Net Investment in Capital Assets	11,191,033	10,606,317	584,716
Restricted for:			
Capital Projects	1,189,218	1,187,413	1,805
Debt Service	3,918,623	3,783,910	134,713
Other Purposes	373,005	625,876	(252,871)
Unrestricted (Deficit)	(59,908,693)	(65,513,642)	5,604,949
Total Net Position	(\$43,236,814)	(\$49,310,126)	\$6,073,312

During 2015, the School 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 School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

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 School District's proportionate share of each plan's collective:

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

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

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

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

As a result of implementing GASB 68, the School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from \$26,829,999 to (\$49,310,126).

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Total net position increased significantly during fiscal year 2015 due to significant increases in property tax revenue, as well as the School District being able to reduce its expenses. Management continues to diligently plan expenses, staying carefully within the School District's revenues.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year.

Table 2 shows total revenues, expenses and changes in net position for fiscal years 2015 and 2014.

Table 2
 Governmental Activities

	2015	Restated 2014	Change
Program Revenues			
Charges for Services and Sales	\$2,018,943	\$2,048,757	(\$29,814)
Operating Grants and Contributions	3,433,827	3,803,100	(369,273)
Capital Grants and Contributions	72,290	77,351	(5,061)
Total Program Revenues	5,525,060	5,929,208	(404,148)
General Revenues			
Property Taxes	41,783,591	39,653,972	2,129,619
Grants and Entitlements not Restricted to Specific Programs	11,043,079	10,646,928	396,151
Unrestricted Contributions	2,700	3,304	(604)
Investment Earnings	88,315	103,857	(15,542)
Gain on Sale of Capital Assets	175,000	8,322	166,678
Miscellaneous	238,870	278,948	(40,078)
Total General Revenues	53,331,555	50,695,331	2,636,224
Total Revenues	58,856,615	56,624,539	2,232,076
Program Expenses			
Instruction:			
Regular	26,912,810	26,652,053	(260,757)
Special	4,355,817	4,653,937	298,120
Vocational	36,343	30,544	(5,799)
Student Intervention Services	23,091	45,732	22,641
Support Services:			
Pupil	3,057,304	3,098,915	41,611
Instructional Staff	2,544,147	2,443,880	(100,267)
Board of Education	40,636	38,560	(2,076)
Administration	3,054,105	3,154,290	100,185
Fiscal	1,203,684	1,291,997	88,313
Business	318,551	366,020	47,469
Operation and Maintenance of Plant	3,750,164	3,695,103	(55,061)
Pupil Transportation	3,490,995	4,009,801	518,806
Central	252,706	201,333	(51,373)
Operation of Non-Instructional Services	1,021,672	944,531	(77,141)
Operation of Food Services	1,144,599	1,285,407	140,808
Extracurricular Activities	1,292,022	1,214,962	(77,060)
Interest and Fiscal Charges	284,657	564,948	280,291
Total Program Expenses	52,783,303	53,692,013	908,710
Change in Net Position	6,073,312	2,932,526	3,140,786
Net Position Beginning of Year - Restated (See Note 3)	(49,310,126)	N/A	
Net Position End of Year	(\$43,236,814)	(\$49,310,126)	\$6,073,312

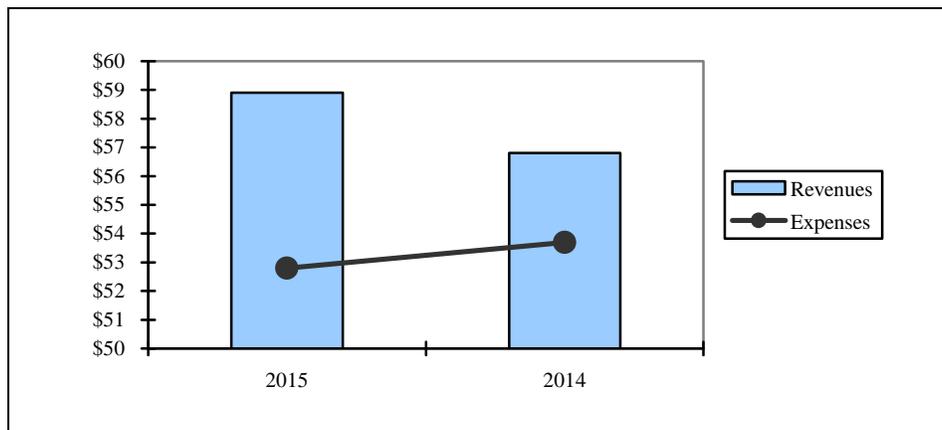
North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$4,008,444 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$2,871,487. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	\$52,783,303
Pension expense under GASB 68	(2,871,487)
2015 contractually required contribution	4,216,427
Adjusted 2015 program expenses	54,128,243
Total 2014 program expenses under GASB 27	(53,692,013)
Increase in program expenses not related to pension	\$436,230

Graph 1
 Revenues and Expenses
 (In Millions)

	2015	2014
Revenues	\$58.9	\$56.6
Expenses	52.8	53.7



The two largest governmental activities expenses are related to regular and special instruction. The largest decrease in governmental activities expenses from fiscal year 2014 to fiscal year 2015 is related to pupil transportation due to fewer supplies purchased and less capital-related expenditures.

Governmental Activities

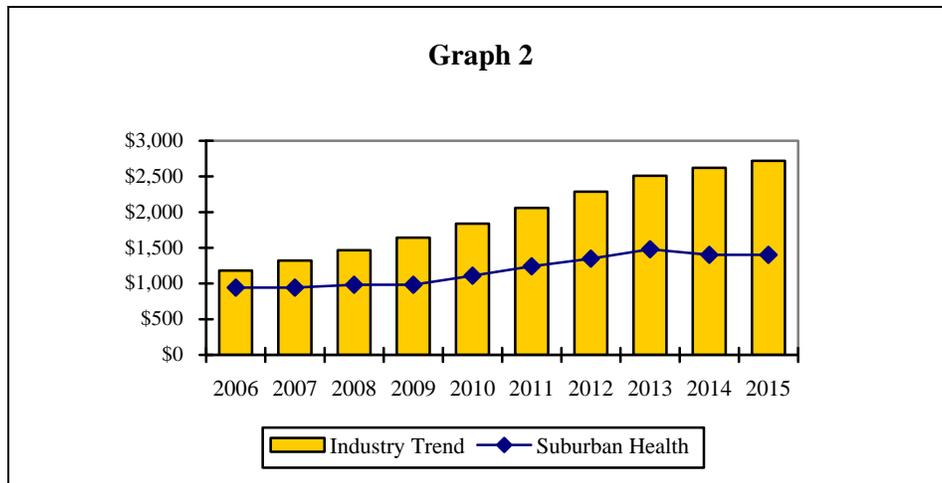
The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy.

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35 annually in taxes. If three years later the home was 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 less than \$35 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. The increase to operating grants and contributions was caused by increases in Federal grant funding and special education funding from the State. The increase in property tax revenue was due to an increase in the amount available as an advance.

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



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

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

North Royalton City School District
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Table 3
 Total and Net Cost of Program Services - Governmental Activities

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction:				
Regular	\$26,912,810	(\$26,389,832)	\$26,652,053	(\$25,547,676)
Special	4,355,817	(2,610,883)	4,653,937	(3,087,154)
Vocational	36,343	(29,487)	30,544	(24,180)
Student Intervention Services	23,091	(10,731)	45,732	(36,231)
Support Services:				
Pupil	3,057,304	(3,007,375)	3,098,915	(3,050,552)
Instructional Staff	2,544,147	(2,497,287)	2,443,880	(2,317,392)
Board of Education	40,636	(40,044)	38,560	(37,992)
Administration	3,054,105	(2,972,767)	3,154,290	(3,052,240)
Fiscal	1,203,684	(1,184,334)	1,291,997	(1,272,131)
Business	318,551	(313,809)	366,020	(360,696)
Operation and Maintenance of Plant	3,750,164	(3,626,050)	3,695,103	(3,601,484)
Pupil Transportation	3,490,995	(3,221,296)	4,009,801	(3,760,918)
Central	252,706	(249,155)	201,333	(198,567)
Operation of Non-Instructional Services	1,021,672	(98,113)	944,531	(124,907)
Operation of Food Services	1,144,599	(11,193)	1,285,407	(148,651)
Extracurricular Activities	1,292,022	(711,230)	1,214,962	(577,086)
Interest and Fiscal Charges	284,657	(284,657)	564,948	(564,948)
Total Program Expenses	<u>\$52,783,303</u>	<u>(\$47,258,243)</u>	<u>\$53,692,013</u>	<u>(\$47,762,805)</u>

The School District's Funds

Information regarding the School District's major funds begins on page 18. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$59,144,760 and expenditures of \$54,816,911. The general fund had an increase in fund balance mainly due to increases in property tax revenue. The bond retirement debt service fund continues to make the bonded debt service requirements. Other governmental funds had a decrease in fund balance due to decreased intergovernmental revenue and an increase in expenditures. As one can see from the statement of revenues, expenditures and changes in fund balances - governmental funds, property taxes from the communities that comprise the School District are the largest revenue source, accounting for over 71 percent of total revenue.

General Fund Budgeting Highlights

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

During the course of fiscal year 2015, the School District amended its general fund budget several times. The School District uses an operational unit budget process and has in place systems that are designed to tightly control expenses but provide flexibility for program based decisions and management.

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Due to conservative estimates for property taxes and intergovernmental revenue, final budgeted revenue was more than \$0.5 million higher than originally budgeted for while the final budgeted expenditures were \$124,329 lower than originally budgeted for. Actual revenues and expenditures were right in line with final budgets. This is due in large part to the School District's continued commitment to provide a quality education while still controlling costs.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2015 balances compared to 2014:

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

<u>Asset Category</u>	<u>2015</u>	<u>2014</u>
Land	\$560,140	\$560,140
Land Improvements	79,768	100,257
Buildings and Improvements	20,084,226	21,167,248
Furniture and Equipment	241,266	325,121
Vehicles	<u>1,375,805</u>	<u>1,297,850</u>
Total Capital Assets	<u>\$22,341,205</u>	<u>\$23,450,616</u>

During fiscal year 2015, the School District spent roughly the same as fiscal year 2014 for capital assets. Ohio law requires school districts to set aside three percent of certain revenues for capital improvements. For fiscal year 2015, this amounted to \$763,197 for the set aside. See Note 10 to the basic financial statements for additional information on the School District's capital assets and Note 18 for additional information regarding required set-asides.

Debt

Table 5 summarizes the bonds outstanding:

Table 5
 Outstanding Debt at Fiscal Year End
 Governmental Activities

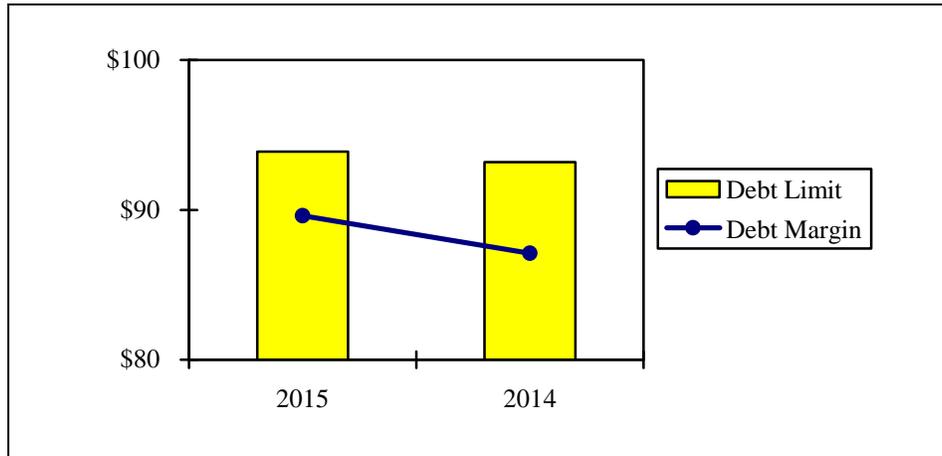
<u>Debt Issuance</u>	<u>2015</u>	<u>2014</u>
2011 Certificates of Participation	\$2,851,203	\$2,909,711
2005 School Improvement Bonds	0	10,555,354
2015 School Improvement Refunding Bonds	<u>8,426,266</u>	<u>0</u>
Total Outstanding Debt	<u>\$11,277,469</u>	<u>\$13,465,065</u>

North Royalton City School District
Management's Discussion and Analysis
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The School District's overall legal debt margin increased to \$89.6 million. This is the additional amount of debt the School District could issue. The debt margin increased from fiscal year 2014 due to increasing property valuations and less outstanding debt. During the fiscal year, the School District issued new bonds to refund old bonds in order to take advantage of lower rates. See Note 13 to the basic financial statements for detail on the School District's long-term obligations.

Graph 3
Legal Debt Margin
(in millions)

	2015	2014
Overall Debt Limit	\$93.9	\$93.2
Overall Debt Margin	89.6	87.1



School District Outlook

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

During fiscal year 2010, the School District completed a strategic planning process. This process engaged all segments of the community in focus groups and action planning teams. The five year strategic plan is now used to guide the School District's decision making process. During past fiscal years, a majority of the action steps included in the plan were initiated and/or completed.

The State of Ohio's 2012-2013 biennium budget reduced State funding to the School District by approximately \$3 million over the two year period. The State then looked to increase State funding by \$300,000 and \$500,000, respectively, in the 2014-2015 biennium budget. The most recent State of Ohio's 2016-2017 biennium budget projects increases to the School District's State funding by approximately \$460,000 in fiscal year 2016, and an additional \$285,000 in fiscal year 2017.

Residential development continues to take place in both the cities of North Royalton and Broadview Heights. Because of the increased enrollment from fiscal year 2003 through 2008, the School District's facilities reached maximum capacity. As a stopgap measure, the School District leased

North Royalton City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

four buildings from the City of Broadview Heights to house preschool and kindergarten students beginning in fiscal year 2005. This freed classroom space at the elementary level and enabled redistricting, achieving a better balance of student enrollment at each of the elementary schools. The School district's enrollment projection, updated in 2015, reflects student enrollment to have a slight decline over the next ten years. In light of the most recent enrollment study, the School District decided to terminate its lease with the City of Broadview Heights and create the needed space among the three elementary buildings to house the preschool and kindergarten students beginning in fiscal year 2016.

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

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

The survey also queried those respondents definitely or probably against the issue if the School District removed the locker room and transportation facility from the issue if that would increase their likelihood of voting for the revised bond issue. The response indicated a positive seven point swing in favor of the issue with the removal of those two components. The School District placed a bond issue on the November 2013 ballot without the new locker room and transportation facility. This bond issue was also not successful. The School District then placed a \$28.4 million bond issue and a one mill permanent improvement issue on the November 2014 general election. The decision to place the November 2014 issue on the ballot came from community input requesting the amount of the bond to be less than \$30 million, the term of the bonds be less than 35 years and to incorporate a plan that provided for the ongoing maintenance needs of our facilities. This bond issue was not successful.

The School District has contracted with William G. O'Callaghan, Jr. to conduct another community survey and formed a Community Engagement Committee Task Force to engage the community in the form of community meetings to seek input and provide a recommendation to the Board of Education. A final recommendation has not been presented to the Board of Education.

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

Contacting the School District's Financial Management

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

North Royalton City School District

Statement of Net Position

June 30, 2015

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$17,444,440
Accounts Receivable	45,804
Intergovernmental Receivable	149,657
Taxes Receivable	38,258,726
Inventory Held for Resale	16,672
Materials and Supplies Inventory	79,601
Nondepreciable Capital Assets	560,140
Depreciable Capital Assets, Net	21,781,065
<i>Total Assets</i>	<u>78,336,105</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	127,297
Pension	4,851,433
<i>Total Deferred Outflows of Resources</i>	<u>4,978,730</u>
Liabilities	
Accounts Payable	355,754
Accrued Wages and Benefits	3,918,693
Contracts Payable	300,194
Matured Compensated Absences Payable	240,195
Vacation Benefits Payable	138,765
Intergovernmental Payable	919,940
Accrued Interest Payable	30,890
Claims Payable	21,625
Long-Term Liabilities:	
Due Within One Year	2,365,765
Due In More Than One Year:	
Net Pension Liability (See Note 20)	67,460,036
Other Amounts Due in More Than One Year	12,341,588
<i>Total Liabilities</i>	<u>88,093,445</u>
Deferred Inflows of Resources	
Property Taxes	26,271,622
Pension	12,186,582
<i>Total Deferred Inflows of Resources</i>	<u>38,458,204</u>
Net Position	
Net Investment in Capital Assets	11,191,033
Restricted for:	
Capital Projects	1,189,218
Debt Service	3,918,623
Other Purposes	373,005
Unrestricted (Deficit)	(59,908,693)
<i>Total Net Position</i>	<u>(\$43,236,814)</u>

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2015

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities					Governmental Activities
Instruction:					
Regular	\$26,912,810	\$408,673	\$84,558	\$29,747	(\$26,389,832)
Special	4,355,817	44,966	1,699,968	0	(2,610,883)
Vocational	36,343	530	6,326	0	(29,487)
Student Intervention Services	23,091	12,360	0	0	(10,731)
Support Services:					
Pupil	3,057,304	45,610	4,319	0	(3,007,375)
Instructional Staff	2,544,147	37,024	9,836	0	(2,497,287)
Board of Education	40,636	592	0	0	(40,044)
Administration	3,054,105	50,182	25,409	5,747	(2,972,767)
Fiscal	1,203,684	18,186	0	1,164	(1,184,334)
Business	318,551	4,742	0	0	(313,809)
Operation and Maintenance of Plant	3,750,164	54,464	68,503	1,147	(3,626,050)
Pupil Transportation	3,490,995	80,879	154,335	34,485	(3,221,296)
Central	252,706	3,551	0	0	(249,155)
Operation of Non-Instructional Services	1,021,672	1,138	922,421	0	(98,113)
Operation of Food Services	1,144,599	712,874	420,532	0	(11,193)
Extracurricular Activities	1,292,022	543,172	37,620	0	(711,230)
Interest and Fiscal Charges	284,657	0	0	0	(284,657)
Totals	\$52,783,303	\$2,018,943	\$3,433,827	\$72,290	(47,258,243)

General Revenues

Property Taxes Levied for:	
General Purposes	39,017,348
Debt Service	1,764,951
Capital Outlay	1,001,292
Grants and Entitlements not Restricted to Specific Programs	11,043,079
Unrestricted Contributions	2,700
Investment Earnings	88,315
Gain on Sale of Capital Assets	175,000
Miscellaneous	238,870
Total General Revenues	53,331,555
Change in Net Position	6,073,312
<i>Net Position Beginning of Year - Restated (See Note 3)</i>	<u>(49,310,126)</u>
<i>Net Position End of Year</i>	<u><u>(\$43,236,814)</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District

Balance Sheet

Governmental Funds

June 30, 2015

	<u>General</u>	<u>Bond Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,934,518	\$3,443,809	\$1,865,465	\$17,243,792
Property Taxes Receivable	35,757,476	1,555,004	946,246	38,258,726
Accounts Receivable	39,346	0	6,458	45,804
Intergovernmental Receivable	4,438	0	145,219	149,657
Interfund Receivable	52,645	0	0	52,645
Inventory Held for Resale	0	0	16,672	16,672
Materials and Supplies Inventory	77,054	0	2,547	79,601
<i>Total Assets</i>	<u>\$47,865,477</u>	<u>\$4,998,813</u>	<u>\$2,982,607</u>	<u>\$55,846,897</u>
Liabilities				
Accounts Payable	\$164,477	\$0	\$187,382	\$351,859
Contracts Payable	66,194	0	234,000	300,194
Accrued Wages and Benefits	3,754,104	0	164,589	3,918,693
Interfund Payable	0	0	52,645	52,645
Intergovernmental Payable	885,776	0	34,164	919,940
Matured Compensated Absences Payable	237,241	0	2,954	240,195
<i>Total Liabilities</i>	<u>5,107,792</u>	<u>0</u>	<u>675,734</u>	<u>5,783,526</u>
Deferred Inflows of Resources				
Property Taxes	24,571,135	1,049,300	651,187	26,271,622
Unavailable Revenue	834,337	28,850	48,181	911,368
<i>Total Deferred Inflows of Resources</i>	<u>25,405,472</u>	<u>1,078,150</u>	<u>699,368</u>	<u>27,182,990</u>
Fund Balances				
Nonspendable	77,054	0	2,547	79,601
Restricted	0	3,920,663	1,607,800	5,528,463
Committed	0	0	1,200	1,200
Assigned	311,778	0	0	311,778
Unassigned (Deficit)	16,963,381	0	(4,042)	16,959,339
<i>Total Fund Balances</i>	<u>17,352,213</u>	<u>3,920,663</u>	<u>1,607,505</u>	<u>22,880,381</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$47,865,477</u>	<u>\$4,998,813</u>	<u>\$2,982,607</u>	<u>\$55,846,897</u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2015*

Total Governmental Fund Balances	\$22,880,381
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	22,341,205
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows of resources in the funds.	
Delinquent Property Taxes	893,328
Intergovernmental	18,040
Total	911,368
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	175,128
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.	127,297
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(30,890)
Vacation benefits payable is not expected to be paid with expendable available financial resources and therefore is not reported in the funds.	(138,765)
Long-term liabilities payable are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(3,429,884)
General Obligation Bonds	(8,426,266)
Certificates of Participation	(2,851,203)
Total	(14,707,353)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	4,851,433
Net Pension Liability	(67,460,036)
Deferred Inflows - Pension	(12,186,582)
Total	(74,795,185)
 <i>Net Position of Governmental Activities</i>	 (\$43,236,814)

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$39,373,747	\$1,790,955	\$1,001,625	\$42,166,327
Intergovernmental	11,434,269	234,258	2,783,483	14,452,010
Interest	88,011	0	1,074	89,085
Tuition and Fees	706,202	0	0	706,202
Extracurricular Activities	242,138	0	215,423	457,561
Contributions and Donations	41,125	0	138,400	179,525
Charges for Services	0	0	712,874	712,874
Rentals	67,166	0	75,140	142,306
Miscellaneous	224,477	0	14,393	238,870
<i>Total Revenues</i>	<u>52,177,135</u>	<u>2,025,213</u>	<u>4,942,412</u>	<u>59,144,760</u>
Expenditures				
Current:				
Instruction:				
Regular	26,103,832	0	389,653	26,493,485
Special	3,130,792	0	1,302,810	4,433,602
Vocational	35,997	0	0	35,997
Student Intervention Services	22,858	0	0	22,858
Support Services:				
Pupil	3,103,509	0	4,225	3,107,734
Instructional Staff	2,506,603	0	16,361	2,522,964
Board of Education	40,226	0	0	40,226
Administration	3,010,543	0	90,380	3,100,923
Fiscal	1,153,361	28,455	12,400	1,194,216
Business	330,600	0	0	330,600
Operation and Maintenance of Plant	3,614,670	0	56,762	3,671,432
Pupil Transportation	3,190,038	0	367,318	3,557,356
Central	216,843	0	0	216,843
Operation of Non-Instructional Services	77,354	0	936,366	1,013,720
Operation of Food Services	0	0	1,146,550	1,146,550
Extracurricular Activities	957,592	0	325,695	1,283,287
Capital Outlay	0	0	542,590	542,590
Debt Service:				
Principal Retirement	0	1,670,000	60,000	1,730,000
Interest and Fiscal Charges	0	183,035	136,118	319,153
Issuance Costs	0	53,375	0	53,375
<i>Total Expenditures</i>	<u>47,494,818</u>	<u>1,934,865</u>	<u>5,387,228</u>	<u>54,816,911</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,682,317</u>	<u>90,348</u>	<u>(444,816)</u>	<u>4,327,849</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	175,000	175,000
Refunding Bonds Issued	0	8,375,000	0	8,375,000
Premium on Refunding Bonds Issued	0	258,482	0	258,482
Transfers In	0	0	116,480	116,480
Payment to Refunded Bond Escrow Agent	0	(8,578,575)	0	(8,578,575)
Transfers Out	(116,480)	0	0	(116,480)
<i>Total Other Financing Sources (Uses)</i>	<u>(116,480)</u>	<u>54,907</u>	<u>291,480</u>	<u>229,907</u>
<i>Net Change in Fund Balances</i>	4,565,837	145,255	(153,336)	4,557,756
<i>Fund Balances Beginning of Year</i>	12,786,376	3,775,408	1,760,841	18,322,625
<i>Fund Balances End of Year</i>	<u>\$17,352,213</u>	<u>\$3,920,663</u>	<u>\$1,607,505</u>	<u>\$22,880,381</u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2015*

Net Change in Fund Balances - Total Governmental Funds \$4,557,756

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

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

Capital Outlay	365,200	
Depreciation	(1,474,611)	
Total	(1,109,411)	(1,109,411)

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

Delinquent Property Taxes	(382,736)	
Intergovernmental	(80,409)	
Total	(463,145)	(463,145)

Repayment of bond and certificates of participation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 10,308,575

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

Accrued Interest on Bonds	15,462	
Amortization of Discount on Certificates of Participation	(1,492)	
Amortization of Premium on Bonds	167,391	
Amortization of Deferred Charge on Refunding	(146,865)	
Total	34,496	34,496

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

Compensated Absences	29,634	
Vacation Benefits Payable	156	
Total	29,790	29,790

The internal service fund used by management to charge the costs of insurance to individual funds are not reported in the district-wide statements of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities. 3,793

Other financing sources in the governmental funds increase long-term liabilities in the statement of net position.

Refunding Bonds Issued	(8,375,000)	
Premium on Refunding Bonds Issued	(258,482)	
Total	(8,633,482)	(8,633,482)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 4,216,427

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities. (2,871,487)

Change in Net Position of Governmental Activities \$6,073,312

See accompanying notes to the basic financial statements

North Royalton City School District
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$35,593,581	\$35,777,270	\$35,777,270	\$0
Intergovernmental	11,302,370	11,535,844	11,535,844	0
Interest	28,541	74,600	74,871	271
Tuition and Fees	583,118	691,867	693,767	1,900
Extracurricular Activities	161,232	156,033	156,033	0
Contributions and Donations	2,620	2,700	2,700	0
Rentals	39,663	50,058	50,058	0
Miscellaneous	55,561	49,847	49,847	0
<i>Total Revenues</i>	47,766,686	48,338,219	48,340,390	2,171
Expenditures				
Current:				
Instruction:				
Regular	25,734,875	25,814,336	25,811,360	2,976
Special	3,891,705	3,285,339	3,285,339	0
Vocational	39,323	37,928	37,928	0
Support Services:				
Pupil	3,024,527	3,156,653	3,156,653	0
Instructional Staff	2,349,836	2,600,654	2,600,654	0
Board of Education	38,137	40,661	40,661	0
Administration	3,035,453	3,078,170	3,078,169	1
Fiscal	1,218,919	1,177,738	1,177,738	0
Business	348,292	347,980	347,980	0
Operation and Maintenance of Plant	3,654,928	3,729,923	3,729,923	0
Pupil Transportation	3,456,938	3,307,506	3,307,506	0
Central	245,808	232,162	232,162	0
Operation of Non-Instructional Services	66,700	85,569	85,569	0
Extracurricular Activities	862,719	949,212	949,212	0
<i>Total Expenditures</i>	47,968,160	47,843,831	47,840,854	2,977
<i>Excess of Revenues Over (Under) Expenditures</i>	(201,474)	494,388	499,536	5,148
Other Financing Sources (Uses)				
Advances In	88,361	88,361	88,361	0
Advances Out	0	(52,645)	(52,645)	0
Transfers Out	(116,480)	(116,480)	(116,480)	0
<i>Total Other Financing Sources (Uses)</i>	(28,119)	(80,764)	(80,764)	0
<i>Net Change in Fund Balance</i>	(229,593)	413,624	418,772	5,148
<i>Fund Balance Beginning of Year</i>	10,735,696	10,735,696	10,735,696	0
Prior Year Encumbrances Appropriated	332,968	332,968	332,968	0
<i>Fund Balance End of Year</i>	\$10,839,071	\$11,482,288	\$11,487,436	\$5,148

See accompanying notes to the basic financial statements

North Royalton City School District

Statement of Fund Net Position

Internal Service Fund

June 30, 2015

	<u>Self Insurance</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$200,648</u>
Liabilities	
Accounts Payable	3,895
Claims Payable	<u>21,625</u>
<i>Total Liabilities</i>	<u>25,520</u>
Net Position	
Unrestricted	<u><u>\$175,128</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District
*Statement of Revenues,
 Expenses and Changes in Fund Net Position
 Internal Service Fund
 For the Fiscal Year Ended June 30, 2015*

	<u>Self Insurance</u>
Operating Revenues	
Charges for Services	\$135,483
Operating Expenses	
Purchased Services	26,198
Claims	105,492
<i>Total Operating Expenses</i>	131,690
<i>Change in Net Position</i>	3,793
<i>Net Position Beginning of Year</i>	171,335
<i>Net Position End of Year</i>	\$175,128

See accompanying notes to the basic financial statements

North Royalton City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2015

	<u>Self Insurance</u>
<i>Increase (Decrease) in Cash and Cash Equivalents</i>	
Cash Flows from Operating Activities	
Cash Received from Interfund Services Provided	\$135,483
Cash Payments for Purchased Services	(24,379)
Cash Payments for Claims	<u>(105,759)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	5,345
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>195,303</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$200,648</u></u>
 Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$3,793
Adjustments:	
Increase in Accounts Payable	1,819
Decrease in Claims Payable	<u>(267)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$5,345</u></u>
 See accompanying notes to the basic financial statements	

North Royalton City School District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2015

Assets	
Equity in Pooled Cash and Cash Equivalents	<u><u>\$173,419</u></u>
Liabilities	
Due to Students	\$173,364
Undistributed Monies	<u>55</u>
<i>Total Liabilities</i>	<u><u>\$173,419</u></u>

See accompanying notes to the basic financial statements

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Note 1 – Description of the School District and Reporting Entity

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

The School District is located in a suburban area south of Cleveland, Ohio. It is located in Cuyahoga County and encompasses nearly all of the City of North Royalton and a smaller portion of the City of Broadview Heights. It is staffed by 248 classified employees and 310 certified personnel who provide services to 4,597 students and other community members. The School District currently operates three elementary buildings, one middle school, one high school, an administrative building, a maintenance garage and a bus garage.

Reporting Entity

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

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

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

The School District participates in three jointly governed organizations and a shared risk pool. These organizations are the North Coast Council, Cuyahoga Valley Career Center, Ohio Schools Council Association and the Suburban Health Consortium which are presented in Notes 15 and 17 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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

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

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

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

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

Measurement Focus

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

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

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Basis of Accounting

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

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 20.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 20).

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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

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

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.

Budgetary Process

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

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

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

Cash and Investments

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

During fiscal year 2015, investments were limited to federal farm credit bank bonds and STAR Ohio, the State Treasurer's Investment Pool. Investments are reported at fair value which is based on quoted market prices.

North Royalton City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on June 30, 2015.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2015 amounted to \$88,011, which includes \$27,064 assigned from other School District funds.

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

Inventory

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

Capital Assets

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

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

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

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

Interfund Balances

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Compensated Absences

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

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for athletic, food service and school programs.

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Fund Balances

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance includes the remaining amount that is not restricted or committed. These assigned balances are established by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated. The School District Board of Education assigned fund balance to cover a gap between fiscal year 2016’s estimated revenue and appropriated budget. The Board also assigned fund balances for adult education and public school support.

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

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

Operating Revenues and Expenses

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Bond Premiums and Discounts

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

Deferred Charge on Refunding

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

Internal Activity

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

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

Estimates

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

Note 3 – Change in Accounting Principle and Restatement of Net Position

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Net Position June 30, 2014	\$26,829,999
Adjustments:	
Net Pension Liability	(80,148,569)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>4,008,444</u>
Restated Net Position June 30, 2014	<u><u>(\$49,310,126)</u></u>

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The statement of revenues, expenditures and changes in fund balance – budget (non-GAAP basis) and actual for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Advances In and Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
3. Investments are reported at cost (budget) rather than fair value (GAAP).
4. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
5. Encumbrances are treated as expenditures (budget) rather than as restricted, committed, or assigned (GAAP).
6. Budgetary revenues and expenditures of the adult education and public school support funds are classified to general fund for GAAP reporting.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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

	Net Change in Fund Balance
GAAP Basis	\$4,565,837
Net Adjustment for Revenue Accruals	(4,117,486)
Advances In	88,361
Beginning Fair Value Adjustment for Investments	11,777
Ending Fair Value Adjustment for Investments	(25,445)
Net Adjustment for Expenditure Accruals	220,418
Advances Out	(52,645)
Encumbrances	(278,983)
Perspective Difference:	
Adult Education	(1,148)
Public School Support	8,086
Budget Basis	<u>\$418,772</u>

Note 5 – Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to payment of principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

North Royalton City School District

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For the Fiscal Year Ended June 30, 2015*

3. Written repurchase agreements in securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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

Deposits

Custodial Credit Risk Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year-end, \$246,839 of the School District's bank balance of \$12,868,121 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

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

Investments

As of June 30, 2015, the School District had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-2	2-3
Federal Farm Credit Bank Bonds	\$1,989,545	\$0	\$995,027	\$994,518
STAR Ohio	3,012,375	3,012,375	0	0
Total Investments	\$5,001,920	\$3,012,375	\$995,027	\$994,518

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer. The following is the School District’s allocation as of June 30, 2015:

Investment	Investments
Federal Farm Credit Bank Bonds	39.78 %

Note 6 – Fund Deficits

At fiscal year-end, the School District had a fund deficit in the miscellaneous federal grants fund of \$4,042. This deficit resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in this fund and provides transfers when cash is required, rather than when accruals occur.

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real and public utility located in the School District. Real property tax revenue received in calendar year 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2015 represent the collections of calendar year 2014 taxes. Public utility real taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014 and are collected in calendar year 2015 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2015, are available to finance fiscal year 2015 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Accrued property taxes receivable represents the real property and public utility property taxes which were measurable as of June 30, 2015, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2015 was \$10,352,004 in the general fund, \$476,854 in the bond retirement debt service fund, and \$264,918 in the permanent improvement capital projects fund. The amount available as an advance at June 30, 2014 was \$6,755,528 in the general fund, \$311,209 in the bond retirement debt service fund, and \$172,894 in the permanent improvement capital projects fund. The difference was in the timing and collection by the County Fiscal Officer.

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

The assessed values upon which the fiscal year 2015 taxes were collected are:

	2014 Second Half Collections		2015 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,014,049,520	97.93 %	\$1,020,913,640	97.85 %
Public Utility Personal	21,388,440	2.07	22,479,140	2.15
Total	<u>\$1,035,437,960</u>	<u>100.00 %</u>	<u>\$1,043,392,780</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$65.70		\$65.70	

Note 8 – Receivables

Receivables at June 30, 2015, consisted of taxes, tuition, interest, student fees and rentals. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

At June 30, 2015 the School District had the following intergovernmental receivables:

	<u>Amount</u>
<i>Governmental Activities:</i>	
Title VI-B Grant	\$96,065
Title II-A Grant	21,211
Immigrant Education Grants	16,057
Local Grants	11,286
Miscellaneous	4,438
Miscellaneous Federal Grants	<u>600</u>
Total Intergovernmental Receivable	<u><u>\$149,657</u></u>

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Note 9 – Fund Balances

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

Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable:</i>				
Inventory	\$77,054	\$0	\$2,547	\$79,601
<i>Restricted for:</i>				
Debt Service Payments	0	3,920,663	0	3,920,663
Food Service Operations	0	0	293,900	293,900
Local Grants	0	0	42,340	42,340
Athletics	0	0	86,240	86,240
Auxiliary Services	0	0	2,525	2,525
Network Connectivity	0	0	665	665
Title VI-B	0	0	13,802	13,802
Immigrant Education	0	0	46	46
Title I	0	0	8,554	8,554
Class Size Reduction	0	0	651	651
Capital Improvements	0	0	1,159,077	1,159,077
<i>Total Restricted</i>	<u>0</u>	<u>3,920,663</u>	<u>1,607,800</u>	<u>5,528,463</u>
<i>Committed to:</i>				
College Scholarships	0	0	1,200	1,200
<i>Assigned to:</i>				
Purchases on Order:				
Instruction	62,730	0	0	62,730
Support Services	112,786	0	0	112,786
Operation of Non-Instructional Services	4,275	0	0	4,275
Adult Education	5,784	0	0	5,784
Public School Support	126,203	0	0	126,203
<i>Total Assigned</i>	<u>311,778</u>	<u>0</u>	<u>0</u>	<u>311,778</u>
<i>Unassigned (Deficit)</i>	<u>16,963,381</u>	<u>0</u>	<u>(4,042)</u>	<u>16,959,339</u>
Total Fund Balances	<u><u>\$17,352,213</u></u>	<u><u>\$3,920,663</u></u>	<u><u>\$1,607,505</u></u>	<u><u>\$22,880,381</u></u>

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Note 10 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance 06/30/14	Additions	Deductions	Balance 06/30/15
<i>Capital Assets not being Depreciated:</i>				
Land	\$560,140	\$0	\$0	\$560,140
<i>Capital Assets being Depreciated:</i>				
Land Improvements	1,125,406	0	0	1,125,406
Buildings and Improvements	45,837,153	0	0	45,837,153
Furniture and Equipment	3,441,808	0	(13,298)	3,428,510
Vehicles	4,759,929	365,200	0	5,125,129
<i>Total Capital Assets being Depreciated</i>	<u>55,164,296</u>	<u>365,200</u>	<u>(13,298)</u>	<u>55,516,198</u>
Less Accumulated Depreciation:				
Land Improvements	(1,025,149)	(20,489)	0	(1,045,638)
Buildings and Improvements	(24,669,905)	(1,083,022)	0	(25,752,927)
Furniture and Equipment	(3,116,687)	(83,855)	13,298	(3,187,244)
Vehicles	(3,462,079)	(287,245)	0	(3,749,324)
<i>Total Accumulated Depreciation</i>	<u>(32,273,820)</u>	<u>(1,474,611) *</u>	<u>13,298</u>	<u>(33,735,133)</u>
<i>Total Assets being Depreciated, Net</i>	<u>22,890,476</u>	<u>(1,109,411)</u>	<u>0</u>	<u>21,781,065</u>
<i>Governmental Activities</i>				
<i>Capital Assets, Net</i>	<u>\$23,450,616</u>	<u>(\$1,109,411)</u>	<u>\$0</u>	<u>\$22,341,205</u>

* Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$1,118,447
Special	1,833
Support Services:	
Administration	27,652
Operation and Maintenance of Plant	37,539
Pupil Transportation	276,739
Operation of Food Service	3,519
Extracurricular Activities	8,882
Total Depreciation Expense	<u>\$1,474,611</u>

North Royalton City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 11 – Other Employee Benefits

Compensated Absences

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

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

Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees from American United Life Insurance Company through the Ohio School Council.

Note 12 – Interfund Transactions

Interfund Transfers

The general fund made a \$45,000 transfer to the athletics and music special revenue fund to help provide funding for fiscal year 2015. The general fund also made a \$71,480 transfer to the building capital projects fund to pay off the manuscript note's principal and interest.

Interfund Balance

Interfund balances at June 30, 2015, consisted of the following:

	Interfund Balances	
	June 30, 2015	
	Receivables	Payables
<i>Governmental Activities:</i>		
General	\$52,645	\$0
<i>Special Revenue:</i>		
Local Grants	0	17,408
Immigrant Education	0	1,213
Class Size Reduction Grant	0	8,863
Miscellaneous Federal Grants	0	25,161
<i>Total Special Revenue</i>	0	52,645
<i>Total Governmental Activities</i>	\$52,645	\$52,645

North Royalton City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Note 13 – Long-Term Obligations

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

Debt Issue	Interest Rate	Original Issue	Year of Maturity
2011 Certificates of Participation			
Current Interest Serial Bonds	2.00% to 3.125%	\$525,000	2012 to 2019
Current Interest Term Bonds	4.00% to 5.250%	2,545,000	2020 to 2041
2005 School Improvement Bonds:			
Current Interest Serial Bonds	3.00% to 5.00%	14,145,000	2006 to 2020
2015 School Improvement Refunding Bonds:			
Current Interest Serial Bonds	2.875%	8,375,000	2015 to 2019

Changes in long-term obligations of the School District during fiscal year 2015 were as follows:

	Principal Outstanding 6/30/14	Additions	Deductions	Principal Outstanding 6/30/15	Amounts Due in One Year
2011 Certificates of Participation:					
Current Interest Serial Bonds	\$405,000	\$0	\$60,000	\$345,000	\$65,000
Current Interest Term Bonds	2,545,000	0	0	2,545,000	0
Discount on Bonds	(40,289)	0	(1,492)	(38,797)	0
Total 2011 Certificates of Participation	2,909,711	0	58,508	2,851,203	65,000
2005 School Improvement General Obligation Bonds:					
Current Interest Serial Bonds	9,870,000	0	9,870,000	0	0
Unamortized Premium	685,354	0	685,354	0	0
Total 2005 School Improvement General Obligation Bonds	10,555,354	0	10,555,354	0	0
2015 School Improvement Refunding General Obligation Bonds:					
Current Interest Serial Bonds	0	8,375,000	195,000	8,180,000	1,960,000
Unamortized Premium	0	258,482	12,216	246,266	0
Total 2015 School Improvement Refunding General Obligation Bonds	0	8,633,482	207,216	8,426,266	1,960,000
Compensated Absences	3,459,518	283,938	313,572	3,429,884	340,765
Net Pension Liability:					
STRS	64,942,316	0	10,423,618	54,518,698	0
SERS	15,206,253	0	2,264,915	12,941,338	0
Total Net Pension Liability	80,148,569	0	12,688,533	67,460,036	0
<i>Total Governmental Activities Long-Term Liabilities</i>	<u><u>\$97,073,152</u></u>	<u><u>\$8,917,420</u></u>	<u><u>\$23,823,183</u></u>	<u><u>\$82,167,389</u></u>	<u><u>\$2,365,765</u></u>

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets were leased to the Ohio School Building Leasing Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases consisting of a series of one-year terms, each ending on June 30, except for the final lease term. The School District’s obligation to pay the lease payments are subject to and dependent upon annual renewal of the lease by the School District, subject to annual appropriations. In the event of no appropriation, the lease would terminate at the end of the current lease term. The payments include an interest component of 2 to 5.25 percent.

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

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

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

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

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

In 2005, the School District defeased a 1994 school improvement bond issue, in order to take advantage of lower interest rates. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District’s financial statements. On June 30, 2015, \$8,260,000 of the defeased bonds are still outstanding.

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*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

On September 23, 2014, the School District issued \$8,375,000 in general obligation serial bonds. The bonds were issued for the purpose of refunding the 2005 school improvement bonds to take advantage of lower interest rates. The bonds were issued for a five year period with final maturity at December 1, 2018. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements. On June 30, 2015, \$8,395,000 of the defeased bonds are still outstanding.

	2005 School Improvement Bonds
Serial Bonds	<u>\$8,395,000</u>
Premium on Bonds	530,179
Accounting Loss	<u>(480,215)</u>
Total 2005 Refunding Bonds Outstanding	8,444,964
Amount Paid to Refunded Bond Escrow Agent	<u>(8,578,575)</u>
2015 Refunding Accounting Loss	<u>(133,611)</u>

An analysis of the principal refunding follows:

	2005 School Improvement Bonds
Outstanding at June 30, 2014	<u>\$9,870,000</u>
Amount Refunded	(8,395,000)
Principal Payment	<u>(1,475,000)</u>
Outstanding Principal at June 30, 2015	<u>\$0</u>

The School District's overall debt margin was \$89,646,013 with an unvoted debt margin of \$1,043,393 at June 30, 2014. Principal and interest requirements to retire the general obligation bonds follow:

	Certificates of Participation				General Obligation Bonds	
	Serial		Term		Serial	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$65,000	\$134,694	\$0	\$0	\$1,960,000	\$207,000
2017	70,000	132,919	0	0	2,015,000	149,859
2018	65,000	130,981	0	0	2,075,000	91,065
2019	70,000	128,956	0	0	2,130,000	30,619
2020	75,000	126,734	315,000	477,589	0	0
2021-2025	0	0	475,000	511,805	0	0
2026-2030	0	0	605,000	380,113	0	0
2031-2035	0	0	775,000	203,462	0	0
2036-2040	0	0	375,000	20,082	0	0
Total	<u>\$345,000</u>	<u>\$654,284</u>	<u>\$2,545,000</u>	<u>\$1,593,051</u>	<u>\$8,180,000</u>	<u>\$478,543</u>

Compensated absences will be paid from the general, food service, auxiliary services, title VI-B, title I, and class size reduction grant special revenue funds. The School District pays obligations related to employee compensation from the fund benefitting from their service.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Note 14 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2015, the School District contracted with various insurance companies through the Ohio Schools Council Association insurance program. The following is a summary of the School District’s insurance coverage as of June 30, 2015:

Company	Coverage	Amount
Travelers Insurance Company	Boiler and Machinery	\$50,000,000
Indiana Insurance Company	Buildings and Contents - Replacement Costs	131,025,610
	Inland Marine Coverage	3,865,497
	Crime Insurance	250,000
	Automobile Liability	1,000,000
	Uninsured Motorists	50,000
	General Liability	
	Per occurrence	1,000,000
Total per year	2,000,000	

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

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

Employee Health Benefits

For fiscal 2015, the School District was a participant in the Suburban Health Consortium (the “Consortium”) to provide employee health, dental and prescription drug benefits. The Consortium is administered by Medical Mutual. Payments are made to the Consortium for the monthly attachment point, monthly stop-loss premiums, and administrative charges. The fiscal agent of the Consortium is the Orange City School District. The Treasurer of the Orange City School District pays monthly for the actual amount of claims processed, the stop-loss premium and the administrative charges. The entire risk of loss transfers to the Consortium upon payment of the premiums.

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

	Board Share of Premium			
	Certificated Plan		Classified Plan	
	Family	Single	Family	Single
Medical	\$1,025.17	\$482.43	\$1,011.84	\$476.16
Prescription Drug	231.18	108.80	231.18	108.80
Dental	110.85	47.50	110.85	47.50

North Royalton City School District

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Self-Insurance

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

The claims liability of \$21,625 reported in the internal service fund at June 30, 2015, is based on an estimate provided by the third party administrators and the requirements of GASB Statement No. 30 “Risk Financing Omnibus”, which requires that a liability for unpaid claims cost, including estimates of cost relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Management’s expectation is the claims liabilities will be paid within one year. Changes in the fund’s claims liability amount in 2014 and 2015 were:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2014	\$20,672	\$110,090	108,870	\$21,892
2015	21,892	105,492	105,759	21,625

Workers’ Compensation

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

Note 15 – Jointly Governed Organizations

North Coast Council

The North Coast Council (NCC) is a jointly governed computer service bureau owned and operated by thirteen public school districts. The North Coast Council was formed when the Lakeshore Northeast Ohio Computer Consortium and the Lake Erie Educational Computer Association merged during fiscal year 2012. The primary function of NCC is to provide to its members the support and leadership which enables organizations to achieve their objectives through innovative and cost effective shared technology solutions. Major areas of service provided by NCC include accounting, payroll, inventory, career guidance services, handicapped student tracking, pupil scheduling, attendance reporting and grade reporting. NCC is wholly owned by its member districts and is governed by a Board of Directors (member Superintendents). NCC’s Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant’s degree of control is limited to its representation on the Board. NCC’s current membership includes the Educational Service Center of Cuyahoga County and thirteen school districts in Cuyahoga County. Each year, the Board of Directors elects a Chairman, a Vice Chairman, and a Recording Secretary. The Treasurer of the fiscal agent is a nonvoting, ex-officio member of the Board of Directors. The Cuyahoga County Educational Service Center serves as the fiscal agent of NCC. Each school district supports NCC based upon a per pupil charge dependent upon the software packages used. In fiscal year 2015, the School District paid \$155,920 to NCC. Financial information can be obtained by contacting the Treasurer of the fiscal agent at 6393 Oak Tree Boulevard, Independence, Ohio 44131.

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Cuyahoga Valley Career Center

The Cuyahoga Valley Career Center is a joint vocational school which is a jointly governed organization among eleven school districts. Each participating school district appoints one board member to the Cuyahoga Valley Career Center's Board of Education. The Board exercises total control over the operations of the Center including budgeting, appropriating, contracting, and designating management. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of the Cuyahoga Valley Career Center is limited to representation on the board. Continued existence of the Cuyahoga Valley Career Center is not dependent on the School District's continued participation. In fiscal year 2015, the School District did not contribute to Cuyahoga Valley Career Center. Financial information can be obtained from the Cuyahoga Valley Career School District, 8001 Brecksville Road, Brecksville, Ohio 44141.

Ohio Schools Council Association

The Ohio Schools Council (Council) is a jointly governed organization among 200 members. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2015, the School District paid \$5,243 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the Council's natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager for the period from October 1, 2010 through March 31, 2016. There are currently 151 participants in the program, including the North Royalton City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Note 16 – Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2015, if applicable, cannot be determined at this time.

School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for fiscal year 2015, traditional school 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 School District, which can extend past the fiscal year-end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the School 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 School District.

Litigation

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

Note 17 – Shared Risk Pool

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

The Fiscal Agent shall be the Board of Education responsible for administering the financial transactions of the Consortium (Orange City School District). The Fiscal Agent shall carry out the responsibilities of the Consortium Fund, enter into contracts on behalf of the Consortium as authorized by the Directors and carry out such other responsibilities as approved by the Directors and agreed to by the Fiscal Agent. Each District Member enrolled in a benefit program may require contributions from its employees toward the cost of any benefit program being offered by such District Member, and such contributions shall be included in the payments from such District Member to the Fiscal Agent for such benefit program. Contributions are to be submitted by each District Member, to the Fiscal Agent, required under the terms of the Consortium

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Agreement and any benefit program in which such District Member is enrolled to the Fiscal Agent on a monthly basis, or as otherwise required in accordance with any benefit program in which such District Member is enrolled. All general administrative costs incurred by the Consortium that are not covered by the premium payments shall be shared equally by the Consortium Members as approved by the Directors, and shall be paid by each Consortium Member upon receipt of notice from the Fiscal Agent that such payment is due. It is the express intention of the Consortium Members that the Consortium Agreement and the Consortium shall continue for an indefinite term, but may be terminated as provided in the Consortium Agreement.

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

Note 18 – Set-Aside Calculations

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

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

	<u>Capital Improvements</u>
Set-aside Balance as of June 30, 2014	\$0
Current Year Set-aside Requirement	763,197
Qualifying Disbursements	<u>(982,770)</u>
Totals	<u>(\$219,573)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>
Set-aside Balance as of June 30, 2015	<u>\$0</u>

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

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

Note 19 – Significant Commitments

Contractual Commitments

At June 30, 2015, the School District had contractual commitments with Industrial Energy Systems for various building maintenances in the amount of \$417,084, with \$234,000 payable at fiscal year-end. All outstanding amounts on the contract were encumbered at fiscal year-end.

Encumbrances

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

<i>Governmental:</i>	
General	\$278,983
Other Governmental Funds	<u>909,889</u>
Total Governmental	<u><u>\$1,188,872</u></u>

Note 20 – Defined Benefit Pension Plans

Net Pension Liability

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

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

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

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

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

Plan Description – State Teachers Retirement System (STRS)

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

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

North Royalton City School District

Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2015

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. 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, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$3,221,485 for fiscal year 2015. Of this amount, \$461,501 is reported as an intergovernmental payable.

Plan Description – School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on 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.

North Royalton City School District

Notes to the Basic Financial Statements
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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 School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$994,942 for fiscal year 2015. Of this amount, \$14,602 is reported as an intergovernmental payable.

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, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	STRS	SERS	Total
Proportionate Share of the Net Pension Liability	\$54,518,698	\$12,941,338	\$67,460,036
Proportion of the Net Pension Liability	0.22414038%	0.25571000%	
Pension Expense	\$2,116,254	\$755,233	\$2,871,487

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	STRS	SERS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$524,861	\$110,145	\$635,006
School District contributions subsequent to the measurement date	3,221,485	994,942	4,216,427
Total Deferred Outflows of Resources	<u>\$3,746,346</u>	<u>\$1,105,087</u>	<u>\$4,851,433</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$10,086,166</u>	<u>\$2,100,416</u>	<u>\$12,186,582</u>

North Royalton City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

\$4,216,427 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	<u>STRS</u>	<u>SERS</u>	<u>Total</u>
2016	(\$2,390,326)	(\$497,290)	(\$2,887,616)
2017	(2,390,326)	(497,290)	(2,887,616)
2018	(2,390,326)	(497,290)	(2,887,616)
2019	<u>(2,390,327)</u>	<u>(498,401)</u>	<u>(2,888,728)</u>
Total	<u>(\$9,561,305)</u>	<u>(\$1,990,271)</u>	<u>(\$11,551,576)</u>

Actuarial Assumptions – STRS

The total pension liability in the June 30, 2014, 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, 2014, 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:

North Royalton City School District

*Notes to the Basic Financial Statements
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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, 2014. 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, 2014. 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, 2014.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$78,049,459	\$54,518,698	\$34,619,591

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.

North Royalton City School District

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For the Fiscal Year Ended June 30, 2015*

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, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent 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. 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	15.00	7.50
Total	<u>100.00 %</u>	

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$18,463,443	\$12,941,338	\$8,296,770

Note 21 – Postemployment Benefits

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The School District’s contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$231,636, and \$229,839, respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

North Royalton City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015*

School Employees Retirement System

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

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, prorated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statute provides 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 2015, the School District's surcharge obligation was \$156,832.

The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$61,901, \$10,317, and \$11,097, respectively. For fiscal year 2015, 98.53 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

Note 22 – Subsequent Event

At the conclusion of fiscal year 2015, the School District decided to close the Early Childhood Center in Broadview Heights and create the needed space among the elementary buildings. The educationally driven decision is projected to reduce the fiscal year 2016 budget by approximately \$628,000.

Required Supplementary Information

North Royalton City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Two Fiscal Years (1)

	2014	2013
School District's Proportion of the Net Pension Liability	0.22414038%	0.22414038%
School District's Proportionate Share of the Net Pension Liability	\$54,518,698	\$64,942,316
School District's Covered-Employee Payroll	\$22,912,050	\$23,388,662
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	237.95%	277.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) Information prior to 2013 is not available.

Amounts presented as of the School District's measurement date, which is the prior fiscal year end.

North Royalton City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Two Fiscal Years (1)

	2014	2013
School District's Proportion of the Net Pension Liability	0.25571000%	0.25571000%
School District's Proportionate Share of the Net Pension Liability	\$12,941,338	\$15,206,253
School District's Covered-Employee Payroll	\$7,430,565	\$6,935,402
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	174.16%	219.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to 2013 is not available.

Amounts presented as of the School District's measurement date, which is the prior fiscal year end.

North Royalton City School District
Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$3,221,485	\$2,978,567	\$3,040,526	\$3,103,574
Contributions in Relation to the Contractually Required Contribution	<u>(3,221,485)</u>	<u>(2,978,567)</u>	<u>(3,040,526)</u>	<u>(3,103,574)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$23,010,607	\$22,912,050	\$23,388,662	\$23,873,646
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.00%	13.00%	13.00%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$3,119,283	\$2,940,515	\$2,848,547	\$2,754,534	\$2,629,611	\$2,448,582
<u>(3,119,283)</u>	<u>(2,940,515)</u>	<u>(2,848,547)</u>	<u>(2,754,534)</u>	<u>(2,629,611)</u>	<u>(2,448,582)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$23,994,485	\$22,619,346	\$21,911,900	\$21,188,723	\$20,227,777	\$18,835,246
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

North Royalton City School District
Required Supplementary Information
Schedule of School District Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$994,942	\$1,029,877	\$959,860	\$871,728
Contributions in Relation to the Contractually Required Contribution	<u>(994,942)</u>	<u>(1,029,877)</u>	<u>(959,860)</u>	<u>(871,728)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered-Employee Payroll	\$7,548,877	\$7,430,565	\$6,935,402	\$6,481,252
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.86%	13.84%	13.45%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$853,881	\$877,776	\$631,706	\$640,401	\$658,698	\$624,228
<u>(853,881)</u>	<u>(877,776)</u>	<u>(631,706)</u>	<u>(640,401)</u>	<u>(658,698)</u>	<u>(624,228)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,793,006	\$6,482,835	\$6,419,780	\$6,521,397	\$6,167,584	\$5,900,076
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

**Combining and Individual
Fund Statements and Schedules**

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

Miscellaneous State Grants Fund – This fund accounts for and reports restricted monies received through State agencies from the State government or directly from the State government which are not classified elsewhere.

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

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

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

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

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

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Special Revenue Funds (continued)

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

Miscellaneous Federal Grants Fund – This fund accounts for and reports restricted monies received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

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

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

Nonmajor Capital Projects Funds

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

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

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

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North Royalton City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$651,523	\$1,213,942	\$1,865,465
Property Taxes Receivable	0	946,246	946,246
Accounts Receivable	5,510	948	6,458
Intergovernmental Receivable	145,219	0	145,219
Inventory Held for Resale	16,672	0	16,672
Materials and Supplies Inventory	2,547	0	2,547
<i>Total Assets</i>	<u>\$821,471</u>	<u>\$2,161,136</u>	<u>\$2,982,607</u>
Liabilities			
Accounts Payable	\$100,651	\$86,731	\$187,382
Contracts Payable	0	234,000	234,000
Accrued Wages and Benefits	164,589	0	164,589
Interfund Payable	52,645	0	52,645
Intergovernmental Payable	34,164	0	34,164
Matured Compensated Absences Payable	2,954	0	2,954
<i>Total Liabilities</i>	<u>355,003</u>	<u>320,731</u>	<u>675,734</u>
Deferred Inflows of Resources			
Property Taxes	0	651,187	651,187
Unavailable Revenue	18,040	30,141	48,181
<i>Total Deferred Inflows of Resources</i>	<u>18,040</u>	<u>681,328</u>	<u>699,368</u>
Fund Balances			
Nonspendable	2,547	0	2,547
Restricted	448,723	1,159,077	1,607,800
Committed	1,200	0	1,200
Unassigned (Deficit)	(4,042)	0	(4,042)
<i>Total Fund Balances</i>	<u>448,428</u>	<u>1,159,077</u>	<u>1,607,505</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$821,471</u>	<u>\$2,161,136</u>	<u>\$2,982,607</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$0	\$1,001,625	\$1,001,625
Intergovernmental	2,651,459	132,024	2,783,483
Interest	1,074	0	1,074
Extracurricular Activities	215,423	0	215,423
Contributions and Donations	66,110	72,290	138,400
Charges for Services	712,874	0	712,874
Rentals	4,340	70,800	75,140
Miscellaneous	1,577	12,816	14,393
<i>Total Revenues</i>	<u>3,652,857</u>	<u>1,289,555</u>	<u>4,942,412</u>
Expenditures			
Current:			
Instruction:			
Regular	69,706	319,947	389,653
Special	1,302,810	0	1,302,810
Support Services:			
Pupil	4,225	0	4,225
Instructional Staff	16,361	0	16,361
Administration	29,169	61,211	90,380
Fiscal	0	12,400	12,400
Operation and Maintenance of Plant	44,546	12,216	56,762
Pupil Transportation	0	367,318	367,318
Operation of Non-Instructional Services	936,366	0	936,366
Operation of Food Services	1,146,550	0	1,146,550
Extracurricular Activities	325,695	0	325,695
Capital Outlay	46,272	496,318	542,590
Debt Service:			
Principal Retirement	0	60,000	60,000
Interest and Fiscal Charges	0	136,118	136,118
<i>Total Expenditures</i>	<u>3,921,700</u>	<u>1,465,528</u>	<u>5,387,228</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(268,843)</u>	<u>(175,973)</u>	<u>(444,816)</u>
Other Financing Sources			
Sale of Capital Assets	0	175,000	175,000
Transfers In	45,000	71,480	116,480
<i>Total Other Financing Sources</i>	<u>45,000</u>	<u>246,480</u>	<u>291,480</u>
<i>Net Change in Fund Balances</i>	(223,843)	70,507	(153,336)
<i>Fund Balances Beginning of Year</i>	<u>672,271</u>	<u>1,088,570</u>	<u>1,760,841</u>
<i>Fund Balances End of Year</i>	<u>\$448,428</u>	<u>\$1,159,077</u>	<u>\$1,607,505</u>

North Royalton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Food Service	Scholarship	Local Grants	Athletics and Music
Assets				
Equity in Pooled Cash and Cash Equivalents	\$339,323	\$1,200	\$57,224	\$83,890
Accounts Receivable	475	0	2,685	2,350
Intergovernmental Receivable	0	0	11,286	0
Inventory Held for Resale	16,672	0	0	0
Materials and Supplies Inventory	2,547	0	0	0
<i>Total Assets</i>	<u>\$359,017</u>	<u>\$1,200</u>	<u>\$71,195</u>	<u>\$86,240</u>
Liabilities				
Accounts Payable	\$0	\$0	\$9,822	\$0
Accrued Wages and Benefits	35,365	0	0	0
Interfund Payable	0	0	17,408	0
Intergovernmental Payable	27,205	0	1,625	0
Matured Compensated Absences Payable	0	0	0	0
<i>Total Liabilities</i>	<u>62,570</u>	<u>0</u>	<u>28,855</u>	<u>0</u>
Deferred Inflows of Resources				
Unavailable Revenue	0	0	0	0
Fund Balances				
Nonspendable	2,547	0	0	0
Restricted	293,900	0	42,340	86,240
Committed	0	1,200	0	0
Unassigned (Deficit)	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>296,447</u>	<u>1,200</u>	<u>42,340</u>	<u>86,240</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$359,017</u>	<u>\$1,200</u>	<u>\$71,195</u>	<u>\$86,240</u>

Auxiliary Services	Network Connectivity	Title VI-B	Immigrant Education	Title I
\$87,045	\$665	\$35,562	\$6,533	\$13,573
0	0	0	0	0
0	0	96,065	16,057	0
0	0	0	0	0
0	0	0	0	0
<u>\$87,045</u>	<u>\$665</u>	<u>\$131,627</u>	<u>\$22,590</u>	<u>\$13,573</u>
\$81,436	\$0	\$0	\$6,538	\$0
0	0	116,181	0	4,381
0	0	0	1,213	0
130	0	1,644	13	638
2,954	0	0	0	0
<u>84,520</u>	<u>0</u>	<u>117,825</u>	<u>7,764</u>	<u>5,019</u>
0	0	0	14,780	0
0	0	0	0	0
2,525	665	13,802	46	8,554
0	0	0	0	0
0	0	0	0	0
<u>2,525</u>	<u>665</u>	<u>13,802</u>	<u>46</u>	<u>8,554</u>
<u>\$87,045</u>	<u>\$665</u>	<u>\$131,627</u>	<u>\$22,590</u>	<u>\$13,573</u>

(continued)

North Royalton City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds (continued)
June 30, 2015

	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,946	\$24,562	\$651,523
Accounts Receivable	0	0	5,510
Intergovernmental Receivable	21,211	600	145,219
Inventory Held for Resale	0	0	16,672
Materials and Supplies Inventory	0	0	2,547
<i>Total Assets</i>	<u>\$23,157</u>	<u>\$25,162</u>	<u>\$821,471</u>
Liabilities			
Accounts Payable	\$1,582	\$1,273	\$100,651
Accrued Wages and Benefits	8,662	0	164,589
Interfund Payable	8,863	25,161	52,645
Intergovernmental Payable	139	2,770	34,164
Matured Compensated Absences Payable	0	0	2,954
<i>Total Liabilities</i>	<u>19,246</u>	<u>29,204</u>	<u>355,003</u>
Deferred Inflows of Resources			
Unavailable Revenue	3,260	0	18,040
Fund Balances			
Nonspendable	0	0	2,547
Restricted	651	0	448,723
Committed	0	0	1,200
Unassigned (Deficit)	0	(4,042)	(4,042)
<i>Total Fund Balances (Deficit)</i>	<u>651</u>	<u>(4,042)</u>	<u>448,428</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$23,157</u>	<u>\$25,162</u>	<u>\$821,471</u>

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2015

	Food Service	Scholarship	Local Grants	Athletics and Music
Revenues				
Intergovernmental	\$419,762	\$0	\$28,084	\$0
Interest	770	0	0	0
Extracurricular Activities	0	0	0	215,423
Contributions and Donations	0	0	28,490	37,620
Charges for Services	712,874	0	0	0
Rentals	0	0	0	4,340
Miscellaneous	1,577	0	0	0
<i>Total Revenues</i>	<u>1,134,983</u>	<u>0</u>	<u>56,574</u>	<u>257,383</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	236	0
Special	0	0	0	0
Support Services:				
Pupil	0	0	4,225	0
Instructional Staff	0	0	0	0
Administration	0	0	24,852	0
Operation and Maintenance of Plant	6,525	0	26,021	0
Operation of Non-Instructional Services	0	0	0	0
Operation of Food Services	1,146,550	0	0	0
Extracurricular Activities	0	0	0	325,695
Capital Outlay	0	0	16,373	0
<i>Total Expenditures</i>	<u>1,153,075</u>	<u>0</u>	<u>71,707</u>	<u>325,695</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(18,092)	0	(15,133)	(68,312)
Other Financing Sources				
Transfers In	0	0	0	45,000
<i>Net Change in Fund Balances</i>	(18,092)	0	(15,133)	(23,312)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>314,539</u>	<u>1,200</u>	<u>57,473</u>	<u>109,552</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$296,447</u>	<u>\$1,200</u>	<u>\$42,340</u>	<u>\$86,240</u>

(continued)

North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2015

	Auxiliary Services	Network Connectivity	Miscellaneous State Grants	Race to the Top
Revenues				
Intergovernmental	\$769,993	\$10,800	\$41,899	\$896
Interest	304	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Charges for Services	0	0	0	0
Rentals	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>770,297</u>	<u>10,800</u>	<u>41,899</u>	<u>896</u>
Expenditures				
Current:				
Instruction:				
Regular	0	10,135	0	896
Special	0	0	0	0
Support Services:				
Pupil	0	0	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	12,000	0
Operation of Non-Instructional Services	782,442	0	0	0
Operation of Food Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	29,899	0
<i>Total Expenditures</i>	<u>782,442</u>	<u>10,135</u>	<u>41,899</u>	<u>896</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(12,145)	665	0	0
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	(12,145)	665	0	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>14,670</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,525</u>	<u>\$665</u>	<u>\$0</u>	<u>\$0</u>

Title VI-B	Immigrant Education	Title I	Preschool Grant	Class Size Reduction Grant	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$778,852	\$41,924	\$361,593	\$18,057	\$46,107	\$133,492	\$2,651,459
0	0	0	0	0	0	1,074
0	0	0	0	0	0	215,423
0	0	0	0	0	0	66,110
0	0	0	0	0	0	712,874
0	0	0	0	0	0	4,340
0	0	0	0	0	0	1,577
<u>778,852</u>	<u>41,924</u>	<u>361,593</u>	<u>18,057</u>	<u>46,107</u>	<u>133,492</u>	<u>3,652,857</u>
0	2,598	61	0	55,780	0	69,706
859,446	41,470	384,141	17,753	0	0	1,302,810
0	0	0	0	0	0	4,225
0	1,342	689	0	14,330	0	16,361
4,317	0	0	0	0	0	29,169
0	0	0	0	0	0	44,546
10,340	0	13,572	0	564	129,448	936,366
0	0	0	0	0	0	1,146,550
0	0	0	0	0	0	325,695
0	0	0	0	0	0	46,272
<u>874,103</u>	<u>45,410</u>	<u>398,463</u>	<u>17,753</u>	<u>70,674</u>	<u>129,448</u>	<u>3,921,700</u>
(95,251)	(3,486)	(36,870)	304	(24,567)	4,044	(268,843)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,000</u>
(95,251)	(3,486)	(36,870)	304	(24,567)	4,044	(223,843)
<u>109,053</u>	<u>3,532</u>	<u>45,424</u>	<u>(304)</u>	<u>25,218</u>	<u>(8,086)</u>	<u>672,271</u>
<u>\$13,802</u>	<u>\$46</u>	<u>\$8,554</u>	<u>\$0</u>	<u>\$651</u>	<u>(\$4,042)</u>	<u>\$448,428</u>

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North Royalton City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2015

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues			
Property Taxes	\$1,001,625	\$0	\$1,001,625
Intergovernmental	132,024	0	132,024
Contributions and Donations	72,290	0	72,290
Rentals	70,800	0	70,800
Miscellaneous	12,816	0	12,816
<i>Total Revenues</i>	<u>1,289,555</u>	<u>0</u>	<u>1,289,555</u>
Expenditures			
Current:			
Instruction:			
Regular	316,848	3,099	319,947
Support Services:			
Administration	61,211	0	61,211
Fiscal	12,400	0	12,400
Operation and Maintenance of Plant	12,216	0	12,216
Pupil Transportation	367,318	0	367,318
Capital Outlay	496,318	0	496,318
Debt Service:			
Principal Retirement	60,000	0	60,000
Interest and Fiscal Charges	136,106	12	136,118
<i>Total Expenditures</i>	<u>1,462,417</u>	<u>3,111</u>	<u>1,465,528</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(172,862)</u>	<u>(3,111)</u>	<u>(175,973)</u>
Other Financing Sources			
Sale of Capital Assets	175,000	0	175,000
Transfers In	0	71,480	71,480
<i>Total Other Financing Sources</i>	<u>175,000</u>	<u>71,480</u>	<u>246,480</u>
<i>Net Change in Fund Balances</i>	2,138	68,369	70,507
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>1,156,939</u>	<u>(68,369)</u>	<u>1,088,570</u>
<i>Fund Balances End of Year</i>	<u>\$1,159,077</u>	<u>\$0</u>	<u>\$1,159,077</u>

Combining Statements – Fiduciary Funds

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

Agency Funds

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

District Agency Fund This fund reflects resources that are held by a school district as an agent for individuals, private organizations, and other governmental units.

North Royalton City School District
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015

	Beginning Balance 6/30/14	Additions	Deductions	Ending Balance 6/30/15
<i>Student Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$232,634	\$293,690	\$352,960	\$173,364
Liabilities				
Due to Students	\$232,634	\$293,690	\$352,960	\$173,364
<i>District Agency</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,281	\$27,793	\$29,019	\$55
Liabilities				
Undistributed Monies	\$1,281	\$27,793	\$29,019	\$55
<i>Total Agency Funds</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$233,915	\$321,483	\$381,979	\$173,419
Liabilities				
Due to Students	\$232,634	\$293,690	\$352,960	\$173,364
Undistributed Monies	1,281	27,793	29,019	55
Total Liabilities	\$233,915	\$321,483	\$381,979	\$173,419

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

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$35,593,581	\$35,777,270	\$35,777,270	\$0
Intergovernmental	11,302,370	11,535,844	11,535,844	0
Interest	28,541	74,600	74,871	271
Tuition and Fees	583,118	691,867	693,767	1,900
Extracurricular Activities	161,232	156,033	156,033	0
Contributions and Donations	2,620	2,700	2,700	0
Rentals	39,663	50,058	50,058	0
Miscellaneous	55,561	49,847	49,847	0
<i>Total Revenues</i>	<u>47,766,686</u>	<u>48,338,219</u>	<u>48,340,390</u>	<u>2,171</u>
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	16,972,892	17,160,873	17,160,873	0
Fringe Benefits	5,867,215	5,852,911	5,852,911	0
Purchased Services	2,102,032	2,250,545	2,250,545	0
Materials and Supplies	766,380	503,972	503,972	0
Capital Outlay	18,900	38,807	38,807	0
Other	7,456	7,228	4,252	2,976
Total Regular	<u>25,734,875</u>	<u>25,814,336</u>	<u>25,811,360</u>	<u>2,976</u>
Special:				
Salaries and Wages	2,773,900	2,008,243	2,008,243	0
Fringe Benefits	847,305	877,419	877,419	0
Purchased Services	207,300	377,850	377,850	0
Materials and Supplies	6,000	11,700	11,700	0
Capital Outlay	57,200	10,127	10,127	0
Total Special	<u>3,891,705</u>	<u>3,285,339</u>	<u>3,285,339</u>	<u>0</u>
Vocational:				
Fringe Benefits	37,123	35,557	35,557	0
Capital Outlay	2,200	2,371	2,371	0
Total Vocational	<u>39,323</u>	<u>37,928</u>	<u>37,928</u>	<u>0</u>
Total Instruction	<u>\$29,665,903</u>	<u>\$29,137,603</u>	<u>\$29,134,627</u>	<u>\$2,976</u>

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support Services:				
Pupil:				
Salaries and Wages	\$1,832,100	\$1,799,827	\$1,799,827	\$0
Fringe Benefits	623,931	632,410	632,410	0
Purchased Services	518,850	679,259	679,259	0
Materials and Supplies	47,646	43,203	43,203	0
Other	2,000	1,954	1,954	0
Total Pupil	3,024,527	3,156,653	3,156,653	0
Instructional Staff:				
Salaries and Wages	1,473,087	1,488,145	1,488,145	0
Fringe Benefits	654,157	719,838	719,838	0
Purchased Services	165,959	225,858	225,858	0
Materials and Supplies	51,233	49,948	49,948	0
Capital Outlay	3,400	116,596	116,596	0
Other	2,000	269	269	0
Total Instructional Staff	2,349,836	2,600,654	2,600,654	0
Board of Education:				
Salaries and Wages	18,300	17,300	17,300	0
Fringe Benefits	4,037	4,338	4,338	0
Purchased Services	6,600	9,894	9,894	0
Materials and Supplies	100	53	53	0
Other	9,100	9,076	9,076	0
Total Board of Education	38,137	40,661	40,661	0
Administration:				
Salaries and Wages	1,905,400	1,912,178	1,912,178	0
Fringe Benefits	904,565	938,756	938,756	0
Purchased Services	184,858	184,207	184,207	0
Materials and Supplies	11,385	9,780	9,780	0
Capital Outlay	2,800	16,914	16,913	1
Other	26,445	16,335	16,335	0
Total Administration	3,035,453	3,078,170	3,078,169	1
Fiscal:				
Salaries and Wages	405,989	364,399	364,399	0
Fringe Benefits	192,831	167,917	167,917	0
Purchased Services	23,299	33,072	33,072	0
Materials and Supplies	2,200	11,109	11,109	0
Capital Outlay	0	5,601	5,601	0
Other	594,600	595,640	595,640	0
Total Fiscal	\$1,218,919	\$1,177,738	\$1,177,738	\$0

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Business:				
Salaries and Wages	\$227,600	\$234,753	\$234,753	\$0
Fringe Benefits	111,033	106,217	106,217	0
Purchased Services	6,337	4,575	4,575	0
Materials and Supplies	900	863	863	0
Other	2,422	1,572	1,572	0
Total Business	348,292	347,980	347,980	0
Operation and Maintenance of Plant:				
Salaries and Wages	1,665,300	1,631,386	1,631,386	0
Fringe Benefits	794,079	727,041	727,041	0
Purchased Services	933,104	1,007,778	1,007,778	0
Materials and Supplies	258,645	348,890	348,890	0
Capital Outlay	500	10,089	10,089	0
Other	3,300	4,739	4,739	0
Total Operation and Maintenance of Plant	3,654,928	3,729,923	3,729,923	0
Pupil Transportation:				
Salaries and Wages	1,631,100	1,597,321	1,597,321	0
Fringe Benefits	686,060	622,235	622,235	0
Purchased Services	441,378	577,936	577,936	0
Materials and Supplies	698,400	510,014	510,014	0
Total Pupil Transportation	3,456,938	3,307,506	3,307,506	0
Central:				
Salaries and Wages	132,400	140,171	140,171	0
Fringe Benefits	67,684	43,084	43,084	0
Purchased Services	14,724	19,853	19,853	0
Other	31,000	29,054	29,054	0
Total Central	245,808	232,162	232,162	0
Total Support Services	17,372,838	17,671,447	17,671,446	1
Operation of Non-Instructional Services:				
Community Services:				
Purchased Services	\$66,700	\$85,569	\$85,569	\$0

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Extracurricular Activities:				
Academic Oriented Activities:				
Salaries and Wages	\$187,800	\$197,571	\$197,571	\$0
Fringe Benefits	79,919	106,045	106,045	0
Total Academic Oriented Activities	267,719	303,616	303,616	0
Sport Oriented Activities:				
Salaries and Wages	518,000	532,459	532,459	0
Fringe Benefits	50,200	82,326	82,326	0
Purchased Services	26,200	30,453	30,453	0
Other	600	358	358	0
Total Sport Oriented Activities	595,000	645,596	645,596	0
Total Extracurricular Activities	862,719	949,212	949,212	0
<i>Total Expenditures</i>	47,968,160	47,843,831	47,840,854	2,977
<i>Excess of Revenues Over (Under) Expenditures</i>	(201,474)	494,388	499,536	5,148
Other Financing Sources (Uses)				
Advances In	88,361	88,361	88,361	0
Advances Out	0	(52,645)	(52,645)	0
Transfers Out	(116,480)	(116,480)	(116,480)	0
<i>Total Other Financing Sources (Uses)</i>	(28,119)	(80,764)	(80,764)	0
<i>Net Change in Fund Balance</i>	(229,593)	413,624	418,772	5,148
<i>Fund Balance Beginning of Year</i>	10,735,696	10,735,696	10,735,696	0
Prior Year Encumbrances Appropriated	332,968	332,968	332,968	0
<i>Fund Balance End of Year</i>	\$10,839,071	\$11,482,288	\$11,487,436	\$5,148

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2015

	Original	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	\$1,570,806	\$1,625,310	\$1,625,310	\$0
Intergovernmental	233,000	234,258	234,258	0
<i>Total Revenues</i>	<u>1,803,806</u>	<u>1,859,568</u>	<u>1,859,568</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Fiscal:				
Salaries and Wages	24,500	28,455	28,455	0
Debt Service:				
Principal Retirement	1,545,940	1,740,940	1,740,940	0
Interest and Fiscal Charges	393,871	183,575	183,575	0
Bond Issuance Costs	0	53,375	53,375	0
<i>Total Debt Service</i>	<u>1,939,811</u>	<u>1,977,890</u>	<u>1,977,890</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,964,311</u>	<u>2,006,345</u>	<u>2,006,345</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(160,505)</u>	<u>(146,777)</u>	<u>(146,777)</u>	<u>0</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	0	8,375,000	8,375,000	0
Premium on Refunding Bonds Issued	0	258,482	258,482	0
Transfers In	73,000	71,480	71,480	0
Payment to Refunded Bond Escrow Agent	0	(8,578,575)	(8,578,575)	0
<i>Total Other Financing Sources (Uses)</i>	<u>73,000</u>	<u>126,387</u>	<u>126,387</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>(87,505)</u>	<u>(20,390)</u>	<u>(20,390)</u>	<u>0</u>
<i>Fund Balance Beginning of Year</i>	<u>3,464,199</u>	<u>3,464,199</u>	<u>3,464,199</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$3,376,694</u></u>	<u><u>\$3,443,809</u></u>	<u><u>\$3,443,809</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$364,067	\$364,067	\$0
Interest	770	770	0
Charges for Services	712,399	712,399	0
Miscellaneous	1,577	1,577	0
<i>Total Revenues</i>	<u>1,078,813</u>	<u>1,078,813</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	6,525	6,525	0
Operation of Food Services:			
Salaries and Wages	450,751	450,751	0
Fringe Benefits	240,482	240,482	0
Purchased Services	7,771	7,771	0
Materials and Supplies	403,908	403,908	0
Capital Outlay	2,361	2,361	0
Total Operation of Food Services	<u>1,105,273</u>	<u>1,105,273</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,111,798</u>	<u>1,111,798</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(32,985)	(32,985)	0
<i>Fund Balance Beginning of Year</i>	368,661	368,661	0
Prior Year Encumbrances Appropriated	3,117	3,117	0
<i>Fund Balance End of Year</i>	<u><u>\$338,793</u></u>	<u><u>\$338,793</u></u>	<u><u>\$0</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Scholarship Fund
For the Fiscal Year Ended June 30, 2015

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

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$39,000	\$16,798	(\$22,202)
Contributions and Donations	25,805	25,805	0
<i>Total Revenues</i>	<u>64,805</u>	<u>42,603</u>	<u>(22,202)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	11,449	236	11,213
Materials and Supplies	271	0	271
Capital Outlay	100	0	100
Total Instruction	<u>11,820</u>	<u>236</u>	<u>11,584</u>
Support Services:			
Pupil:			
Purchased Services	3,542	576	2,966
Materials and Supplies	18,419	4,674	13,745
Other	1,500	185	1,315
Total Pupil	<u>23,461</u>	<u>5,435</u>	<u>18,026</u>
Administration:			
Purchased Services	16,400	12,572	3,828
Materials and Supplies	12,720	12,254	466
Capital Outlay	880	379	501
Total Administration	<u>30,000</u>	<u>25,205</u>	<u>4,795</u>
Operation and Maintenance of Plant:			
Purchased Services	10,110	9,445	665
Materials and Supplies	19,973	16,718	3,255
Capital Outlay	10,626	1,083	9,543
Total Operation and Maintenance of Plant	<u>40,709</u>	<u>27,246</u>	<u>13,463</u>
Total Support Services	<u>\$94,170</u>	<u>\$57,886</u>	<u>\$36,284</u>

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Local Grants Fund (continued)
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	\$16,374	\$16,373	\$1
<i>Total Expenditures</i>	<u>122,364</u>	<u>74,495</u>	<u>47,869</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(57,559)</u>	<u>(31,892)</u>	<u>25,667</u>
Other Financing Sources (Uses)			
Advances In	17,408	17,408	0
Advances Out	<u>(17,408)</u>	<u>0</u>	<u>17,408</u>
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>17,408</u>	<u>17,408</u>
<i>Net Change in Fund Balance</i>	(57,559)	(14,484)	43,075
<i>Fund Balance Beginning of Year</i>	56,636	56,636	0
Prior Year Encumbrances Appropriated	<u>923</u>	<u>923</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$43,075</u></u>	<u><u>\$43,075</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Athletics and Music Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$219,306	\$219,308	\$2
Contributions and Donations	37,620	37,620	0
Rentals	4,340	4,340	0
<i>Total Revenues</i>	<u>261,266</u>	<u>261,268</u>	<u>2</u>
Expenditures			
Current:			
Extracurricular Activities:			
Occupation Oriented Activities			
Other	10,172	8,937	1,235
Sport Oriented Activities:			
Purchased Services	35,135	34,225	910
Materials and Supplies	2,915	2,915	0
Capital Outlay	8,174	8,174	0
Other	353,828	288,909	64,919
Total Sport Oriented Activities	<u>400,052</u>	<u>334,223</u>	<u>65,829</u>
School and Public Service			
Co-curricular Activities:			
Other	455	281	174
<i>Total Expenditures</i>	<u>410,679</u>	<u>343,441</u>	<u>67,238</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(149,413)</u>	<u>(82,173)</u>	<u>67,240</u>
Other Financing Sources (Uses)			
Transfers In	45,337	45,337	0
Transfers Out	(337)	(337)	0
<i>Total Other Financing Sources (Uses)</i>	<u>45,000</u>	<u>45,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(104,413)	(37,173)	67,240
<i>Fund Balance Beginning of Year</i>	79,894	79,894	0
Prior Year Encumbrances Appropriated	<u>24,519</u>	<u>24,519</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$67,240</u></u>	<u><u>\$67,240</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$769,989	\$769,989	\$0
Interest	304	304	0
<i>Total Revenues</i>	<u>770,293</u>	<u>770,293</u>	<u>0</u>
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	71,764	71,764	0
Fringe Benefits	23,021	23,021	0
Purchased Services	428,203	428,203	0
Materials and Supplies	222,831	222,828	3
Capital Outlay	104,874	104,874	0
Other	30,804	30,804	0
<i>Total Expenditures</i>	<u>881,497</u>	<u>881,494</u>	<u>3</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(111,204)</u>	<u>(111,201)</u>	<u>3</u>
Other Financing Sources (Uses)			
Transfers In	1,781	1,781	0
Advances Out	(6,838)	(6,838)	0
Transfers Out	(1,781)	(1,781)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(6,838)</u>	<u>(6,838)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(118,042)	(118,039)	3
<i>Fund Balance Beginning of Year</i>	907	907	0
Prior Year Encumbrances Appropriated	117,135	117,135	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$3</u>	<u>\$3</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Network Connectivity Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$10,800	\$10,800	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Purchased Services	5,107	5,107	0
Materials and Supplies	4,443	4,443	0
Capital Outlay	6,194	6,194	0
<i>Total Expenditures</i>	15,744	15,744	0
<i>Net Change in Fund Balance</i>	(4,944)	(4,944)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	4,944	4,944	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$41,899	\$41,899	\$0
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	120	120	0
Capital Outlay	11,880	11,880	0
Total Support Services	12,000	12,000	0
Capital Outlay:			
Building Improvement Services:			
Capital Outlay	29,899	29,899	0
<i>Total Expenditures</i>	41,899	41,899	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	0	0
Other Financing Uses			
Advances Out	(41,209)	(41,209)	0
<i>Net Change in Fund Balance</i>	(41,209)	(41,209)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	41,209	41,209	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Race to the Top Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$896	\$896	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay	896	896	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$854,870	\$758,805	(\$96,065)
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	3,918	3,918	0
Special:			
Salaries and Wages	879,847	750,513	129,334
Purchased Services	49,651	49,651	0
Total Special	929,498	800,164	129,334
Total Instruction	933,416	804,082	129,334
Support Services:			
Instructional Staff:			
Purchased Services	1,000	1,000	0
Administration:			
Salaries and Wages	4,648	4,648	0
Fringe Benefits	1,029	1,029	0
Total Administration	5,677	5,677	0
Total Support Services	6,677	6,677	0
Operation of Non-Instructional Services:			
Community Services:			
Salaries and Wages	3,945	3,945	0
Fringe Benefits	723	558	165
Purchased Services	6,681	4,680	2,001
Materials and Supplies	1,284	1,157	127
Total Operation of Non-Instructional Services	12,633	10,340	2,293
Total Expenditures	\$952,726	\$821,099	\$131,627

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund (continued)
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<i>Excess of Revenues Under Expenditures</i>	(\$97,856)	(\$62,294)	\$35,562
Other Financing Sources (Uses)			
Transfers In	37,611	37,611	0
Transfers Out	(37,611)	(37,611)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0
<i>Net Change in Fund Balance</i>	(97,856)	(62,294)	35,562
<i>Fund Balance Beginning of Year</i>	43,584	43,584	0
Prior Year Encumbrances Appropriated	54,272	54,272	0
<i>Fund Balance End of Year</i>	\$0	\$35,562	\$35,562

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Immigrant Education Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$61,379	\$45,322	(\$16,057)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	2,025	2,025	0
Fringe Benefits	313	313	0
Purchased Services	4,525	2,595	1,930
Materials and Supplies	20	20	0
Total Regular Instruction	6,883	4,953	1,930
Special:			
Salaries and Wages	6,300	6,300	0
Fringe Benefits	882	882	0
Purchased Services	14,296	6,904	7,392
Materials and Supplies	7,293	7,240	53
Capital Outlay	20,200	20,144	56
Total Special	48,971	41,470	7,501
Total Instruction	55,854	46,423	9,431
Support Services:			
Instructional Staff:			
Purchased Services	6,750	1,336	5,414
<i>Total Expenditures</i>	62,604	47,759	14,845
<i>Excess of Revenues Under Expenditures</i>	(\$1,225)	(\$2,437)	(\$1,212)

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Immigrant Education Fund (continued)
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses)			
Advances In	\$1,213	\$1,213	\$0
Transfers In	36	36	0
Advances Out	(1,638)	(425)	1,213
Transfers Out	(36)	(36)	0
<i>Total Other Financing Sources (Uses)</i>	(425)	788	1,213
<i>Net Change in Fund Balance</i>	(1,650)	(1,649)	1
<i>Fund Balance Beginning of Year</i>	1,205	1,205	0
Prior Year Encumbrances Appropriated	445	445	0
<i>Fund Balance End of Year</i>	\$0	\$1	\$1

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$440,922	\$440,923	\$1
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	50,610	50,610	0
Fringe Benefits	7,618	7,618	0
Capital Outlay	6,959	6,959	0
Total Regular Instruction	65,187	65,187	0
Special:			
Salaries and Wages	392,276	379,760	12,516
Total Instruction	457,463	444,947	12,516
Support Services:			
Instructional Staff:			
Salaries and Wages	600	600	0
Fringe Benefits	89	89	0
Total Support Services	689	689	0
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	14,628	14,627	1
<i>Total Expenditures</i>	472,780	460,263	12,517
<i>Net Change in Fund Balance</i>	(31,858)	(19,340)	12,518
<i>Fund Balance Beginning of Year</i>	24,599	24,599	0
Prior Year Encumbrances Appropriated	7,259	7,259	0
<i>Fund Balance End of Year</i>	\$0	\$12,518	\$12,518

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool Grant Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$18,057	\$18,057	\$0
Expenditures			
Current:			
Instruction:			
Special:			
Salaries and Wages	18,057	18,057	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Class Size Reduction Grant Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$83,415	\$62,804	(\$20,611)
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	64,635	56,464	8,171
Fringe Benefits	960	0	960
Total Instruction	65,595	56,464	9,131
Support Services:			
Instructional Staff:			
Salaries and Wages	10,875	9,975	900
Fringe Benefits	1,526	35	1,491
Purchased Services	10,495	10,327	168
Total Support Services	22,896	20,337	2,559
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	622	564	58
<i>Total Expenditures</i>	89,113	77,365	11,748
<i>Excess of Revenues Under Expenditures</i>	(5,698)	(14,561)	(8,863)
Other Financing Sources (Uses)			
Advances In	9,463	8,863	(600)
Transfers In	635	635	0
Advances Out	(11,377)	(1,914)	9,463
Transfers Out	(635)	(635)	0
<i>Total Other Financing Sources (Uses)</i>	(1,914)	6,949	8,863
<i>Net Change in Fund Balance</i>	(7,612)	(7,612)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	7,612	7,612	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$171,189	\$132,892	(\$38,297)
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services:			
Purchased Services	155,722	149,003	6,719
Materials and Supplies	15,067	9,050	6,017
Capital Outlay	400	0	400
<i>Total Expenditures</i>	171,189	158,053	13,136
<i>Excess of Revenues Under Expenditures</i>	0	(25,161)	(25,161)
Other Financing Sources (Uses)			
Advances In	24,561	25,161	600
Advances Out	(62,536)	(37,975)	24,561
<i>Total Other Financing Sources (Uses)</i>	(37,975)	(12,814)	25,161
<i>Net Change in Fund Balance</i>	(37,975)	(37,975)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	37,975	37,975	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$12,435	\$12,435	\$0
Miscellaneous	9,906	9,906	0
<i>Total Revenues</i>	<u>22,341</u>	<u>22,341</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Student Intervention Services:			
Salaries and Wages	31,179	21,869	9,310
Fringe Benefits	426	312	114
Purchased Services	5,072	500	4,572
Materials and Supplies	808	808	0
<i>Total Expenditures</i>	<u>37,485</u>	<u>23,489</u>	<u>13,996</u>
<i>Net Change in Fund Balance</i>	(15,144)	(1,148)	13,996
<i>Fund Balance Beginning of Year</i>	15,037	15,037	0
Prior Year Encumbrances Appropriated	<u>107</u>	<u>107</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$13,996</u>	<u>\$13,996</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$86,105	\$86,105	\$0
Contributions and Donations	38,425	38,425	0
Miscellaneous	147,538	147,538	0
<i>Total Revenues</i>	<u>272,068</u>	<u>272,068</u>	<u>0</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Materials and Supplies	2,072	1,604	468
Capital Outlay	52,205	44,009	8,196
Other	319,793	218,369	101,424
Total Instruction	374,070	263,982	110,088
Support Services:			
Pupil:			
Materials and Supplies	833	0	833
<i>Total Expenditures</i>	<u>374,903</u>	<u>263,982</u>	<u>110,921</u>
<i>Net Change in Fund Balance</i>	(102,835)	8,086	110,921
<i>Fund Balance Beginning of Year</i>	86,921	86,921	0
Prior Year Encumbrances Appropriated	15,914	15,914	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$110,921</u>	<u>\$110,921</u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$909,601	\$909,601	\$0
Intergovernmental	132,024	132,024	0
Contributions and Donations	72,040	72,040	0
Rentals	70,800	70,800	0
Miscellaneous	12,119	12,118	(1)
<i>Total Revenues</i>	<u>1,196,584</u>	<u>1,196,583</u>	<u>(1)</u>
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay	379,537	379,537	0
Support Services:			
Administration:			
Purchased Services	61,583	61,563	20
Capital Outlay	11,041	11,041	0
Total Administration	<u>72,624</u>	<u>72,604</u>	<u>20</u>
Fiscal:			
Other	12,400	12,400	0
Operation and Maintenance of Plant			
Purchased Services	13,405	13,405	0
Materials and Supplies	10,585	10,585	0
Capital Outlay	6,728	6,728	0
Total Operation and Maintenance of Plant	<u>30,718</u>	<u>30,718</u>	<u>0</u>
Pupil Transportation:			
Purchased Services	2,118	2,118	0
Capital Outlay	365,200	365,200	0
Total Pupil Transportation	<u>367,318</u>	<u>367,318</u>	<u>0</u>
Total Support Services	<u>\$483,060</u>	<u>\$483,040</u>	<u>\$20</u>

(continued)

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund (continued)
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Capital Outlay:			
Site Improvement Services			
Purchased Services	\$108,870	\$108,870	\$0
Capital Outlay	7,745	7,745	0
Total Site Improvement Service	<u>116,615</u>	<u>116,615</u>	<u>0</u>
Building Improvement Services:			
Purchased Services	570,005	570,005	0
Capital Outlay	144,398	144,398	0
Total Building Improvement Services	<u>714,403</u>	<u>714,403</u>	<u>0</u>
Total Capital Outlay	<u>831,018</u>	<u>831,018</u>	<u>0</u>
Debt Service:			
Principal Retirement	60,000	60,000	0
Interest and Fiscal Charges	136,106	136,106	0
Total Debt Service	<u>196,106</u>	<u>196,106</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,889,721</u>	<u>1,889,701</u>	<u>20</u>
<i>Excess of Revenues Under Expenditures</i>	(693,137)	(693,118)	19
Other Financing Sources			
Sale of Capital Assets	<u>175,000</u>	<u>175,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(518,137)	(518,118)	19
<i>Fund Balance Beginning of Year</i>	690,338	690,338	0
Prior Year Encumbrances Appropriated	<u>302,701</u>	<u>302,701</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$474,902</u></u>	<u><u>\$474,921</u></u>	<u><u>\$19</u></u>

North Royalton City School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Regular:			
Capital Outlay	3,099	3,099	0
<i>Net Change in Fund Balance</i>	(3,099)	(3,099)	0
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	3,099	3,099	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

North Royalton City School District
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Fiscal Year Ended June 30, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Charges for Services	\$135,483	\$135,483	\$0
Expenses			
Purchased Services	25,000	24,379	621
Claims	110,000	105,759	4,241
<i>Total Expenses</i>	135,000	130,138	4,862
<i>Net Change in Fund Equity</i>	483	5,345	4,862
<i>Fund Equity Beginning of Year</i>	195,303	195,303	0
<i>Fund Equity End of Year</i>	\$195,786	\$200,648	\$4,862

Statistical Section

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

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

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

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

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

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

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

North Royalton City School District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Investment in Capital Assets	\$11,191,033	\$10,606,317	\$10,136,598	\$9,926,872
Restricted for:				
Capital Projects	1,189,218	1,187,413	1,005,491	1,082,942
Debt Service	3,918,623	3,783,910	3,755,928	3,775,292
Other Purposes	373,005	625,876	575,421	657,122
Unrestricted (Deficit)	<u>(59,908,693)</u>	<u>(65,513,642)</u>	<u>8,424,035</u>	<u>8,567,542</u>
Total Net Position	<u><u>(\$43,236,814)</u></u>	<u><u>(\$49,310,126)</u></u>	<u><u>\$23,897,473</u></u>	<u><u>\$24,009,770</u></u>

Note: The School District implemented GASB 68 in fiscal year 2015.

2011	2010	2009	2008	2007	2006
\$9,839,269	\$11,374,852	\$11,158,736	\$11,206,829	\$10,404,332	\$9,387,547
3,266,018	1,161,025	1,092,228	0	243,059	253,191
3,477,950	3,458,042	3,453,480	3,728,413	3,472,628	3,328,432
674,222	525,067	389,361	303,158	426,672	337,334
5,427,548	2,828,962	844,751	2,194,118	1,747,843	2,167,301
<u>\$22,685,007</u>	<u>\$19,347,948</u>	<u>\$16,938,556</u>	<u>\$17,432,518</u>	<u>\$16,294,534</u>	<u>\$15,473,805</u>

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

	2015	2014	2013	2012
Expenses				
Regular Instruction	\$26,912,810	\$26,652,053	\$25,854,788	\$26,138,639
Special Instruction	4,355,817	4,653,937	3,515,628	3,273,352
Vocational Instruction	36,343	30,544	117,329	208,167
Student Intervention Services	23,091	45,732	1,137,695	1,191,607
Pupil Support	3,057,304	3,098,915	3,022,582	2,841,655
Instructional Staff Support	2,544,147	2,443,880	2,591,553	2,698,007
Board of Education	40,636	38,560	42,802	37,533
Administration	3,054,105	3,154,290	3,451,156	4,371,516
Fiscal	1,203,684	1,291,997	1,268,445	1,323,210
Business	318,551	366,020	350,442	357,023
Operation and Maintenance of Plant	3,750,164	3,695,103	4,027,974	3,931,841
Pupil Transportation	3,490,995	4,009,801	3,631,902	3,527,949
Central	252,706	201,333	601,508	580,206
Operation of Non-Instructional Services	1,021,672	944,531	1,070,930	818,483
Operation of Food Services	1,144,599	1,285,407	1,141,926	1,254,636
Extracurricular Activities	1,292,022	1,214,962	1,191,528	1,063,664
Interest and Fiscal Charges	284,657	564,948	834,421	502,662
<i>Total Expenses</i>	<u>52,783,303</u>	<u>53,692,013</u>	<u>53,852,609</u>	<u>54,120,150</u>
Program Revenues				
Charges for Services and Sales				
Regular Instruction	408,673	372,506	699,589	672,384
Special Instruction	44,966	54,571	0	0
Vocational Instruction	530	367	0	0
Student Intervention Services	12,360	9,501	27,423	29,332
Pupil Support	45,610	44,924	0	0
Instructional Staff Support	37,024	34,597	0	0
Board of Education	592	568	0	0
Administration	50,182	43,843	1,048	9,934
Fiscal	18,186	18,303	0	0
Business	4,742	5,324	0	0
Operation and Maintenance of Plant	54,464	51,467	98,567	84,265
Pupil Transportation	80,879	50,593	31,378	8,977
Central	3,551	2,766	0	0
Operation of Non-Instructional Services	714,012	742,776	819,618	1,011,191
Extracurricular Activities	543,172	616,651	447,404	249,864
Operating Grants and Contributions	3,433,827	3,803,100	2,683,068	2,681,759
Capital Grants and Contributions	72,290	77,351	314,693	208,179
<i>Total Program Revenues</i>	<u>5,525,060</u>	<u>5,929,208</u>	<u>5,122,788</u>	<u>4,955,885</u>
Net Expense	<u>(47,258,243)</u>	<u>(47,762,805)</u>	<u>(48,729,821)</u>	<u>(49,164,265)</u>
General Revenues				
Property Taxes Levied for:				
General Purposes	39,017,348	37,029,906	35,512,106	36,765,860
Debt Service	1,764,951	1,685,638	1,643,245	1,769,762
Capital Outlay	1,001,292	938,428	919,978	957,318
Grants and Entitlements not				
Restricted to Specific Programs	11,043,079	10,646,928	10,352,797	10,755,927
Unrestricted Contributions	2,700	3,304	0	0
Investment Earnings	88,315	103,857	2,574	62,955
Gain on Sale of Capital Assets	175,000	8,322	0	0
Miscellaneous	238,870	278,948	186,824	177,206
<i>Total General Revenues</i>	<u>53,331,555</u>	<u>50,695,331</u>	<u>48,617,524</u>	<u>50,489,028</u>
<i>Change in Net Position</i>	<u>\$6,073,312</u>	<u>\$2,932,526</u>	<u>(\$112,297)</u>	<u>\$1,324,763</u>

Note: The School District implemented GASB 68 in fiscal year 2015.

2011	2010	2009	2008	2007	2006
\$24,299,175	\$21,810,291	\$22,398,158	\$21,558,320	\$20,004,883	\$19,181,614
3,270,125	4,401,022	4,129,027	4,835,486	4,603,113	3,964,579
208,884	210,031	193,977	194,028	193,147	168,079
1,143,484	1,914,412	1,672,402	0	0	0
2,906,588	2,598,723	2,611,154	2,490,528	2,418,861	2,201,623
2,966,901	1,944,788	2,295,479	2,974,945	3,132,012	2,806,302
85,366	37,330	27,253	38,657	35,706	32,661
2,631,576	3,466,191	3,431,405	3,574,520	3,249,707	3,045,649
1,084,082	1,137,626	1,093,106	1,048,878	970,782	1,003,012
341,468	314,186	339,281	325,633	299,718	287,549
3,729,890	3,323,518	4,067,791	4,002,858	3,949,268	3,776,192
3,522,509	3,303,329	3,093,446	3,540,389	3,490,934	3,258,231
531,003	503,859	613,370	578,689	469,215	437,407
807,799	832,087	742,839	856,858	777,482	760,088
1,299,213	1,336,266	1,442,093	1,492,421	1,373,576	1,386,551
2,118,498	1,009,845	976,880	975,997	971,326	886,853
1,105,884	1,266,086	1,122,733	1,131,121	1,249,576	1,161,101
<u>52,052,445</u>	<u>49,409,590</u>	<u>50,250,394</u>	<u>49,619,328</u>	<u>47,189,306</u>	<u>44,357,491</u>
456,677	424,291	308,774	418,480	251,613	338,402
0	0	0	0	0	0
0	0	0	0	0	0
19,636	18,775	16,058	0	0	0
0	0	0	0	0	353
0	0	0	0	0	0
0	0	0	0	0	0
357,218	0	0	0	45	145
0	0	0	0	48	90
0	0	0	0	0	0
84,682	175,476	57,433	68,309	66,496	50,344
1,248	33,500	0	0	1,068	2,073
0	0	0	0	0	0
1,024,855	968,240	1,166,919	1,170,607	1,162,798	1,176,372
524,783	406,526	402,090	245,313	216,673	228,596
3,470,946	3,631,781	2,791,285	2,160,289	2,155,796	2,186,617
634,617	170,412	25,460	75,317	46,019	61,179
<u>6,574,662</u>	<u>5,829,001</u>	<u>4,768,019</u>	<u>4,138,315</u>	<u>3,900,556</u>	<u>4,044,171</u>
<u>(45,477,783)</u>	<u>(43,580,589)</u>	<u>(45,482,375)</u>	<u>(45,481,013)</u>	<u>(43,288,750)</u>	<u>(40,313,320)</u>
34,607,536	32,022,770	30,527,173	31,273,337	29,852,874	28,267,848
1,727,765	1,688,528	2,034,569	2,558,605	2,621,799	2,622,996
909,349	888,699	984,472	998,619	938,459	873,788
11,273,655	10,896,050	10,759,786	10,435,570	9,734,777	9,475,185
0	0	0	0	0	0
66,759	160,026	481,638	814,931	855,268	516,550
0	9,850	5,534	358,462	3,000	44
229,778	324,058	195,241	179,473	103,302	89,824
<u>48,814,842</u>	<u>45,989,981</u>	<u>44,988,413</u>	<u>46,618,997</u>	<u>44,109,479</u>	<u>41,846,235</u>
<u>\$3,337,059</u>	<u>\$2,409,392</u>	<u>(\$493,962)</u>	<u>\$1,137,984</u>	<u>\$820,729</u>	<u>\$1,532,915</u>

North Royalton City School District

Fund Balances, Governmental Funds

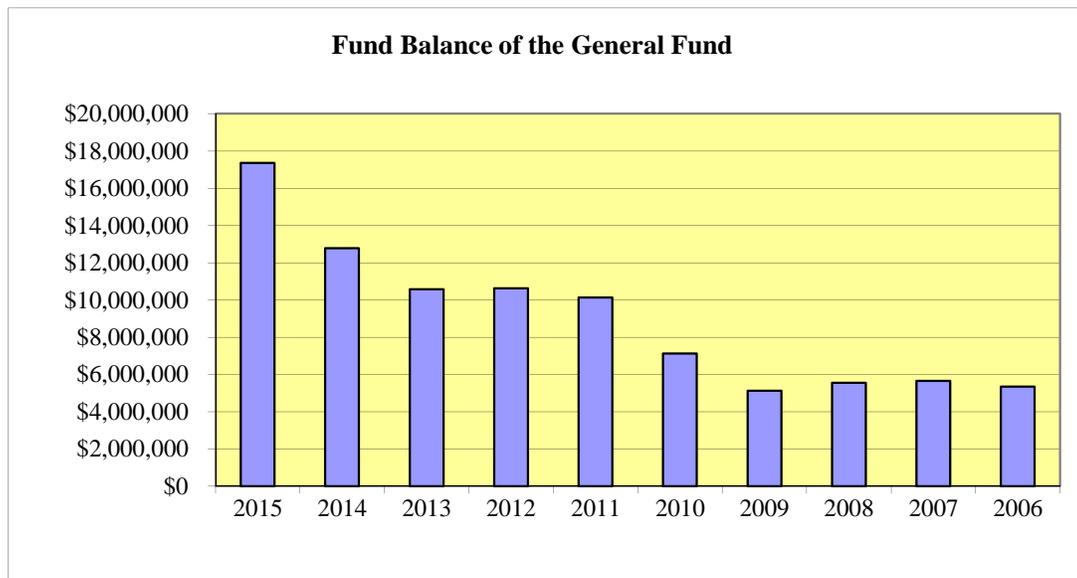
Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2014	2013	2012
General Fund				
Nonspendable	\$77,054	\$81,437	\$74,520	\$75,296
Assigned	311,778	870,004	1,928,311	1,922,864
Unassigned	16,963,381	11,834,935	8,568,401	8,634,130
Reserved	N/A	N/A	N/A	N/A
Unreserved (Deficit)	N/A	N/A	N/A	N/A
Total General Fund	17,352,213	12,786,376	10,571,232	10,632,290
All Other Governmental Funds				
Nonspendable	2,547	2,732	100,318	81,441
Restricted	5,528,463	5,609,076	5,255,079	5,450,520
Committed	1,200	1,200	1,200	1,200
Unassigned (Deficit)	(4,042)	(76,759)	(187,283)	(229,556)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A
Capital Projects Funds (Deficit)	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	5,528,168	5,536,249	5,169,314	5,303,605
Total Governmental Funds	\$22,880,381	\$18,322,625	\$15,740,546	\$15,935,895

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

N/A - Information not available



2011	2010	2009	2008	2007	2006
\$78,249	\$83,939	N/A	N/A	N/A	N/A
256,044	120,158	N/A	N/A	N/A	N/A
9,795,541	6,916,785	N/A	N/A	N/A	N/A
N/A	N/A	\$5,882,948	\$4,502,522	\$4,236,611	\$3,307,757
N/A	N/A	(748,015)	1,061,446	1,426,330	2,045,734
<u>10,129,834</u>	<u>7,120,882</u>	<u>5,134,933</u>	<u>5,563,968</u>	<u>5,662,941</u>	<u>5,353,491</u>
0	0	N/A	N/A	N/A	N/A
7,526,152	5,253,779	N/A	N/A	N/A	N/A
1,200	1,200	N/A	N/A	N/A	N/A
(21,126)	(510,115)	N/A	N/A	N/A	N/A
N/A	N/A	855,885	703,953	955,911	793,273
N/A	N/A	366,085	369,398	380,916	322,889
N/A	N/A	3,225,464	3,441,305	3,241,776	3,017,612
N/A	N/A	(15,108)	(459,998)	(336,647)	(225,506)
<u>7,506,226</u>	<u>4,744,864</u>	<u>4,432,326</u>	<u>4,054,658</u>	<u>4,241,956</u>	<u>3,908,268</u>
<u>\$17,636,060</u>	<u>\$11,865,746</u>	<u>\$9,567,259</u>	<u>\$9,618,626</u>	<u>\$9,904,897</u>	<u>\$9,261,759</u>

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

	2015	2014	2013	2012
Revenues				
Property Taxes	\$42,166,327	\$39,969,046	\$38,278,727	\$37,940,035
Intergovernmental	14,452,010	14,260,159	13,075,221	13,314,136
Interest	89,085	104,428	2,574	62,955
Tuition and Fees	706,202	714,953	634,336	438,848
Extracurricular Activities	457,561	492,952	567,866	515,033
Contributions and Donations	179,525	171,504	275,337	331,729
Charges for Services	712,874	742,054	823,515	1,016,198
Rentals	142,306	111,096	99,194	92,960
Miscellaneous	238,870	278,948	186,824	177,206
<i>Total Revenues</i>	<u>59,144,760</u>	<u>56,845,140</u>	<u>53,943,594</u>	<u>53,889,100</u>
Expenditures				
Current:				
Instruction:				
Regular	26,493,485	26,101,347	24,728,691	24,403,267
Special	4,433,602	4,592,162	3,395,416	3,207,668
Vocational	35,997	39,895	128,772	197,782
Student Intervention Services	22,858	45,732	1,233,551	1,189,179
Support Services:				
Pupil	3,107,734	3,019,297	2,969,569	2,833,344
Instructional Staff	2,522,964	2,415,954	2,553,383	2,713,289
Board of Education	40,226	38,560	42,802	37,533
Administration	3,100,923	3,040,446	3,338,971	3,655,960
Fiscal	1,194,216	1,303,512	1,258,659	1,229,812
Business	330,600	359,745	344,756	354,056
Operation and Maintenance of Plant	3,671,432	3,572,784	3,837,123	3,488,977
Pupil Transportation	3,557,356	3,857,486	3,744,611	3,273,926
Central	216,843	225,832	577,848	563,885
Operation of Non-Instructional Services	1,013,720	894,381	987,494	749,770
Operation of Food Services	1,146,550	1,286,438	1,144,729	1,251,036
Extracurricular Activities	1,283,287	1,197,235	1,139,803	1,041,968
Capital Outlay	542,590	208,234	662,371	3,497,902
Debt Service:				
Principal Retirement	1,730,000	1,490,000	1,435,000	1,380,000
Interest and Fiscal Charges	319,153	582,343	633,194	519,911
Capital Appreciation Bonds Interest	0	0	0	0
Bond Issuance Costs	53,375	0	0	0
<i>Total Expenditures</i>	<u>54,816,911</u>	<u>54,271,383</u>	<u>54,156,743</u>	<u>55,589,265</u>
<i>Excess of Revenue Over (Under) Expenditures</i>	<u>4,327,849</u>	<u>2,573,757</u>	<u>(213,149)</u>	<u>(1,700,165)</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	175,000	8,322	17,800	0
General Obligation Bonds Issued	8,375,000	0	0	0
Certificate of Participation Issued	0	0	0	0
Premium on General Obligation Bonds Issued	258,482	0	0	0
Transfers In	116,480	118,000	118,000	118,000
Discount on Certificate of Participation Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	(8,578,575)	0	0	0
Transfers Out	(116,480)	(118,000)	(118,000)	(118,000)
<i>Total Other Financing Sources (Uses)</i>	<u>229,907</u>	<u>8,322</u>	<u>17,800</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$4,557,756</u>	<u>\$2,582,079</u>	<u>(\$195,349)</u>	<u>(\$1,700,165)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	3.76%	3.85%	3.85%	3.51%

2011	2010	2009	2008	2007	2006
\$38,483,074	\$34,620,543	\$33,945,326	\$34,205,019	\$33,415,877	\$31,621,162
14,834,568	14,582,445	13,459,733	12,556,835	11,818,103	11,570,058
66,759	160,026	481,638	820,943	864,152	525,868
319,092	347,196	305,695	322,892	381,057	305,125
534,062	554,175	397,324	241,921	215,637	227,206
544,650	115,798	116,798	108,329	109,605	123,105
1,025,353	1,078,024	1,175,407	1,278,303	1,240,255	1,203,212
593,633	68,603	53,711	62,488	58,872	51,989
229,778	324,058	195,241	179,473	103,302	89,824
56,630,969	51,850,868	50,130,873	49,776,203	48,206,860	45,717,549
23,738,921	21,295,590	21,503,101	20,407,395	19,290,075	18,458,518
3,122,539	4,304,154	4,067,766	4,735,179	4,515,969	3,877,343
195,579	192,427	196,590	179,747	186,400	168,184
1,138,060	1,901,290	1,600,301	0	0	0
2,830,579	2,542,093	2,544,283	2,469,230	2,356,571	2,161,006
2,874,452	1,964,190	2,253,825	2,928,773	3,027,227	2,631,753
85,366	37,330	27,253	38,657	35,706	32,661
3,898,949	3,333,173	3,305,585	3,292,509	3,054,205	2,809,307
1,154,314	1,134,329	1,058,988	1,026,711	950,820	995,258
335,207	310,387	334,570	317,103	297,493	286,639
3,597,065	3,239,354	3,579,539	3,638,912	3,548,421	3,569,376
3,106,555	3,361,002	2,802,742	3,029,463	2,965,680	2,812,288
509,548	485,603	597,043	557,250	452,042	418,949
703,028	721,145	764,229	915,948	761,606	771,554
1,301,456	1,330,059	1,375,593	1,408,263	1,299,759	1,313,791
1,053,701	994,174	966,033	967,013	954,755	931,901
2,208,190	582,324	647,255	1,828,259	1,247,094	1,025,493
165,697	525,137	1,243,984	1,241,594	1,930,000	1,935,000
522,684	534,382	567,299	628,495	693,899	788,646
1,214,303	774,863	751,016	728,406	0	0
129,697	0	0	0	0	0
53,885,890	49,563,006	50,186,995	50,338,907	47,567,722	44,987,667
2,745,079	2,287,862	(56,122)	(562,704)	639,138	729,882
0	10,625	4,755	276,433	4,000	4,500
0	0	0	0	0	0
3,070,000	0	0	0	0	0
0	0	0	0	0	0
158,000	226,000	225,000	147,000	147,000	155,500
(44,765)	0	0	0	0	0
0	0	0	0	0	0
(158,000)	(226,000)	(225,000)	(147,000)	(147,000)	(155,500)
3,025,235	10,625	4,755	276,433	4,000	4,500
\$5,770,314	\$2,298,487	(\$51,367)	(\$286,271)	\$643,138	\$734,382
3.76%	3.80%	5.15%	5.30%	5.61%	6.20%

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

Collection Year	Real Property			Estimated Actual Value	Tangible Personal Property	
	Assessed Value				General	Business
	Residential/ Agricultural	Commercial/ Industrial	Total		Assessed Value	Estimated Actual Value
2015	\$877,428,500	\$143,485,140	\$1,020,913,640	\$2,916,896,114	\$0	\$0
2014	871,126,480	142,923,040	1,014,049,520	2,897,284,343	0	0
2013	867,571,890	142,989,250	1,010,561,140	2,887,317,543	0	0
2012	890,386,710	149,838,910	1,040,225,620	2,972,073,200	0	0
2011	885,827,130	148,183,220	1,034,010,350	2,954,315,286	0	0
2010	880,649,410	147,271,440	1,027,920,850	2,936,916,714	0	0
2009	919,081,060	148,347,310	1,067,428,370	3,049,795,343	3,681,598	58,905,568
2008	906,951,690	160,657,050	1,067,608,740	3,050,310,686	7,052,513	112,840,208
2007	892,068,420	157,094,370	1,049,162,790	2,997,607,971	23,533,932	188,271,456
2006	790,921,970	140,998,620	931,920,590	2,662,630,257	29,503,890	157,354,080

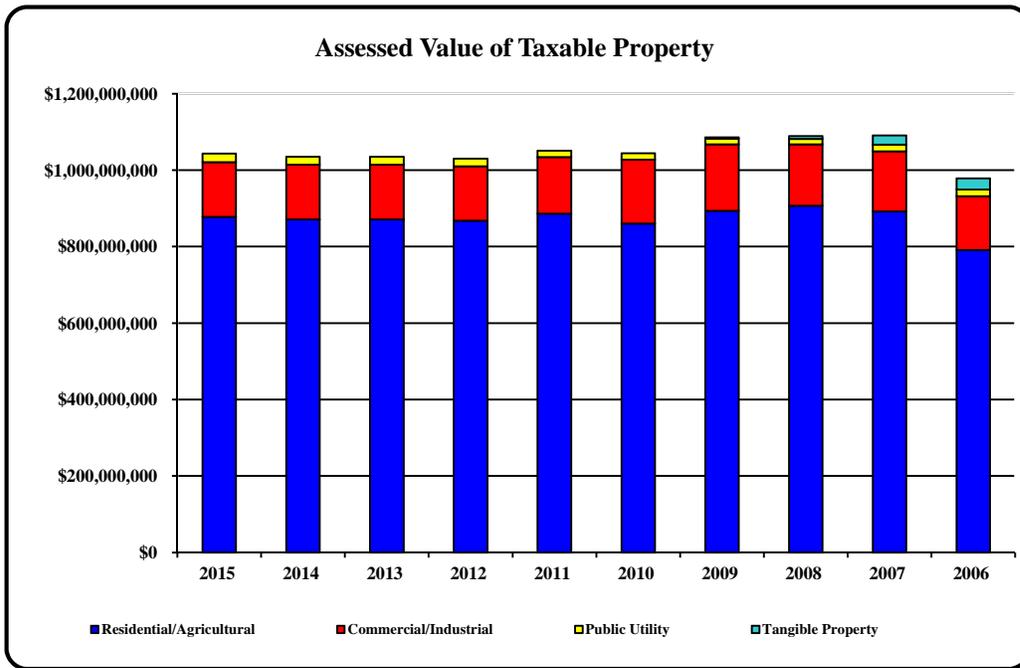
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

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

Tangible Personal Property Public Utility		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Total Tax Rate	Weighted Average Tax Rate
\$22,479,140	\$25,544,477	\$1,043,392,780	\$2,942,440,592	\$65.700000	42.355541
21,388,440	24,305,045	1,035,437,960	2,921,589,388	65.700000	42.304627
19,486,420	22,143,659	1,030,047,560	2,909,461,202	65.700000	42.255660
17,900,300	20,341,250	1,058,125,920	2,992,414,450	65.700000	41.726218
17,182,820	19,525,932	1,051,193,170	2,973,841,218	65.800000	41.787148
16,176,820	18,382,750	1,044,097,670	2,955,299,464	59.100000	35.081255
15,178,170	17,247,920	1,086,288,138	3,125,948,831	59.800000	35.191157
14,318,510	16,271,034	1,088,979,763	3,179,421,928	60.600000	35.992583
17,952,160	20,400,182	1,090,648,882	3,206,279,609	60.800000	36.654672
17,260,620	19,614,341	978,685,100	2,839,598,678	62.000000	38.113322



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

	2015	2014	2013	2012
Unvoted Millage				
Operating	\$5.000000	\$5.000000	\$5.000000	\$5.000000
Voted Millage - by levy				
Permanent Improvement	\$1.000000	\$1.000000	\$1.000000	\$1.000000
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	14.281300	14.278813	14.260113	13.830000
Commercial/Industrial	13.785300	13.615800	13.682405	13.267700
Tangible/Public Utility Personal	36.100000	36.100000	36.100000	36.100000
1977 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	1.126300	1.126087	1.124612	1.090700
Commercial/Industrial	1.205600	1.190812	1.196637	1.160400
Tangible/Public Utility Personal	2.500000	2.500000	2.500000	2.500000
1987 Bond (\$7,750,000)	0.000000	0.000000	0.000000	0.000000
1988 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural	0.868600	0.868405	0.867268	0.841100
Commercial/Industrial	1.038600	1.025835	1.030854	0.999600
Tangible/Public Utility Personal	1.500000	1.500000	1.500000	1.500000
1994 Bond (\$24,000,000)	1.800000	1.800000	1.800000	1.800000
2002 Emergency (\$4,395,000)	0.000000	0.000000	0.000000	0.000000
2005 Emergency (\$6,695,000)	0.000000	0.000000	0.000000	0.000000
2007 Emergency (\$4,395,000)	4.400000	4.400000	4.400000	4.400000
2009 Emergency (\$6,700,000)	6.700000	6.700000	6.700000	6.700000
2010 Emergency (\$6,695,000)	6.700000	6.700000	6.700000	6.700000
Total Effective Voted Millage by type of property				
Residential/Agricultural	\$36.876200	\$36.873305	\$36.851993	\$36.361800
Commercial/Industrial	36.629500	36.432447	36.509896	36.027700
Tangible/Public Utility Personal	60.700000	60.700000	60.700000	60.700000
Total Effective Millage by type of property				
Residential/Agricultural	\$41.876200	\$41.873305	\$41.851993	\$41.361800
Commercial/Industrial	41.629500	41.432447	41.509896	41.027700
Tangible/Public Utility Personal	65.700000	65.700000	65.700000	65.700000
Total Weighted Average Tax Rate	\$42.355541	\$42.304627	\$42.255660	\$41.726218

2011	2010	2009	2008	2007	2006
<u>\$5.000000</u>	<u>\$5.000000</u>	<u>\$6.000000</u>	<u>\$6.000000</u>	<u>\$6.000000</u>	<u>\$6.000000</u>
\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000	\$1.000000
13.810000	13.816300	13.161600	13.161400	13.161000	13.104600
13.230000	13.283900	13.248100	12.899900	12.899900	12.947600
36.100000	36.100000	36.100000	36.100000	36.100000	36.100000
1.089100	1.089600	1.038000	1.038000	1.038100	1.055100
1.157100	1.161800	1.158700	1.128200	1.128200	1.146700
2.500000	2.500000	2.500000	2.500000	2.500000	2.500000
0.000000	0.000000	0.800000	0.500000	0.700000	0.900000
0.839900	0.840300	0.800500	0.800600	0.800800	0.840400
0.996800	1.000800	0.998100	0.971900	0.971900	1.002100
1.500000	1.500000	1.500000	1.500000	1.500000	1.500000
1.900000	1.900000	1.100000	2.000000	2.000000	2.100000
0.000000	0.000000	0.000000	0.000000	4.400000	4.700000
0.000000	0.000000	6.500000	6.600000	6.600000	7.200000
4.400000	4.400000	4.300000	4.400000	0.000000	0.000000
6.700000	6.700000	0.000000	0.000000	0.000000	0.000000
6.700000	0.000000	0.000000	0.000000	0.000000	0.000000
<u>\$36.439000</u>	<u>\$29.746200</u>	<u>\$28.700100</u>	<u>\$29.500000</u>	<u>\$29.699900</u>	<u>\$30.900100</u>
<u>36.083900</u>	<u>29.446500</u>	<u>29.104900</u>	<u>29.500000</u>	<u>29.700000</u>	<u>30.996400</u>
<u>60.800000</u>	<u>54.100000</u>	<u>53.800000</u>	<u>54.600000</u>	<u>54.800000</u>	<u>56.000000</u>
<u>\$41.439000</u>	<u>\$34.746200</u>	<u>\$34.700100</u>	<u>\$35.500000</u>	<u>\$35.699900</u>	<u>\$36.900100</u>
<u>41.083900</u>	<u>34.446500</u>	<u>35.104900</u>	<u>35.500000</u>	<u>35.700000</u>	<u>36.996400</u>
<u>65.800000</u>	<u>59.100000</u>	<u>59.800000</u>	<u>60.600000</u>	<u>60.800000</u>	<u>62.000000</u>
<u>\$41.787148</u>	<u>\$35.081255</u>	<u>\$35.191157</u>	<u>\$35.992583</u>	<u>\$36.654672</u>	<u>\$38.113322</u>

(continued)

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

	2015	2014	2013	2012
Overlapping Rates by Taxing District				
City of North Royalton				
Effective Millage Rates				
Residential/Agricultural	\$6.051800	\$6.049129	\$6.045118	\$5.917500
Commercial/Industrial	6.813000	6.748199	6.769300	6.621800
Tangible/Public Utility Personal	8.200000	8.200000	8.200000	8.200000
City of Broadview Heights				
Effective Millage Rates				
Residential/Agricultural	7.908300	7.326583	7.325470	6.316400
Commercial/Industrial	8.308200	7.791766	7.796454	6.786000
Tangible/Public Utility Personal	10.400000	10.400000	10.400000	9.400000
Cuyahoga County				
Effective Millage Rates				
Residential/Agricultural	14.050000	14.050000	13.220000	13.118200
Commercial/Industrial	14.019500	13.949465	12.996761	12.784600
Tangible/Public Utility Personal	14.050000	14.050000	13.220000	13.220000
Cuyahoga County Library				
Effective Millage Rates				
Residential/Agricultural	2.500000	2.500000	2.500000	2.500000
Commercial/Industrial	2.500000	2.500000	2.500000	2.500000
Tangible/Public Utility Personal	2.500000	2.500000	2.500000	2.500000
Cuyahoga Valley JVSD				
Effective Millage Rates				
Residential/Agricultural	2.000000	2.000000	2.000000	2.000000
Commercial/Industrial	2.000000	2.000000	2.000000	2.000000
Tangible/Public Utility Personal	2.000000	2.000000	2.000000	2.000000
Cleveland Metro Parks				
Effective Millage Rates				
Residential/Agricultural	2.750000	2.750000	1.850000	1.818800
Commercial/Industrial	2.736800	2.704560	1.791705	1.735400
Tangible/Public Utility Personal	2.750000	2.750000	1.850000	1.850000
Cuyahoga Community College				
Effective Millage Rates				
Residential/Agricultural	4.000000	3.100000	3.100000	3.082000
Commercial/Industrial	3.990600	3.069066	3.060605	3.023200
Tangible/Public Utility Personal	4.000000	3.100000	3.100000	3.100000
Cuyahoga County Port Authority				
Effective Millage Rates				
Residential/Agricultural	0.114300	0.113900	0.113492	0.103300
Commercial/Industrial	0.112700	0.110629	0.109828	0.106300
Tangible/Public Utility Personal	0.130000	0.130000	0.130000	0.130000

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

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

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

Source: Ohio Department of Taxation

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

N/A - Information not available

2011	2010	2009	2008	2007	2006
\$5.912900	\$5.911700	\$5.769800	\$5.770800	\$5.774100	\$6.120300
6.609600	6.621000	6.591400	6.468300	6.465800	6.625300
8.200000	8.200000	8.200000	8.200000	8.200000	8.200000
6.315265	6.315657	6.273770	6.273100	6.272500	6.326500
6.787837	6.800420	6.817285	6.814700	6.817300	6.953200
9.400000	9.400000	9.400000	9.400000	9.400000	9.400000
13.186600	13.178900	15.150600	14.355800	14.351600	14.172700
12.841200	12.845700	15.489300	15.121000	15.171600	15.281400
13.320000	13.320000	16.250000	16.350000	16.350000	16.450000
2.500000	2.500000	2.500000	1.808600	1.809300	1.993500
2.500000	2.500000	2.500000	1.871900	1.876400	2.000000
2.500000	2.500000	2.500000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000	2.000000
1.810600	1.806800	1.669800	1.672000	1.671500	1.846500
1.724300	1.724900	1.717100	1.712500	1.718700	1.850000
1.850000	1.850000	1.850000	1.850000	1.850000	1.850000
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)(4)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2013	\$43,938,040	\$42,329,613	96.34%	\$893,328	\$43,222,941	98.37%
2012	43,594,921	42,101,571	96.57	907,281	43,008,852	98.66
2011	44,113,787	42,901,802	97.25	938,240	43,840,042	99.38
2010	43,986,984	42,879,026	97.48	835,684	43,714,710	99.38
2009	43,410,682	42,242,926	97.31	964,940	43,207,866	99.53
2008	37,443,566	36,204,256	96.69	822,499	37,026,755	98.89
2007	38,310,937	36,802,765	96.06	971,671	37,774,436	98.60
2006	38,967,809	35,586,595	91.32	697,313	36,283,908	93.11
2005	37,663,289	35,455,548	94.14	900,530	36,356,078	96.53
2004	36,868,413	34,061,837	92.39	886,993	34,948,830	94.79

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

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

(2) Collection year 2013 is the latest information available from the County.

(3) The County's current system does not track delinquent tax collections by tax year in total. This presentation will be updated as new information becomes available.

(4) These amounts cannot be calculated based on other information in this statistical table because of retroactive additions and deletions which are brought on in one lump sum. Penalties and interest are included, since by Ohio Law they become part of the tax obligation.

North Royalton City School District

Principal Taxpayers

Real Estate Tax

2015 and 2006

Name of Taxpayer	2015	
	Assessed Value	Percent of Real Property Assessed Value
Spruce Lake, LTD	\$7,409,400	0.73 %
Hampton Club Company	7,305,110	0.72
JVM Royal Oaks Apartments	6,466,710	0.63
JVM Dover Farms Apartments	5,486,260	0.54
North Royalton Ohio Property, LLC	3,710,000	0.36
I & J Associates, LTD	3,506,940	0.34
Deer Creek Apartments, LTD	3,143,150	0.31
Oak Brook Garden Apartments	2,836,790	0.28
Pine Forest Apartments	2,815,860	0.27
MCI Telecommunications	2,788,280	0.27
Total	\$45,468,500	4.45 %
Total Real Estate Assessed Valuation	\$1,020,913,640	
	2006	
Name of Taxpayer	Assessed Value	Percent of Real Property Assessed Value
Spuce Lake, LTD	\$8,209,635	0.88 %
CARPREIT Royalton	6,603,660	0.71
MCI Telecommunications	5,427,485	0.58
M & J Dover Farms, LP	5,375,025	0.58
I & J Associates, LTD	3,811,675	0.41
Deer Creek Apartments, LTD	3,776,990	0.40
Oak Brook Garden Apartments	3,597,545	0.39
Pine Forest Apartments	3,514,735	0.38
Royalton Plaza	2,399,985	0.26
Timber Ridge Investments, LTD	2,363,200	0.25
Total	\$45,079,935	4.84 %
Total Real Estate Assessed Valuation	\$931,920,590	

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

North Royalton City School District

Principal Taxpayers

Public Utilities Tax

2015 and 2006

Name of Taxpayer	2015	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$15,297,610	68.05 %
Columbia Gas of Ohio, Incorporated	2,711,600	12.06
American Transmission System	1,640,680	7.31
Cleveland Electric Illuminating Company	1,298,810	5.78
Ohio Edison Company	1,021,490	4.54
East Ohio Gas Company	497,260	2.21
Total	\$22,467,450	99.95 %
Total Public Utility Valuation	\$22,479,140	
Name of Taxpayer	2006	
	Assessed Value	Percent of Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$8,709,271	50.46 %
Ohio Bell Telephone Company	3,267,936	18.93
Columbia Gas of Ohio, Incorporated	1,475,558	8.55
American Transmission System	1,005,911	5.83
MCI Workdcom Network	258,332	1.49
New Par	213,682	1.24
Total	\$14,930,690	86.50 %
Total Public Utility Valuation	\$17,260,620	

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

North Royalton City School District

Computation of Direct and Overlapping

Governmental Activities Debt

December 31, 2015

	<u>Governmental Activities Debt Outstanding</u>	<u>Percentage Applicable to School District (1)</u>	<u>Amount of Direct and Overlapping Debt</u>
Direct:			
North Royalton			
City School District			
General Obligation Bonds	\$8,426,266	100.00%	\$8,426,266
Certificates of Participation	<u>2,851,203</u>	100.00	<u>2,851,203</u>
Total Direct	<u>11,277,469</u>	100.00	<u>11,277,469</u>
Overlapping:			
City of North Royalton			
General Obligation Bonds	19,749,114	98.79	19,510,150
Special Assessment Bonds	1,075,889	98.79	1,062,871
Police and Fire Pension	107,997	98.79	106,690
OPWC Loans	1,785,818	98.79	1,764,210
City of Broadview Heights			
General Obligation Bonds	3,834,657	34.97	1,340,980
Special Assessment Bonds	2,672,660	34.97	934,629
OWDA Loans	610,599	34.97	213,526
OPWC Loans	90,000	34.97	31,473
Cuyahoga County			
General Obligation Bonds	282,490,306	3.51	9,915,410
Capital Lease Obligations	425,742,974	3.51	14,943,578
Loans Payable	4,859,876	3.51	170,582
Regional Transit Authority			
General Obligation Bonds	135,834,194	3.51	4,767,780
Capital Lease Obligation	<u>14,430,918</u>	3.51	<u>506,525</u>
Total Overlapping	<u>893,285,002</u>		<u>55,268,403</u>
Total	<u><u>\$904,562,471</u></u>		<u><u>\$66,545,872</u></u>

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2015 collection year.

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

Fiscal Year	General Bonded Debt			Other General Debt		Total Debt
	General Bonded Debt (1)	Ratio of Bonded Debt to Estimated Actual Value (2)	Bonded Debt per Capita (3)	Certificates of Participation		
2015	\$8,426,266	0.29 %	\$277	\$2,851,203	\$11,277,469	
2014	10,555,354	0.36	347	2,909,711	13,465,065	
2013	12,135,528	0.42	399	2,973,219	15,108,747	
2012	12,768,835	0.43	419	3,026,727	15,795,562	
2011	16,997,212	0.57	558	0	16,997,212	
2010	14,806,925	0.50	517	0	14,806,925	
2009	15,462,270	0.49	540	0	15,462,270	
2008	16,916,326	0.53	590	0	16,916,326	
2007	18,398,102	0.57	642	0	18,398,102	
2006	19,898,979	0.70	695	0	19,898,979	

(1) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

(2) The Estimated Actual Value can be found on S10-S11

(3) The population can be found on S24

(4) The personal income can be found on S24

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



<u>Ratio of General Debt to Personal Income (4)</u>	<u>General Debt per Capita (3)</u>
1.16 %	\$370.43
1.39	442.29
1.56	496.28
1.63	518.84
1.75	558.31
1.94	516.86
2.03	539.73
2.22	590.49
2.41	642.21
2.61	694.60

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

	2015	2014	2013	2012
Residential/Agricultural Real Property	\$877,428,500	\$871,126,480	\$867,571,890	\$890,386,710
Commercial/Industrial Real Property	143,485,140	142,923,040	142,989,250	149,838,910
Tangible Personal Property	0	0	0	0
Public Utility Tangible	22,479,140	21,388,440	19,486,420	17,900,300
Less: Rail Road and Telephone Tangible Property	0	0	0	0
Assessed Valuation	<u>\$1,043,392,780</u>	<u>\$1,035,437,960</u>	<u>\$1,030,047,560</u>	<u>\$1,058,125,920</u>
Debt Limit - 9% of Assessed Value (2)	\$93,905,350	\$93,189,416	\$92,704,280	\$95,231,333
Amount of Debt Outstanding				
General Obligation Bonds	8,180,000	9,870,000	11,295,000	12,675,000
Certificates of Participation	2,890,000	2,950,000	3,015,000	3,070,000
Less Amount Available in Debt Service	<u>(3,920,663)</u>	<u>(3,775,408)</u>	<u>(3,728,727)</u>	<u>(3,747,744)</u>
Total	7,149,337	9,044,592	10,581,273	11,997,256
Exemptions:				
Certificates of Participation	<u>(2,890,000)</u>	<u>(2,950,000)</u>	<u>(3,015,000)</u>	<u>(3,070,000)</u>
Amount of Debt Subject to Limit	<u>4,259,337</u>	<u>6,094,592</u>	<u>7,566,273</u>	<u>8,927,256</u>
Overall Debt Margin	<u>\$89,646,013</u>	<u>\$87,094,824</u>	<u>\$85,138,007</u>	<u>\$86,304,077</u>
Legal Debt Margin as a Percentage of Debt Limit	95.46%	93.46%	91.84%	90.63%
Unvoted Legal Debt Limit - .10% of Assessed Value (2)	\$1,043,393	\$1,035,438	\$1,030,048	\$1,058,126
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,043,393</u>	<u>\$1,035,438</u>	<u>\$1,030,048</u>	<u>\$1,058,126</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: Cuyahoga County Fiscal Officer and School District Financial Records

(1) HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

(2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt

2011	2010	2009 (1)	2008 (1)	2007 (1)	2006 (1)
\$885,827,130	\$880,649,410	\$919,081,060	\$906,951,690	\$892,068,420	\$790,921,970
148,183,220	147,271,440	148,347,310	160,657,050	157,094,370	140,998,620
0	0	3,681,598	7,052,513	23,533,932	29,503,890
17,182,820	16,176,820	15,178,170	14,318,510	17,952,160	17,260,620
0	0	0	(10,089,603)	(27,632,182)	(33,657,710)
<u>\$1,051,193,170</u>	<u>\$1,044,097,670</u>	<u>\$1,086,288,138</u>	<u>\$1,078,890,160</u>	<u>\$1,063,016,700</u>	<u>\$945,027,390</u>
\$94,607,385	\$93,968,790	\$97,765,932	\$97,100,114	\$95,671,503	\$85,052,465
12,789,277	12,954,974	13,480,111	14,724,095	15,965,689	17,895,689
0	0	0	0	0	0
(3,735,956)	(3,635,223)	(3,225,464)	(3,763,757)	(3,546,596)	(3,282,793)
9,053,321	9,319,751	10,254,647	10,960,338	12,419,093	14,612,896
0	0	0	0	0	0
9,053,321	9,319,751	10,254,647	10,960,338	12,419,093	14,612,896
<u>\$85,554,064</u>	<u>\$84,649,039</u>	<u>\$87,511,285</u>	<u>\$86,139,776</u>	<u>\$83,252,410</u>	<u>\$70,439,569</u>
90.43%	90.08%	89.51%	88.71%	87.02%	82.82%
\$1,051,193	\$1,044,098	\$1,086,288	\$1,078,890	\$1,063,017	\$945,027
0	0	0	0	0	0
<u>\$1,051,193</u>	<u>\$1,044,098</u>	<u>\$1,086,288</u>	<u>\$1,078,890</u>	<u>\$1,063,017</u>	<u>\$945,027</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Year	Estimated Population	Total Personal Income	Personal Income Per Capita	Median Household Income	Median Age
2015	30,444	\$971,194,044	\$31,901	\$61,954	38.60
2014	30,444	971,194,044	31,901	61,954	38.60
2013	30,444	971,194,044	31,901	61,954	38.60
2012	30,444	971,194,044	31,901	61,954	38.60
2011	30,444	971,194,044	31,901	61,954	38.60
2010	28,648	762,323,280	26,610	57,398	38.60
2009	28,648	762,323,280	26,610	57,398	38.60
2008	28,648	762,323,280	26,610	57,398	38.60
2007	28,648	762,323,280	26,610	57,398	38.60
2006	28,648	762,323,280	26,610	57,398	38.60

Source: U.S. Census Bureau
2006-2010, 2000 Census
2011-2015, 2010 Census

(1) Information includes only the City of North Royalton.

Median Value of Residential Property	Cuyahoga County Unemployment Rate	Total Assessed Property Value
\$199,200	6.7 %	\$1,043,392,780
199,200	7.9	1,035,437,960
199,200	8.0	1,030,047,560
199,200	8.2	1,058,125,920
199,200	8.6	1,051,193,170
175,000	9.7	1,044,097,670
175,000	10.2	1,086,288,138
175,000	7.4	1,088,979,763
175,000	6.3	1,090,648,882
175,000	9.6	978,685,100

North Royalton City School District
Principal Employers
December 31, 2012 and December 31, 2005 (1)

2012			
Employer	City	Nature of Business or Activity	Number of Employees
North Royalton City School District	North Royalton	Public Education	558
Northeast Care Center, Incorporated	North Royalton	Residential/Habilitative Service for Disability	383
Diplomate Care	North Royalton	Nursing Home	252
City of North Royalton	North Royalton	Government	248
Riser Foods Company	North Royalton	Grocery Store	203
Cuyahoga County Government	North Royalton	County Government	160
I & MJ Gross	North Royalton	Owner Developer	150
Laszeray Technologies	North Royalton	Advanced Manufacturing	94
Valley Tool & Die, Incorporated	North Royalton	Machine Fasteners	71
M. Digioia Company, LLC	North Royalton	Building Contractor	61
Total			<u>2,180</u>
Total Employment within the School District			<u>N/A</u>

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

Source: City of North Royalton, Ohio

(1) Information prior to 2005 is not available, and 2012 is the most current information available.

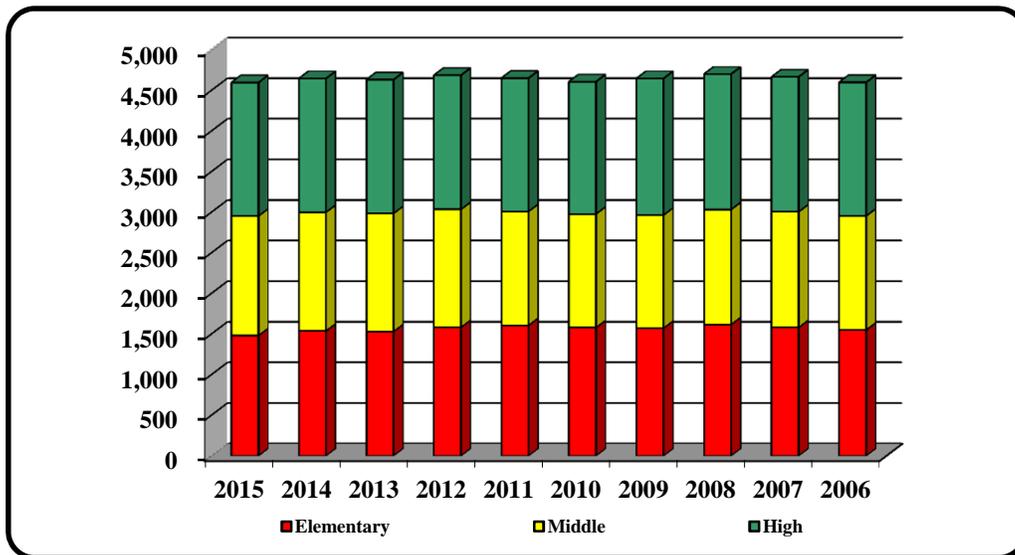
N/A - Information not available

North Royalton City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools (1)	Middle School	High School	Total
2015	1,482	1,472	1,643	4,597
2014	1,539	1,462	1,646	4,647
2013	1,531	1,455	1,646	4,632
2012	1,583	1,453	1,651	4,687
2011	1,607	1,403	1,641	4,651
2010	1,580	1,399	1,628	4,607
2009	1,573	1,393	1,681	4,647
2008	1,618	1,416	1,667	4,701
2007	1,581	1,425	1,660	4,666
2006	1,551	1,404	1,644	4,599



Source: North Royalton City School Records

(1) Enrollment includes Kindergarten students

North Royalton City School District

Building Statistics by Function/Program

Last Ten Fiscal Years

	2015	2014	2013	2012
Albion Elementary School				
Constructed in 1955				
Total Building Square Footage	45,405	45,405	45,405	45,405
Enrollment Grades 1 - 4	408	391	382	437
Student Capacity	476	476	476	476
Regular Instruction Classrooms	18	18	18	18
Regular Instruction Teachers	18	18	18	18
Special Instruction Classrooms	3	3	3	3
Special Instruction Teachers	3	3	3	3
Royal View Elementary School				
Constructed in 1965				
Total Building Square Footage	48,460	48,460	48,460	48,460
Enrollment Grades 1 - 4	397	392	414	441
Student Capacity	525	525	525	525
Regular Instruction Classrooms	25	25	25	25
Regular Instruction Teachers	25	25	25	25
Special Instruction Classrooms	3	3	3	3
Special Instruction Teachers	3	3	3	3
Valley Vista Elementary School				
Constructed in 1959				
Total Building Square Footage	42,536	42,536	42,536	42,536
Enrollment Grades 1 - 4	401	406	421	390
Student Capacity	426	426	426	426
Regular Instruction Classrooms	18	18	18	18
Regular Instruction Teachers	18	18	18	18
Special Instruction Classrooms	2	2	2	2
Special Instruction Teachers	2	2	2	2
North Royalton Middle School				
Constructed in 1996				
Total Building Square Footage	242,400	242,400	242,400	242,400
Enrollment Grades 5 - 8	1,472	1,462	1,455	1,453
Student Capacity	1,300	1,300	1,300	1,300
Regular Instruction Classrooms	64	64	64	64
Regular Instruction Teachers	64	64	64	64
Special Instruction Classrooms	10	10	10	10
Special Instruction Teachers	10	10	10	10
High School				
Constructed in 1950				
Total Building Square Footage	260,900	260,900	260,900	260,900
Enrollment Grades 9 - 12	1,643	1,646	1,646	1,651
Student Capacity	1,480	1,480	1,480	1,480
Regular Instruction Classrooms	64	64	64	64
Regular Instruction Teachers	64	64	64	64
Special Instruction Classrooms	9	9	9	9
Special Instruction Teachers	9	9	9	9

Source: North Royalton City School District Records

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

2011	2010	2009	2008	2007	2006
45,405	45,405	45,405	45,405	45,505	45,505
407	389	398	390	382	365
476	476	476	476	476	476
18	18	18	18	18	18
18	18	18	18	18	18
3	3	3	3	3	3
3	3	3	3	3	3
48,460	48,460	48,460	48,460	48,460	48,460
446	470	440	445	439	420
525	525	525	525	525	525
25	25	25	25	25	24
25	25	25	25	25	24
3	3	3	3	3	3
3	3	3	3	3	3
42,536	42,536	42,536	42,536	42,536	42,536
393	396	424	423	430	403
426	426	426	426	426	426
18	18	18	18	18	18
18	18	18	18	18	18
2	2	2	2	2	2
2	2	2	2	2	2
242,400	242,400	242,400	242,400	242,400	242,400
1,403	1,399	1,393	1,416	1,425	1,404
1,300	1,300	1,300	1,300	1,300	1,300
64	64	64	64	64	64
64	64	64	10	64	64
10	10	10	10	10	10
10	10	10	10	10	10
260,900	260,900	260,900	260,900	260,900	260,900
1,641	1,628	1,681	1,667	1,660	1,644
1,480	1,480	1,480	1,480	1,480	1,480
64	64	64	64	64	64
64	64	64	64	64	64
9	9	9	9	9	9
9	9	9	9	9	9

North Royalton City School District
Per Pupil Cost
Last Ten Fiscal Years

Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
2015	4,597	(1.08) %	\$52,714,383	\$11,467
2014	4,647	0.32	52,199,040	11,233
2013	4,632	(1.17)	52,088,549	11,245
2012	4,687	0.77	53,689,354	11,455
2011	4,651	0.96	51,961,121	11,172
2010	4,607	(0.86)	47,728,624	10,360
2009	4,647	(1.15)	47,624,696	10,248
2008	4,701	0.75	47,740,412	10,155
2007	4,666	1.46	44,943,823	9,632
2006	4,599	2.40	42,264,021	9,190

Source: School District Records
Ohio Department of Education

(1) Debt Service totals have been excluded.

N/A - Information not available

Governmental Activities		Food Service Operations	
Total Expenses (1)	Per Pupil Cost	Number of Students Receiving Free or Reduced Lunch	Percentage of Free or Reduced Lunches to Total Enrollment
\$52,498,646	\$11,420	N/A	N/A
53,127,065	11,433	729	15.69 %
53,018,188	11,446	752	16.23
53,617,488	11,440	831	17.73
50,946,561	10,954	765	16.45
48,143,504	10,450	807	17.52
49,127,661	10,572	460	9.90
48,488,207	10,314	557	11.85
45,939,730	9,846	433	9.28
43,196,390	9,393	429	9.33

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

Function/Program	2015	2014	2013	2012
Regular Instruction				
Elementary Classroom Teachers	75	75	79	81
Middle School Classroom Teachers	73	74	76	76
High School Classroom Teachers	76	75	72	73
Special Instruction				
Small Group Instructors	8	8	8	7
Elementary Classroom Teachers	14	14	14	14
Gifted Education Teachers	3	3	3	3
Middle School Classroom Teachers	11	11	11	10
High School Classroom Teachers	9	9	9	10
Vocational Instruction				
High School Classroom Teachers	0	0	2	2
Pupil Support Services				
Guidance Counselors	11	11	11	11
Media Specialists	2	2	1	2
Psychologists	5	5	5	5
Speech and Language Pathologists	5	5	5	5
Administrators				
Elementary	4	4	4	4
Middle School	4	3	3	3
High School	4	4	4	4
Districtwide	6	7	6	6
Total Certificated Staff	<u>310</u>	<u>310</u>	<u>313</u>	<u>316</u>
Support Staff				
Elementary Schools	65	66	66	66
Middle School	50	49	48	48
High School	51	50	49	52
Districtwide	82	83	84	84
Total Support Staff	<u>248</u>	<u>248</u>	<u>247</u>	<u>250</u>
Total Staffing	<u>558</u>	<u>558</u>	<u>560</u>	<u>566</u>

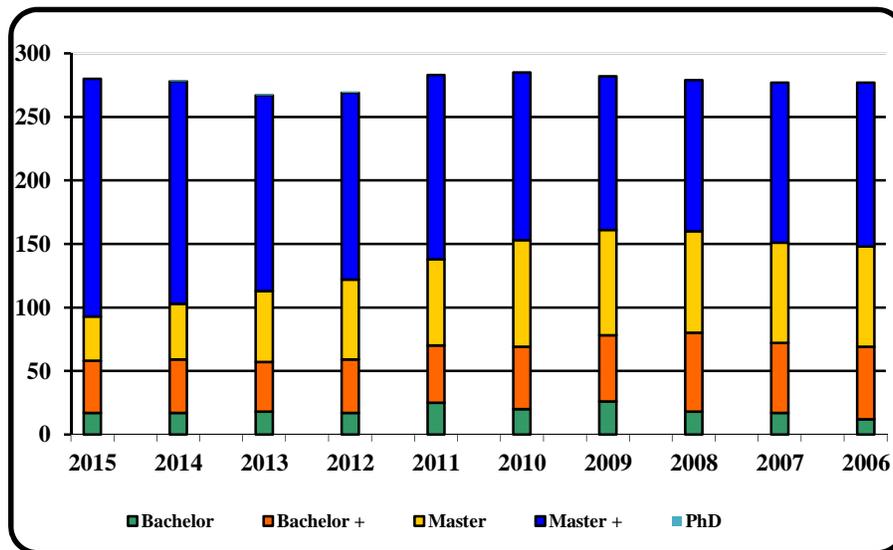
Method: Using 1.0 for each full-time employee at fiscal year end.

Source: North Royalton City School District Records

2011	2010	2009	2008	2007	2006
81	83	87	83	82	76
78	78	79	74	74	74
79	76	78	75	73	71
10	10	10	10	10	10
13	13	13	13	13	12
3	3	3	3	3	3
10	10	10	10	10	10
9	9	10	9	9	9
2	2	2	2	2	2
11	11	11	10	11	11
4	4	4	4	4	2
4	4	4	5	6	6
6	6	6	6	5	4
4	4	4	4	4	4
4	4	4	4	3	3
5	5	5	5	5	4
5	5	5	5	5	5
<u>328</u>	<u>327</u>	<u>335</u>	<u>322</u>	<u>319</u>	<u>306</u>
69	69	67	72	74	72
49	49	48	54	53	52
52	52	49	53	54	54
84	84	79	77	75	77
<u>254</u>	<u>254</u>	<u>243</u>	<u>256</u>	<u>256</u>	<u>255</u>
<u>582</u>	<u>581</u>	<u>578</u>	<u>578</u>	<u>575</u>	<u>561</u>

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

Degree	2015	2014	2013	2012
Bachelor	17	17	18	17
Bachelor +6	6	6	5	6
Bachelor +12	6	8	4	3
Bachelor +18	2	4	4	8
Bachelor +24	5	4	4	3
Bachelor +30	22	20	22	22
Master	35	44	56	63
Master +6	41	53	50	47
Master +12	63	44	38	39
Master +18	33	30	27	26
Master +24	11	9	11	9
Master +30	8	12	6	8
Master +36	9	6	8	5
Master +42	6	5	4	5
Master +48	16	16	10	8
PhD	0	0	1	1
Total	280	278	268	270

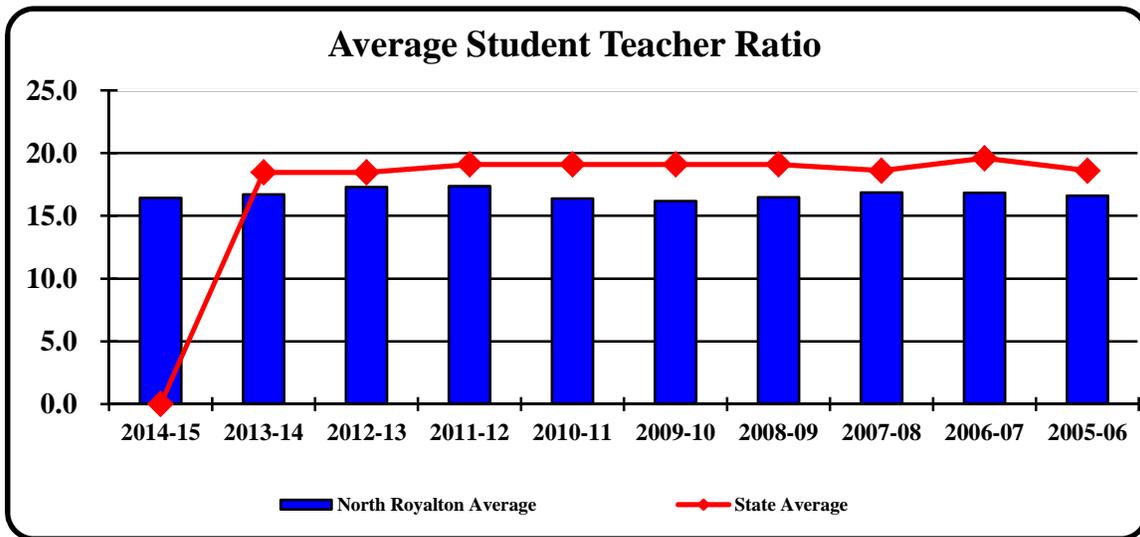


Source: School District Records

2011	2010	2009	2008	2007	2006
25	20	26	18	17	12
7	8	7	10	9	8
7	6	5	13	9	8
6	7	9	11	10	10
2	3	9	6	7	8
23	25	22	22	20	23
68	84	83	80	79	79
49	37	27	26	26	28
42	42	45	48	45	45
23	23	23	21	21	19
9	8	8	6	6	8
8	7	4	4	6	7
2	2	1	3	8	10
3	3	3	1	2	0
9	10	10	10	12	12
1	0	0	0	0	0
284	285	282	279	277	277

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

Fiscal Year	North Royalton Average	State Average
2015	16.4	N/A
2014	16.7	18.5
2013	17.3	18.5
2012	17.4	19.1
2011	16.4	19.1
2010	16.2	19.1
2009	16.5	19.1
2008	16.8	18.6
2007	16.8	19.6
2006	16.6	18.6



Source: Ohio Department of Education, EMIS Reports

N/A: Not Available



Dave Yost • Auditor of State

NORTH ROYALTON CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 29, 2015**