

Rockwood R-VI School District



2017 Comprehensive Annual Financial Report

For fiscal year ended June 30, 2017



ST. LOUIS COUNTY, MISSOURI
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ROCKWOOD R-VI SCHOOL DISTRICT
Saint Louis County, Missouri

**Comprehensive Annual Financial Report
For the year ended June 30, 2017**

Submitted by:
Paul Northington, SFO, Chief Financial Officer
Dan Steinbruegge, CPA, Director of Finance

<http://www.rsdkmo.org>

ROCKWOOD R-VI SCHOOL DISTRICT

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Comprehensive
Annual
Financial
Report

2017

Introductory Section

**Central Services**

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Dan Steinbruegge, CPA
Director of Finance

November 30, 2017

Members, Board of Education and Citizens
Rockwood School District
St. Louis County, Missouri

The Comprehensive Annual Financial Report (CAFR) of the Rockwood R-VI School District (the District), St. Louis County, Missouri, for the fiscal year ended June 30, 2017, is presented on the following pages. The District is governed by an elected seven-member Board of Education (the Board). The Board is the basic level of government, which has financial accountability and control over all activities related to K-12 public school education within the District. The Board is not included in any other governmental reporting entity, as defined by Governmental Accounting Standards Board (GASB) pronouncements, since Board members are elected by the public and have decision making authority and primary accountability for fiscal matters. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe that data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the District as shown by the disclosure of all financial activity of its various funds; and that all disclosures necessary to enable the reader of the statements to gain a full understanding of the District's financial status have been incorporated in the CAFR.

The CAFR has been prepared by the District's Finance Department following the requirements and guidelines contained in the GASB Codification of Governmental Accounting and Financial Reporting Standards. The District's activities and funds are all presented in this report and have been audited by the District's Certified Public Accountants, Kerber, Eck & Braeckel LLP, who rendered an unmodified opinion for the District again this year.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A follows the independent auditors' report.

The District

History

The District began with the opening of Eureka High School in 1908. It was the first four-year high school in St. Louis County west of Kirkwood. The District, in its present form, was created on October 29, 1949 by a merger of 26 districts. The name was changed from Reorganized School District No. R-VI of St. Louis County, Missouri to Rockwood R-VI School District, St. Louis County, Missouri in April 1964. The District includes 150-square miles located in Southwest St. Louis County and a small section of Northern Jefferson County. Geographically, the District represents approximately 30 percent of St. Louis County. It encompasses all or parts of twenty communities including Ballwin, Chesterfield, Ellisville, Eureka, Fenton, Manchester and Wildwood. According to the 2010 Census, this represents approximately 115,931 residents in 41,913 households. The chart below summarizes the District's enrollment history over a 10-year period.

	Resident	VICC	Total
2007-08	20,258	2,010	22,268
2008-09	20,371	1,789	22,160
2009-10	20,504	1,750	22,254
2010-11	20,511	1,925	22,436
2011-12	20,313	1,844	22,157
2012-13	20,111	1,765	21,876
2013-14	19,894	1,604	21,498
2014-15	19,756	1,556	21,312
2015-16	19,485	1,541	21,026
2016-17	19,309	1,544	20,853

As noted by the chart, the District has experienced slight annual enrollment reductions over the last six years. The District is projecting total enrollment for 2017-18 to be 20,708 students, a decrease of 145 students. The District is experiencing residential growth which will result in additional students in the next two to five years.

General

The Rockwood School District continues to be a leader in the field of public education. Rockwood students are renowned for their achievements. The School District's 30 schools and supporting programs collectively make up one of the highest performing school districts in the country. The following are some of the highlights of academic achievement in Rockwood.

- On the ACT, Rockwood students average a composite score of 23.8, outperforming the state average of 20.2 and the national average of 20.8.
- Rockwood students are performing at high levels in the content areas of Reading, Language Arts, Mathematics, Science and Social Studies on state assessment tests.
- Missouri Assessment Program (MAP) results show 80.7 percent of all students scored proficient or higher in Communication Arts, compared to the 63.1 percent Missouri average. In addition, 70.5 percent of all students scored proficient or higher in Math, compared to the 48.9 percent state average.

- Eight Rockwood students were named to the Missouri Scholars 100, a statewide program that honors 100 of Missouri's top academic students in the graduating class of 2017.
- All four Rockwood high schools were named "America's Most Challenging High Schools" by the Washington Post.
- Two Rockwood high schools were named "Best High School" by the U.S. News and World Report.
- Rockwood earned "National District of Character" distinction, plus six Rockwood schools were named "National Schools of Character" by character.org in 2017.
- The United States Department of Education's "Blue Ribbon List" includes nine Rockwood schools, and Missouri's "Gold Star" list includes 15 Rockwood schools.

Learn more about The Rockwood Advantage: <http://rsdmo.org/rockwoodadvantage/Pages/default.aspx>

Rockwood has been one of Missouri's and St. Louis County's largest school districts. There were 20,853 students enrolled including our Special School District students during 2017. The District serves this student body in twenty elementary facilities (including the Center for Creative Learning), six middle schools (grades 6-8) and four high schools. The average age of our buildings is 36 years old with the oldest building being built in 1940 and our most recent building addition in 2004.

The District's entire staff of administrators, teachers, nurses, office personnel, custodians and maintenance and cafeteria workers is dedicated to the same mission: We do whatever it takes to ensure all students realize their potential.

Approximately 79 percent of the District's teachers hold advanced degrees. The District encourages its staff to further their education by offering college class tuition reimbursement. The current budget includes \$258,000 for teacher assistance and \$6,500 to assist support staff including the newly added assistance for nursing staff.

The District is governed by the Board of Education, whose membership is elected for staggered three-year terms of office. The Board is a policy-making body whose primary function is to establish policies for the District, provide for the general operation and personnel of the District and to safeguard the assets of the District.

The District's programs cover the spectrum from birth to senior citizens. A Parents as Teachers program offers services to prospective and new parents in skills related to child development and better parenting. Special programs exist at all levels for students with special needs ranging from talented and gifted to modified programs and special instruction. Rockwood, like the other districts of St. Louis County, has intervention for its students with special needs from the Special School District of St. Louis County (SSD). The majority of the special needs children are served on the District's campuses while certain limited cases are served on the SSD campus.

The District responds to the needs of students who are culturally different, at risk of educational failure, bilingual or have special needs by providing a broad spectrum of programs, services and resources. The District has received national recognition for both the successful Talented and Gifted program and the exemplary Community Education program. Also recognized are the Partners in Education program with local corporate sponsors. The District's high schools offer numerous Advanced Placement and College Credit courses to prepare the graduating student to enter either college or the working world. The Individualized Learning Center (ILC) educates students who are in danger of dropping out of school because of difficulty faced in a regular school setting.

These initiatives and investments in enrichment of the full curriculum with emphasis on acceleration and differentiation result in the District's students experiencing a high level of achievement. Students continue to score above state and national norms on achievement tests.

The percentage of District students going on to post-secondary education is 90.1 percent (2016-2017). To ensure that District students receive the individualized educational experiences necessary, the average building level pupil-teacher ratios is 17:1. Curriculum study and writing is a continuous improvement process. Each curriculum document is reviewed on an annual basis and is revised and updated (in-depth year) on a six-year cycle via approval of the Board of Education.

Rockwood transitioned to a district-operated transportation system in the 2016-17 school year and provided transportation for resident students to and from school and on school district sponsored activity trips. Approximately 10,200 resident students are transported on a daily basis.

The District participates in a Voluntary Transfer Student (VTS) program in which St. Louis City resident African-American students volunteer to transfer to the District's schools. As of January 2017, this K-12 program represents 1,544 of 20,853 students or about 7.4 percent of the population.

Accounting System and Budgetary Control

The District's accounting system for governmental funds reflects the modified accrual basis of accounting. At the end of the year, the governmental funds are converted from the modified accrual basis to the accrual basis for presentation in district-wide financial statements. In developing the accounting system, consideration has been given to the adequacy of internal accounting controls. We believe the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of transactions. As management, we assert that, to the best of our knowledge and belief, the financial report is complete and reliable in all material respects.

The District's accounting system is organized on the basis of funds, each of which is considered its own entity. The District follows Missouri State Statutes in establishing budgetary data (Chapter 67, RSMo) for each major fund of the political subdivision. The District considers four funds (General, Special Revenue-Teachers, Debt Service and Capital Projects) as major. Changes in the overall revenue and expenditure of a fund's budget require full disclosure and Board resolution for approval. The Board receives a monthly financial report which summarizes the financial activities of the District's operating, debt service and self-sustaining funds. The District is not a component unit of another reporting entity.

The 2017-18 District budget continues to guide Rockwood in a fiscally sound and responsible direction. Throughout 2017-18, the District will continue to monitor the budget and prepare monthly financial projections starting in November of each year. From the beginning of the budget process to the formal approval, there has been considerable scrutiny of the budget to ensure the resources of the District are being budgeted to provide outstanding instruction and support allowing each student to achieve his/her highest potential. The District's bond rating of AAA was confirmed in the 2015-16 school year and for the 17th consecutive year, the District's financial planning and management was recognized by the Association of School Business Officials and awarded the Meritorious Budget Award (MBA). The 2017-18 proposed budget is prepared following the MBA requirements and some of the key items are described below.

In prior budget years the District planned and adjusted to slight decreases in student enrollment. The focus for facilities during this time was on maintaining our facilities rather than building new facilities. In April 2015 the Community overwhelmingly passed a \$68.95 million bond issue to fund certain special projects as well as routine cycle maintenance projects. The District has spent approximately \$57 million from that bond authorization with the expectation that the remaining bond funds from this authorization will be spent over the next two school years. During the 2016-17 school year the District began planning for significant growth occurring within the District in which approximately 2,300 homes will be built over the next 5 years. Projections of increases in student enrollment led District officials to review current capacity in our schools. Also, during the last few years, the District has supported STEM/Innovative learning initiatives as well as making a concentrated effort to decrease class sizes at the elementary level to move toward the State's desirable class size numbers. In April 2017, the District placed a \$95.5 million bond issue on the ballot and once again the Community approved the measure. The bond authorization, Prop T, is expected to cover projects and cycle maintenance through the 2024-25 school year. The District will issue the bonds as needed to complete the project list over that time period.

The focus during the 2017-18 school budget process was on the operations of the District, specifically the General and Teachers' Funds. From the beginning, a balanced budget was the target established by the Superintendent.

Official enrollment was taken the last week of September 2016. Enrollment projections were developed for subsequent years. In October 2016, school and department levels began working on their 2017-18 requested budgets and reviewed them with their respective Superintendent Cabinet member. After Cabinet member approval, they were submitted to the finance office. In November 2016, the Superintendent's Cabinet held a series of meetings to go through District staffing levels and requests as well as the detailed budget requests with supporting rationales that were compiled by the finance office. The review of the budget requests included a line-by-line item review for all requested budgets in the General and Teachers' Funds. The school building budgets were based on a per pupil calculation and provided to building level administration for building allocation. In December 2016 the Superintendent's Cabinet presented a preliminary 2017-18 budget target that included a balanced budget.

The balanced budget target included the following 2017-18 assumptions as compared to 2016-17:

- Increases in local and state revenue sources
- Continue to increase staff compensation to the mid-point of the St. Louis County districts
- Curriculum adoptions to ensure books and materials are in the classrooms when school begins

The District's self-sustaining funds, including Child Nutrition and Community Education, have a slightly different budget timeline. From December through January, department leads meet with their staff to cover budget needs and goals. A proposed budget is submitted to the departments' Administrators for review. Over the next couple months, actions such as meal prices for Child Nutrition and fees for after school and Community Education programs are taken to the Board of Education for approval. The proposed budgets are approved by the respective administrators and submitted to finance in March 2017.

Additional budget updates were presented to the Board through May 2017 with final budget approval in June 2017.

The governing body of each political subdivision may revise, alter, increase or decrease the items contained in the proposed budget, subject to such limitations as may be provided by law or charter; provided, that in no event shall the total authorized expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. After any political subdivision has approved the budget for any year and has approved or adopted the orders, motions, resolutions or ordinances required to authorize the expenditures proposed in the budget, the political subdivision shall not increase the total amount authorized for expenditure from any fund, unless the governing body adopts a resolution setting forth the facts and reasons making the increase necessary and approves or adopts an order, motion, resolution or ordinance to authorize the expenditures.

Throughout the year, budgets are reviewed daily in connection with purchase order and payroll processing. Revenue budgets are reviewed monthly. Budget adjustments can, and will, be made on a regular basis as additional information becomes available, especially in regard to title programs, grant approvals and changes in assessed valuations and required changes in related expenditures. Any additions to or redirections from the approved budget at the fund level must be pre-approved. Also, any movement between funds must have Board approval. The Board of Education has final approval for the original budget and for budget adjustments made throughout the year.

Economic Condition

St. Louis County is the largest county in the State of Missouri and the major contributor to the economy of the state and the twelve-county metropolitan area with approximately one million residents. The service sector continues to show the largest job growth in the County. The areas of medical, bio-technical, business and technology services are expected to provide long-term employment growth in the County as manufacturing jobs continue to decline. The District is located in Southwest St. Louis County and residents have full access to the large and diverse employment base in the AAA rated St. Louis County.

The four major revenue sources for the District are local property taxes, state foundation formula, voluntary transfer student (desegregation) aid and sales taxes and make up 73 percent of the District's total revenue. Local property taxes represent approximately 66 percent of the District's operating revenue budget.

The District is experiencing residential and small commercial development activity and anticipates 2,300 more residential homes will be built over the next 5 years. The 2017-18 school year was a reassessment year in Missouri, and the District experienced a 7.8 percent increase in the assessed valuation of approximately \$3.7 billion.

The District has a bond rating among the highest in the nation - AAA. This was reaffirmed during a rating call with Standard & Poors' during the 2015-16 school year.

Current Initiatives

The Rockwood Board strongly supports the process of long-range planning in making important decisions about the future of the District's schools and the District as a whole.

The State of Missouri requires all school districts to conduct an in-depth public engagement program to set goals for the next five years. This requirement of the Missouri Department of Elementary and Secondary Education is governed by the Department's Missouri School Improvement Program (MSIP) document. MSIP specifies that each Missouri school district have a Comprehensive School Improvement Plan (CSIP) as one of the major components of the MSIP.

The main thrust of the CSIP was to engage a cross section of the District's public to assist in assessing the District's current structure and planning for the future by determining a ubiquitous set of goals to be used across the District for the next five years. Rockwood is an exemplary school district in part because of the strength and complexity of its planning efforts.

The results of this long-range planning effort have resulted in the following five key goals that will guide the District through the end of the 2014-19 school year:

- Student Learning: All students will demonstrate academic growth and be well prepared for their future.
- Highly Effective Staff: Recruit, attract, develop and retain highly effective staff to carry out the Rockwood School District's missions, goals and objectives.
- District Finance: Ensure efficient operations and accountability for fiscally responsible use of District resources.
- School Climate: Create a safe and caring learning environment that includes a positive school culture and positive collaboration and communication throughout the school and community.
- Governance: Govern the Rockwood School District in an efficient and effective manner, providing leadership and representation to benefit the students, staff and patrons of the District.

Significant Board Policies

The District has entered into agreements with the Rockwood National Education Association, the Rockwood Custodial Education Association and the Rockwood Association of Nurses. Each of these agreements dictates the work environment and compensation for the members of each organization.

In March 2016, the Board of Education approved a negotiated current agreement with the Rockwood National Educational Association through the 2018-19 school year. The District has entered into agreements with the Rockwood Custodial Education Association (RCEA), the Rockwood Association of Nurses (RAN) and the Rockwood Association of Social Workers (RASW). The agreement with the RCEA is through the 2017-18 school year, RAN through the 2020-21 school year and the RASW through the 2019-20 school year.

The Board has an approved policy of maintaining operating fund balances at 18 percent of the subsequent year's expenditure with an additional 4 percent of expenditures for a stabilization plan. The District had 22 percent of operating fund balance as of June 30, 2017.

Independent Audit

The Revised Statutes of the State of Missouri and the Board policies of the District require an audit of the books of accounts, financial records and transactions of all funds of the District. The audit is performed by independent certified public accountants that are selected by the District's Board of Education. This requirement has been complied with and the auditors' unmodified opinion is included in this report.

Financial Reporting Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rockwood School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. This was the 12th year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District has been awarded the Association of School Business Officials International (ASBOi) Certificate of Excellence in Financial Reporting (COE) for the years ended June 30, 2004 - 2016. The District will also submit this 2017 Comprehensive Annual Financial Report for that coveted award. The District also participates in ASBO International's Meritorious Budget Award (MBA) Program. For the past 17 years, the District has applied for and received the prestigious award for excellence in budgeting.

Closing Statement

It is the District's intention that this Comprehensive Annual Financial Report will provide the District's management, parents and other interested patrons, outside investors and the local business community with the most meaningful financial presentation possible. In this report we intend to provide all readers a clear and concise picture of the District's financial condition as of June 30, 2017.

Rockwood School District is an award-winning district with exemplary students, staff and resources. We are thankful for the loyalty and support of our taxpayers, the vision of the Board of Education, the dedication and hard work of fellow employees and the success of our students.


Respectfully submitted,



Dr. Eric Knost
Superintendent



Mr. Paul Northington, SFO
Chief Financial Officer



Mr. Dan Steinbruegge, CPA
Director of Finance

Rockwood School District

Board of Education

2017-2018



Matt Doell, President, was elected to the Rockwood Board of Education in 2011. Mr. Doell is a Licensed Professional Engineer and holds a master's degree in Business Administration from the University of Missouri St. Louis and a bachelor's degree in Electrical Engineering from the Missouri University of Science and Technology.



Loralee Mondl, Vice President, was elected to the Rockwood Board of Education in 2013. She holds bachelors' degrees in Chemistry, Math and Education from the University of Missouri, St. Louis in addition to a master's degree in Education from Lindenwood University. She was a teacher and coach at Marquette High School for five years. Her family has lived in Rockwood for the past seven years, and her sons attend Rockwood Schools. For the past 11 years, she has been active as PTO Treasurer and Co-President.



Jaime Bayes, Director, was sworn into the Rockwood Board of Education in 2015. She holds a bachelor and master's degree in Education from Saint Louis University. Her family has lived in Rockwood for the past seven years and her two school-age children attend Rockwood Schools. She and her husband, Matt, also have a young child at home. During her time in Rockwood she has been active as PTO Co-President, VP of Caring Schools Community, Co-Vice President of President's Forum, Girls on the Run coach, and has served on many other committees and forums in her children's schools as well as the district.



Dr. Keith Kinder, Director, was elected to the Rockwood Board of Education in 2011. Dr. Kinder, a career educator, previously worked for the Rockwood School District as both associate principal and principal for three of the district's high schools. Currently, he is an assistant professor of education at Maryville University, helping prepare teachers and administrators for advanced masters and doctoral degrees in education.



Lynne Midyett, Director, was appointed to the Rockwood Board of Education in June 2016. She has a history of service in public education, including her work as the former Assistant Superintendent of Partner Districts with Special School District. She began her career as a special education teacher serving Rockwood students. Ms. Midyett earned her master's degree in Special Education and her certification in Educational Administration. Her family has lived in Rockwood for many years, and her children graduated from Marquette High School. She currently has a grandchild attending Kehrs Mill Elementary School.



Randy Miller, Director, I spent 16+ years building and installing smart home systems. In 2011, when our only son started school, my wife and I made the decision for me to become a stay-home parent. I immediately started volunteering in the school but realized we needed more for our child than our school offered. In 2012 we made the decision to move to Rockwood for its reputation and the opportunities it would offer. I joined the PTO at Stanton Elementary and have served as the VP of School Support for two years and Co-President for the two years prior to being elected. Volunteering in Rockwood has turned out to be the most rewarding years of my life, and I want to continue to give back to the district.



Tamara Jo Rhomberg, Director, Tamara is a long-time resident of Rockwood having taught or been an administrator in the district for 23 years. During her years in Rockwood, she served on district committees, wrote language arts curriculum, supervised a summer school program, and coordinated OASIS tutors and after school tutoring programs. She has two grown children and two grandchildren who graduated from Rockwood schools.

I believe in education as a cornerstone for the development of responsible citizenship and as such have dedicated my career to ensuring that every child is enabled to reach his or her greatest potential. Strengths I would bring to the board are my years of educational and professional experience, and the ability to listen and be objective in my commitment to Rockwood's goals.

2017/18 ORGANIZATION

Board of Education

Mr. Matt Doell	President
Ms. Loralee Mondl	Vice President
Ms. Jaime Bayes	Director
Dr. Keith Kinder	Director
Ms. Lynne Midyett	Director
Mr. Randy Miller	Director
Ms. Tamara Jo Rhomberg	Director

Superintendent

Dr. Eric Knost	Superintendent of Schools
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Superintendent's Cabinet

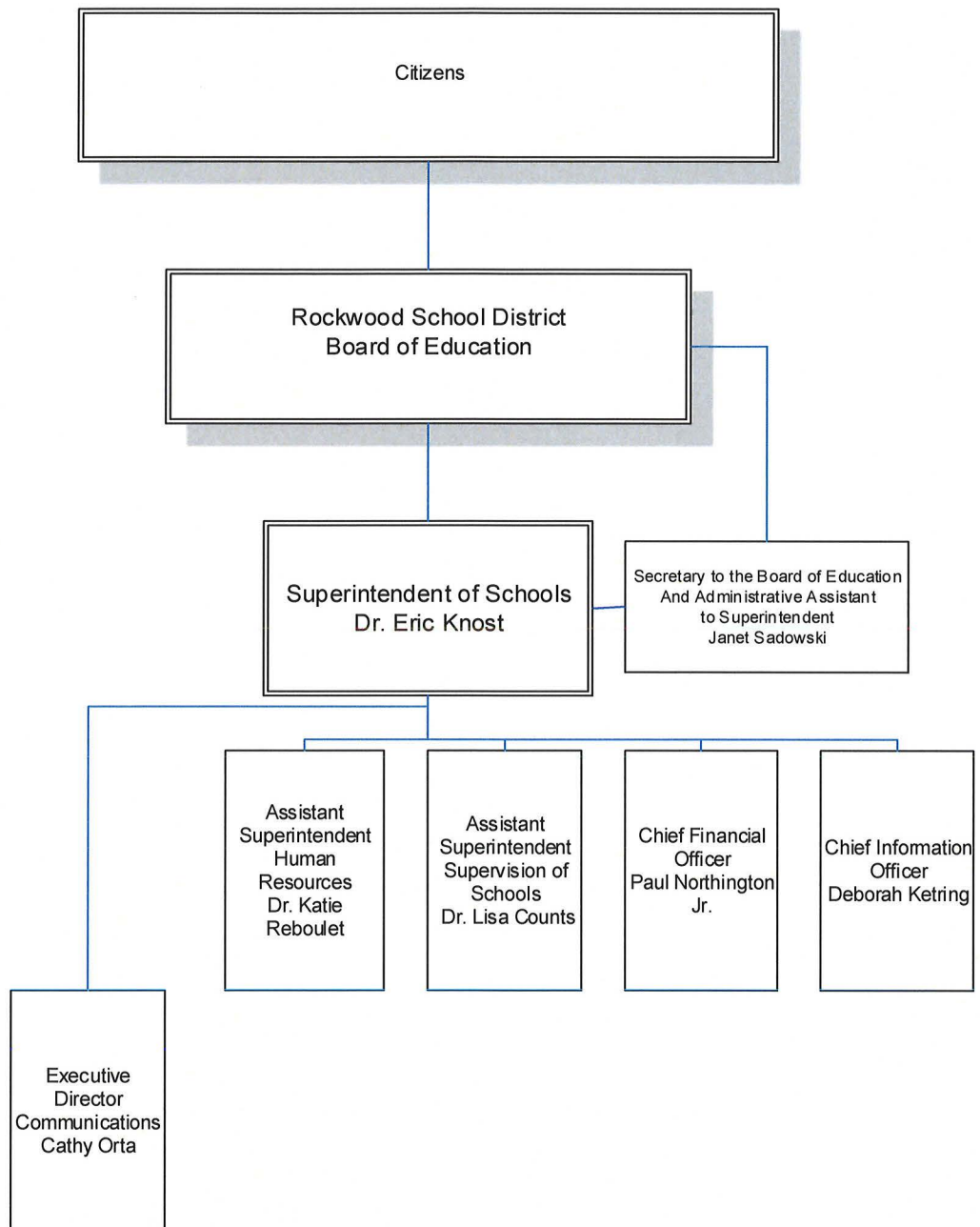
Dr. Lisa Counts	Asst. Superintendent Supervision of Schools
Ms. Deborah Ketring	Chief Information Officer
Mr. Paul Northington	Chief Financial Officer
Dr. Katherine Reboulet	Asst. Superintendent, Human Resources

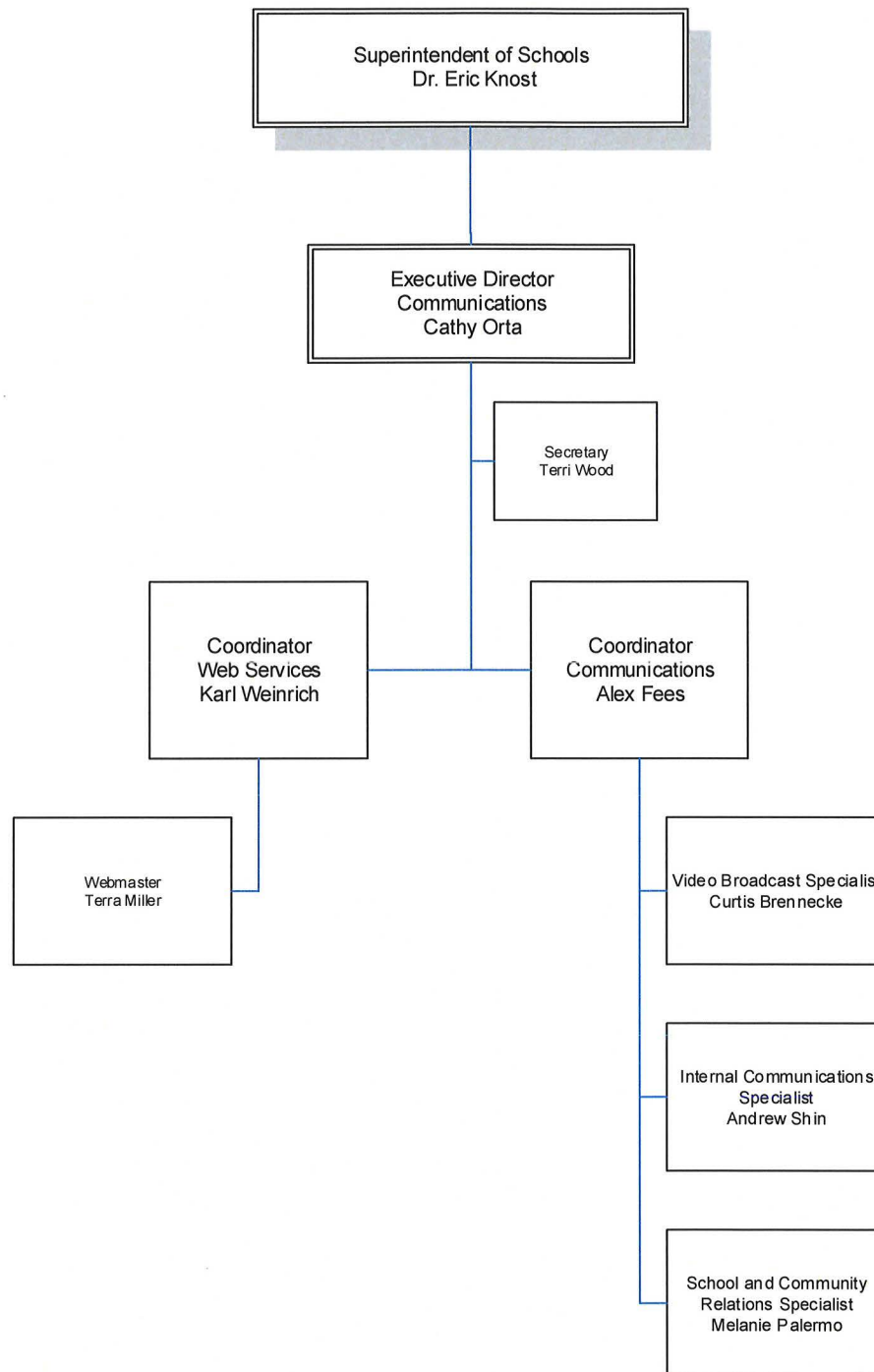
Executive Directors

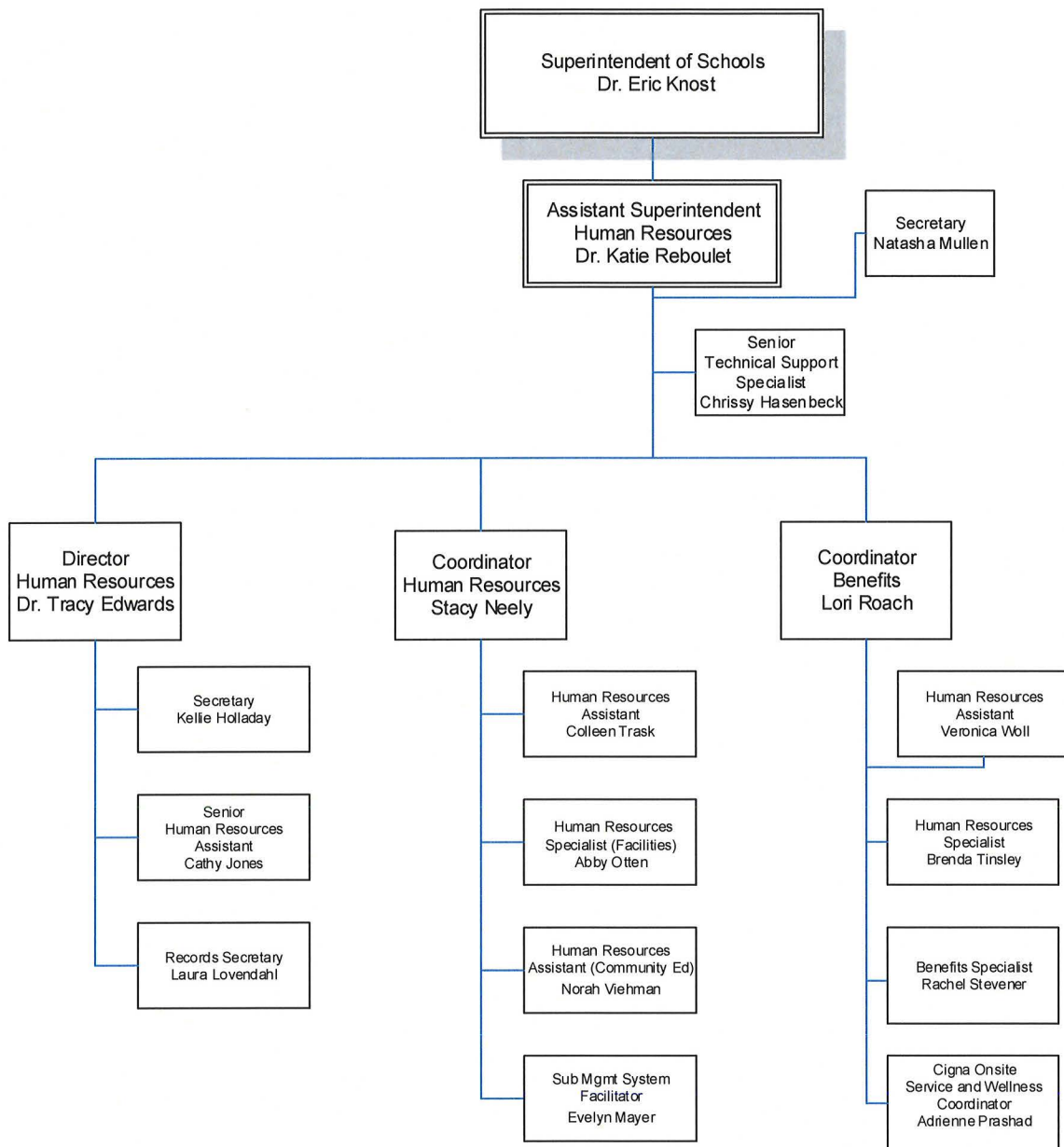
Dr. Jane Brown	Executive Director Early Childhood
Dr. David Cobb	Executive Director Elementary Education
Dr. Terry Harris	Executive Director Student Services
Ms. Cathy Orta	Executive Director Communications
Dr. Shelley Willot	Executive Director Learning and Support Services

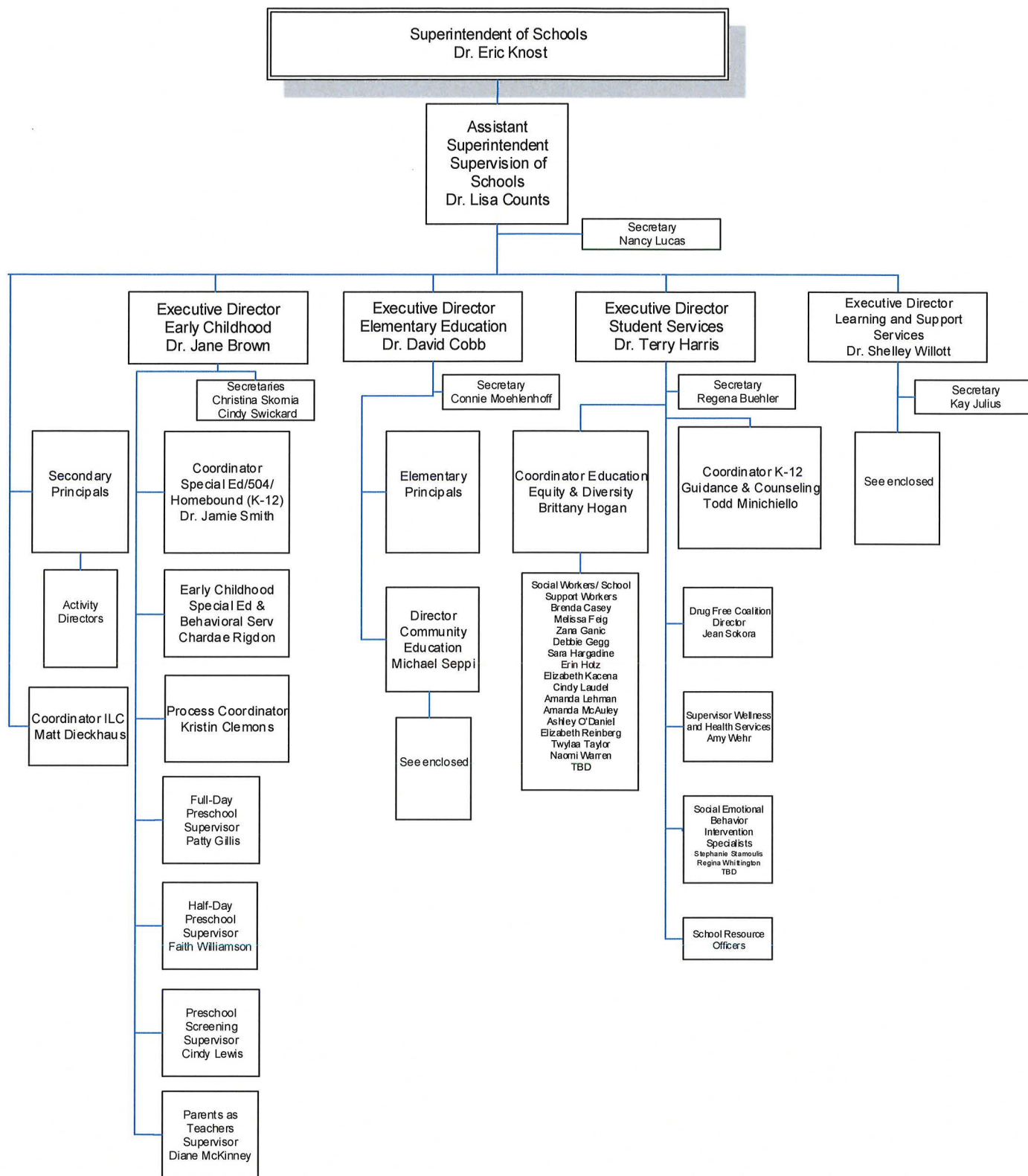
Directors

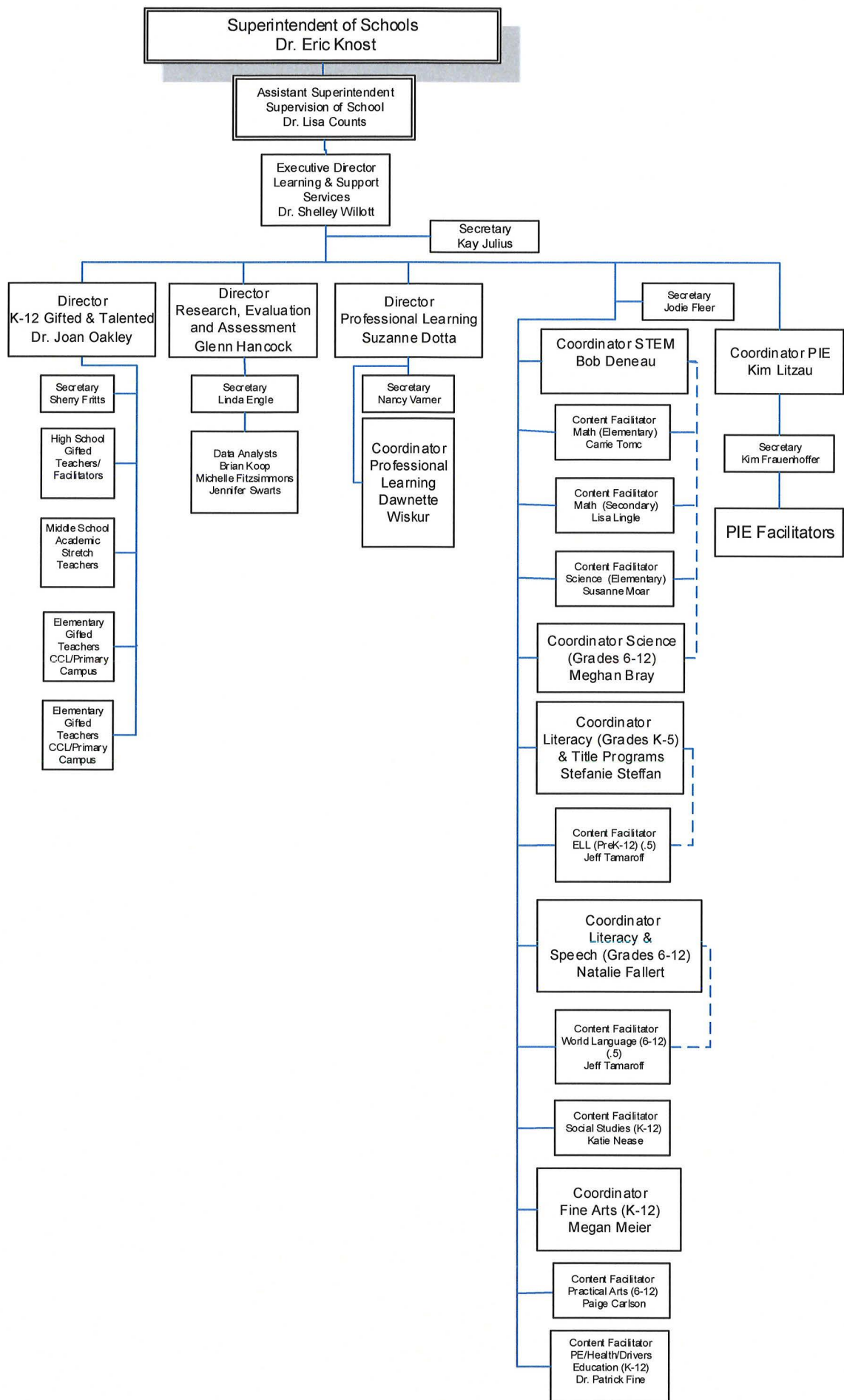
Ms. Suzanne Dotta	Director of Professional Learning
Dr. Tracy Edwards	Director Human Resources
Ms. Carmen Fischer	Director Child Nutrition Services
Mr. Chris Freund	Director Facilities Services, Warehouse
Mr. Glenn Hancock	Director of Research, Evaluation & Assessment
Mr. Michael Heyman	Director Transportation
Dr. Joan Oakley	Director K-12 Gifted and Talented
Mr. Michael Seppi	Director Community Education
Ms. Bretta Slagle	Director Technology Support Services
Mr. Bill Sloan	Director Purchasing and Transportation
Mr. Dan Steinbruegge	Director Finance

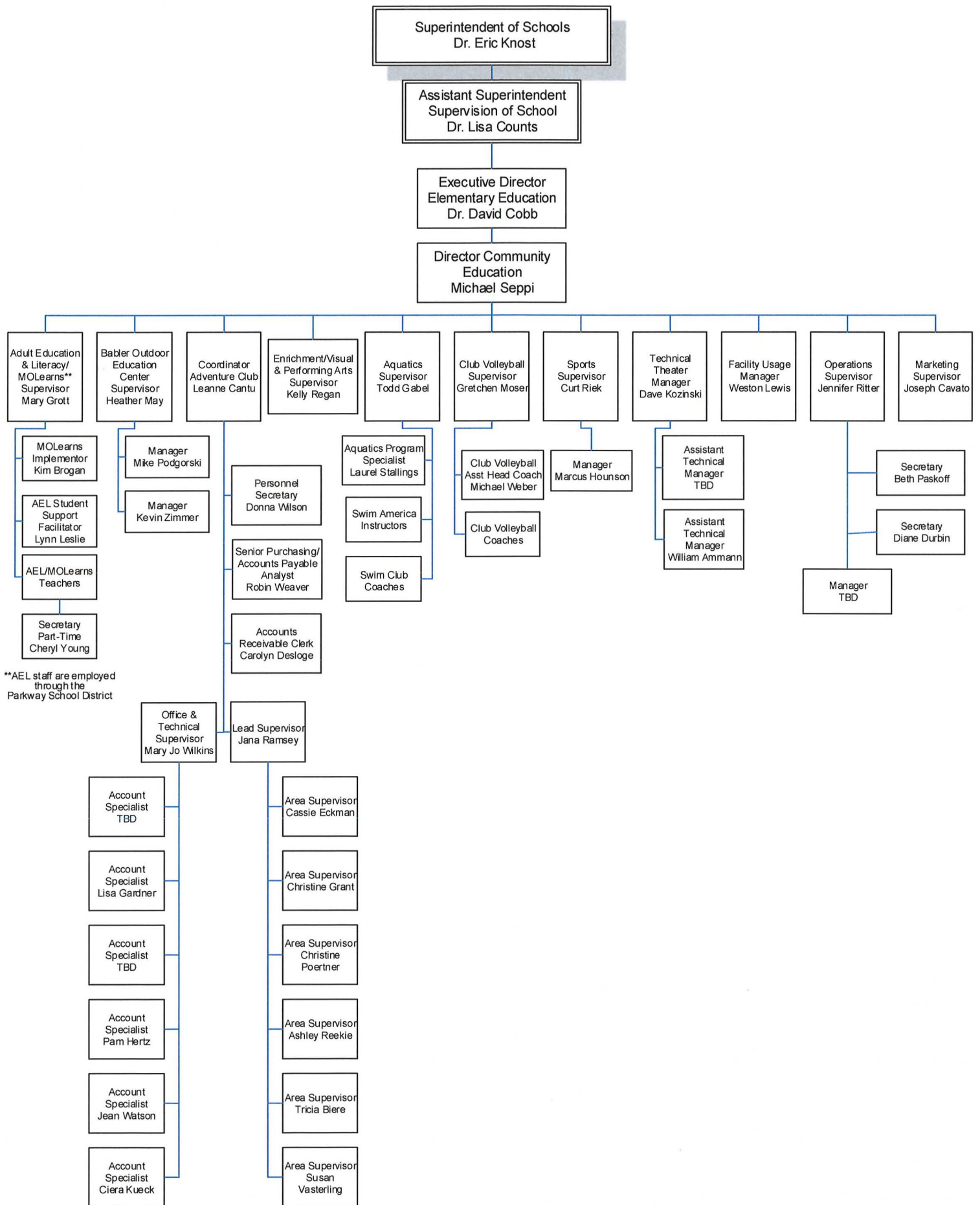


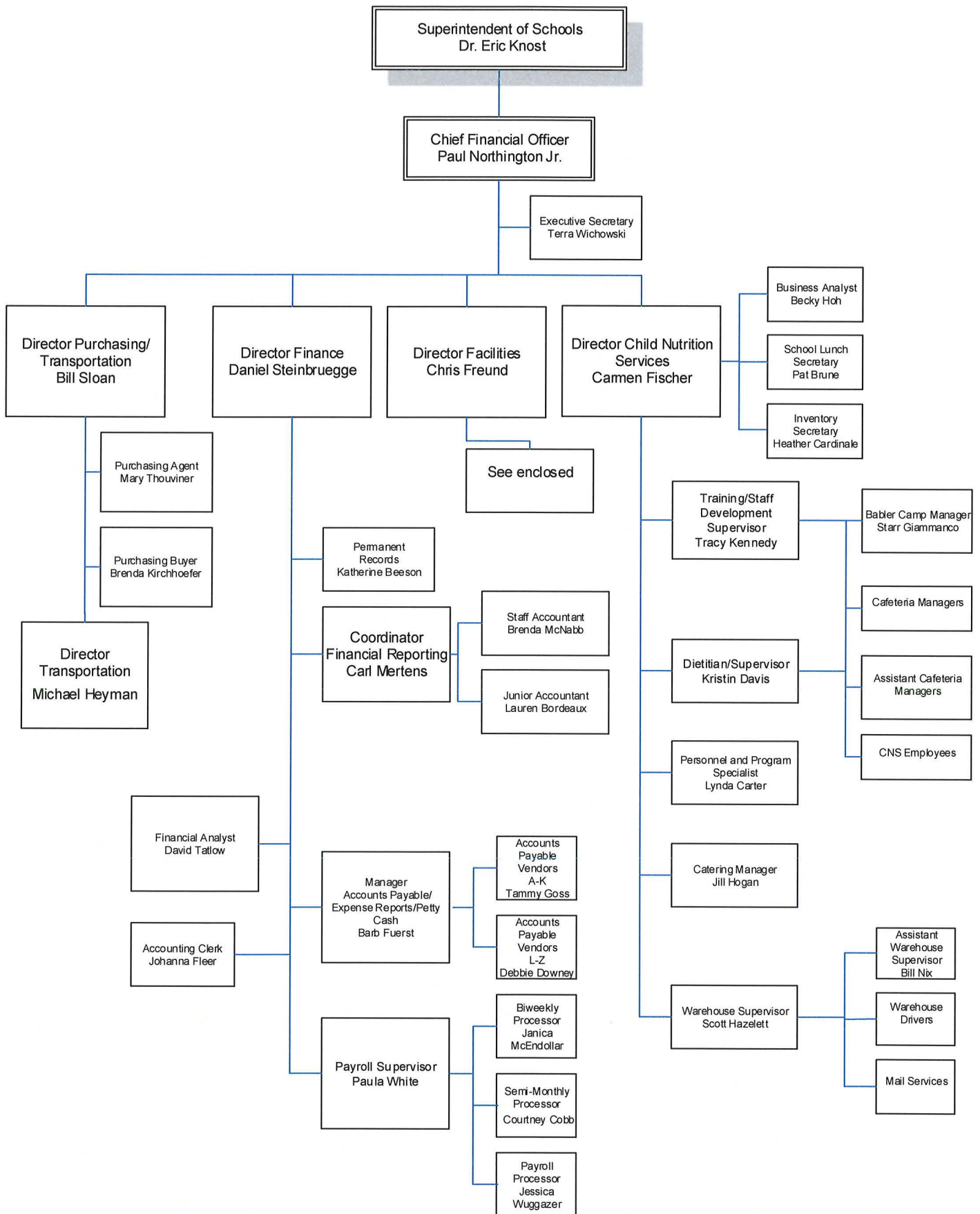


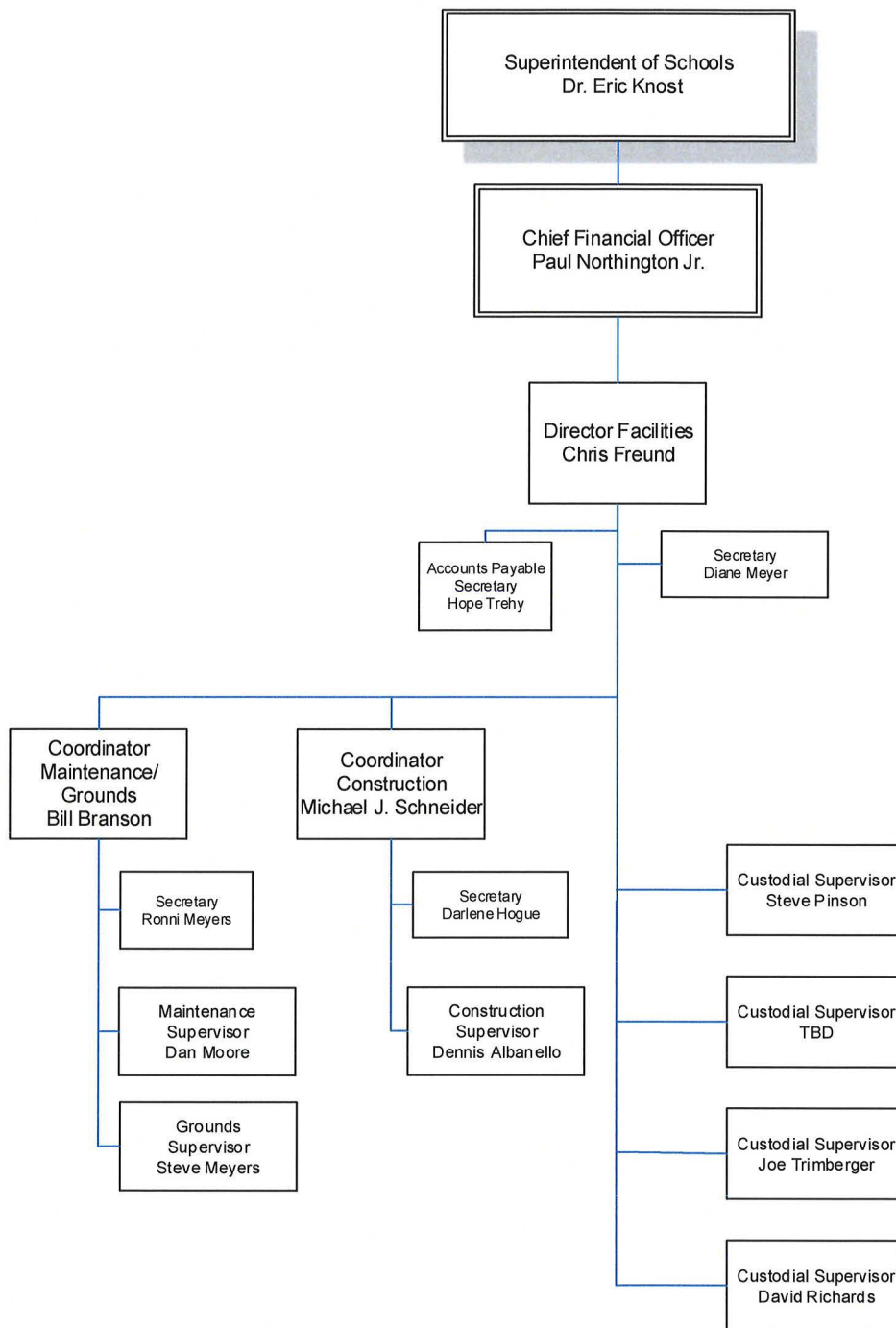


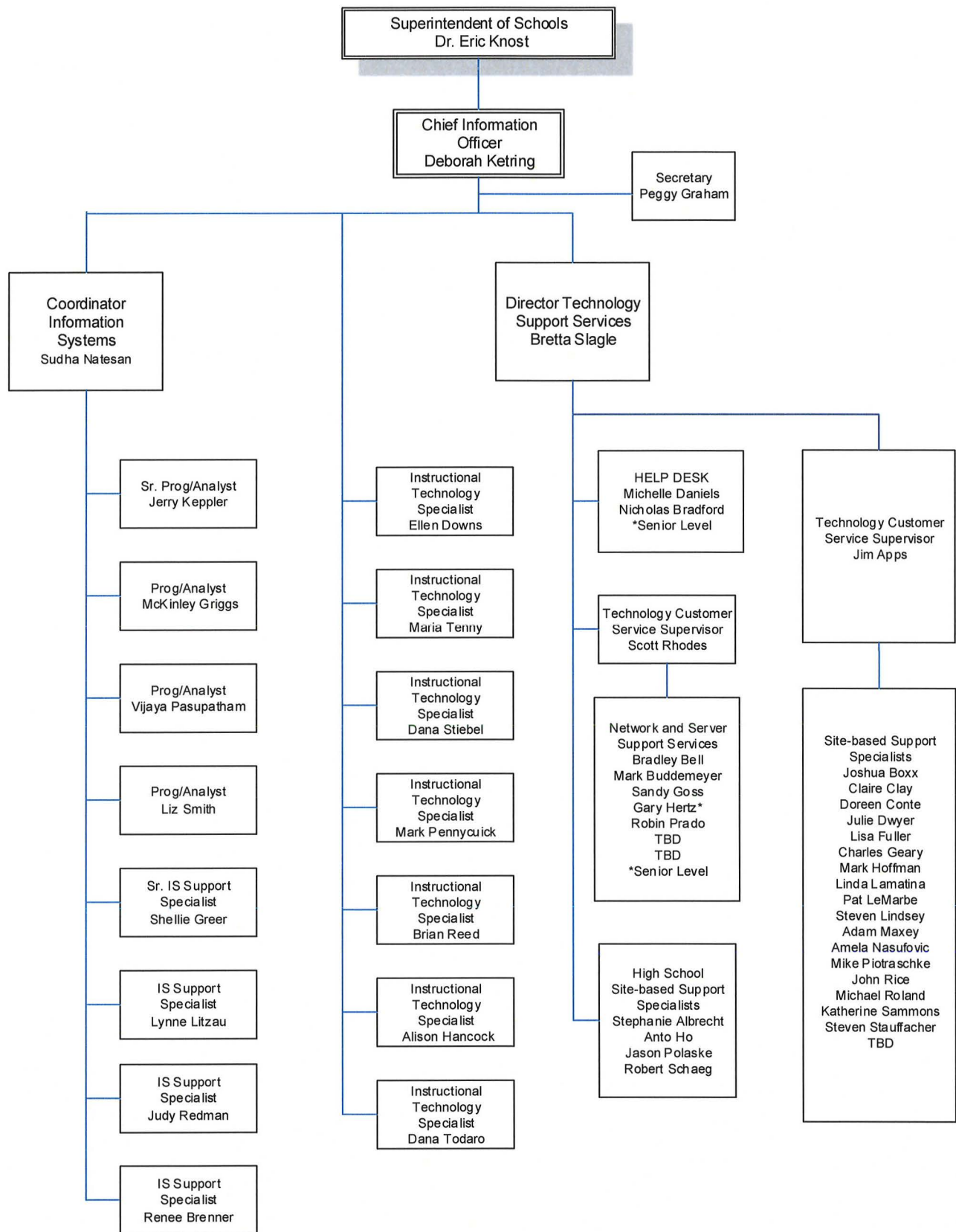












Information Systems

Instructional Technology

Technical Support

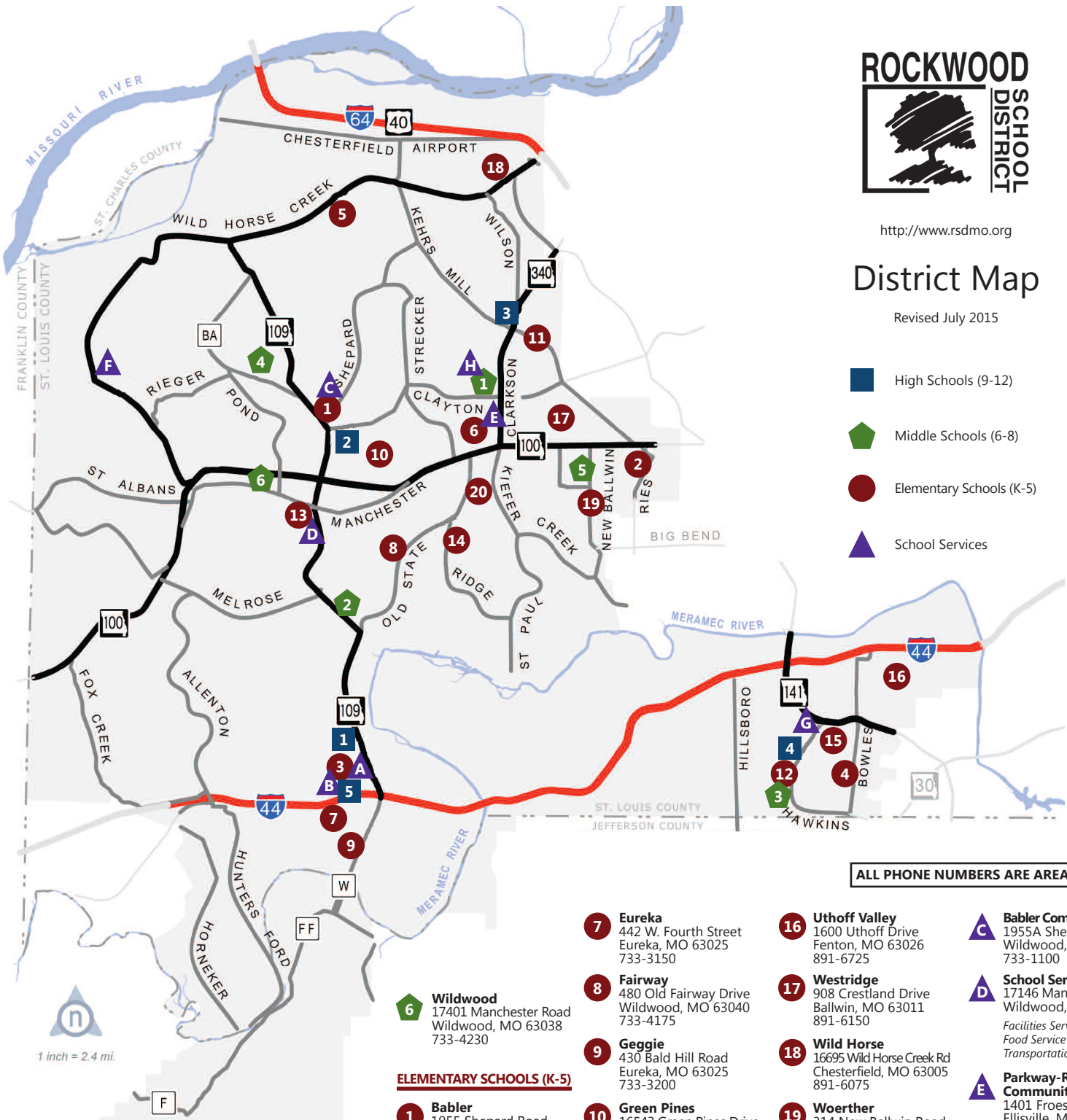


<http://www.rsdmo.org>

District Map

Revised July 2015

- High Schools (9-12)
- ◆ Middle Schools (6-8)
- Elementary Schools (K-5)
- ▲ School Services



ALL PHONE NUMBERS ARE AREA CODE 636

HIGH SCHOOLS (9-12)

- 1 Eureka**
4525 Highway 109
Eureka, MO 63025
733-3100
- 2 Lafayette**
17050 Clayton Road
Wildwood MO 63011
733-4100
- 3 Marquette**
2351 Clarkson Road
Chesterfield, MO 63017
891-6000
- 4 Rockwood Summit**
1780 Hawkins Road
Fenton, MO 63026
891-6800
- 5 Individualized Learning Center**
500 N. Central Avenue
Eureka, MO 63025
733-2100

MIDDLE SCHOOLS (6-8)

- 1 Crestview**
16025 Clayton Road
Ellisville, MO 63011
891-6950
- 2 LaSalle Springs**
3300 Highway 109
Eureka, MO 63038
733-4200
- 3 Rockwood South**
1628 Hawkins Road
Fenton, MO 63026
891-6850
- 4 Rockwood Valley**
1220 Babler Park Drive
Glencoe, MO 63038
733-4270
- 5 Selvidge**
235 New Ballwin Road
Ballwin, MO 63021
891-6100

ELEMENTARY SCHOOLS (K-5)

- 1 Babler**
1955 Shepard Road
Glencoe, MO 63038
733-1175
- 2 Ballwin**
400 Jefferson Avenue
Ballwin, MO 63021
891-6575
- 3 Blevins**
25 E. North Street
Eureka, MO 63025
733-3175
- 4 Bowles**
501 Bowles Avenue
Fenton, MO 63026
891-6775
- 5 Chesterfield**
17700 Wild Horse Creek Rd
Chesterfield, MO 63005
891-6500
- 6 Ellisville**
1425 Froesel Drive
Ellisville, MO 63011
891-6600
- 7 Eureka**
442 W. Fourth Street
Eureka, MO 63025
733-3150
- 8 Fairway**
480 Old Fairway Drive
Wildwood, MO 63040
733-4175
- 9 Geggie**
430 Bald Hill Road
Eureka, MO 63025
733-3200
- 10 Green Pines**
16543 Green Pines Drive
Wildwood, MO 63011
733-4150
- 11 Kehrs Mill**
2650 Kehrs Mill Road
Chesterfield, MO 63017
891-6050
- 12 Kellison**
1626 Hawkins Road
Fenton, MO 63026
891-6700
- 13 Pond**
17200 Manchester Road
Grover, MO 63040
733-3225
- 14 Ridge Meadows**
777 Ridge Road
Ellisville, MO 63021
891-6650
- 15 Stanton**
1430 Flora Del Drive
Fenton, MO 63026
891-6750

- 16 Uthoff Valley**
1600 Uthoff Drive
Fenton, MO 63026
891-6725
- 17 Westridge**
908 Crestland Drive
Ballwin, MO 63011
891-6150
- 18 Wild Horse**
16695 Wild Horse Creek Rd
Chesterfield, MO 63005
891-6075
- 19 Woerther**
314 New Ballwin Road
Ballwin, MO 63021
891-6175
- 20 Center for Creative Learning (Gifted Ed.)**
265 Old State Road
Ellisville, MO 63021
891-6550
- C Babler Computer Center**
1955A Shepard Road
Wildwood, MO 63038
733-1100
- D School Services Center**
17146 Manchester Road
Wildwood, MO 63040
Facilities Services 733-3270
Food Service 733-3250
Transportation 733-2032
- E Parkway-Rockwood Community Education**
1401 Froesel Drive
Ellisville, MO 63011
Comm. Ed. Office 891-6644
Adult Education 891-6649
Sports 891-6638
Enrichment 891-6643
Visual & Performing Arts 891-6643

SCHOOL SERVICES

- A Administrative Center**
111 E. North Street
Eureka, MO 63025
733-2000
- B Administrative Annex**
500 N. Central Avenue
Eureka, MO 63025
Curriculum 733-2011
Communications 733-1140
Painters in Education 733-2175
- F Babler Outdoor Education Center**
200 Lake Road
Wildwood, MO 63005
458-3048
- G Early Childhood - Vandover Campus**
1900 Hawkins Road
Fenton, MO 63026
Early Childhood Ed. 891-6690
Adventure Club 891-6675
- H Early Childhood - Clarkson Valley**
2730 Valley Road
Chesterfield, MO 63005
891-6200



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Rockwood R-VI School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Anthony N. Dragona, Ed.D., RSBA
President

John D. Musso, CAE
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Rockwood R-VI School District
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

Comprehensive
Annual
Financial
Report

2017

Financial Section

Independent Auditors' Report

Independent Auditors' Report

Board of Education
Rockwood R-VI School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockwood R-VI School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Rockwood R-VI School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rockwood R-VI School District, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16, budgetary comparison information on pages 64-65, the Schedule of Other Postemployment Benefit Obligation on page 67, and the Schedule of Proportionate Share of the Net Pension Liability and Employer Contributions on page 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rockwood R-VI School District's basic financial statements. The introductory section on pages i-xxiii, budgetary comparison information on pages 69-70, the statistical information on pages 71 through 101 and the schedule of selected statistics on pages 103 through 106 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 108 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of the Rockwood R-VI School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rockwood R-VI School District's internal control over financial reporting and compliance.

Keiser, Eck & Braeckel LLP

St. Louis, Missouri
November 30, 2017

MD & A



Central Services
Administrative Center
111 East North Street
Eureka, MO 63025-1229

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636.733.8865 Fax
steinbrueggedaniel@rsdmo.org

Dan Steinbruegge, CPA
Director of Finance

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT'S DISCUSSION AND ANALYSIS
THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)

The Management's Discussion and Analysis (MD&A) of Rockwood School District's (District) financial performance provides a comprehensive overview of the District's financial activities and the results of operations for the fiscal year ended June 30, 2017. Readers of the District statements, including this MD&A, are encouraged to review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

The MD&A is provided at the beginning of the audit report to communicate the past and current position of the District's financial condition.

Financial Highlights

The key government-wide financial highlights for fiscal year 2016-17 are as follows:

- At the government-wide level, the total net position was \$137.4 million compared to a total net position of \$152.0 million at the end of fiscal year 2015-16 for a decrease of \$14.6 million. Of the total net position, \$225.2 million is the District's net investment in capital assets. At June 30, 2017, \$37.1 million of net position is restricted by Missouri Statute for debt service (\$17.6 million) and certified employees' compensation and benefits (\$19.5 million). Net position restricted for debt service decreased \$0.2 million and net position restricted for certificated employee's compensation and benefits decreased \$0.5 million. In the prior year the District allocated local revenue for the certificated employees compensation and benefits to help support expenses. The decrease in the current year is a result of current year spending from these balances. The District does reflect an unrestricted net position of (\$124.8) million as a result of the net pension liability.

Total assets and deferred outflows increased \$17.1 million and total liabilities and deferred inflows increased \$31.6 million from fiscal year 2015-16. The major changes in total assets and deferred outflows and total liabilities and deferred inflows were due to the following:

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

- Cash decreased \$32.3 million of which \$28.2 million is related to the District spending proceeds from the general obligation bonds issued in prior years to fund special maintenance projects as well as regular cycle maintenance projects which were approved through the April 2015 bond authorization. Of the total bond monies received from that authorization, the District has \$32.8 million in cash remaining on hand as of June 30, 2017 that will fund approved projects through the fiscal year 2017-18. The District's cash balance decreased \$2.4 million in the operating funds and \$0.6 million in the debt service funds from fiscal year 2016-17.
- Capital assets increased \$5.0 million as the District spent \$17.9 million on construction in progress, building improvements, bus purchases and machinery and equipment. This is offset by \$12.9 million in depreciation on District capital assets. A significant portion of the capital asset purchases were funded by bond issue funds and the bus lease purchase agreement.
- Deferred outflows of resources related to pensions increased \$44.3 million. These changes are referenced in footnote VII.
- The net OPEB obligation liability increased \$2.2 million based on estimates established through the current year OPEB actuarial study. Additional information can be found in footnote IX.
- The decrease in bonds payable and related accrued interest was \$19.9 million which relates to the District's payments of principal and interest on outstanding general obligation bonds.
- The decrease in capital leases was \$1.2 million which was related to the principal payments on the bus lease purchases.
- Pension liability increased \$49.4 million primarily due to the net difference between the projected and actual investment earnings on the Plan investments.
- Deferred inflows of resources related to pensions decreased \$1.9 million. These changes are referenced in footnote VII.

General revenues accounted for \$231.0 million or 85% of the District's \$270.9 million total revenue. Of this general revenue, \$193.5 million or 84% was from local effort including all taxes and the revenue from the Voluntary Student Transfer program. Program specific revenue in the form of charges for services and operating grants and contributions accounted for approximately \$39.9 million or 16% of the total revenue.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

The dependence upon local tax revenues is apparent. Approximately 73% of instructional activities are supported through local effort (mainly taxes) showing, again, that the community is the primary support for this District. The assessed valuation for the fiscal year ended June 30, 2017, which was a non-reassessment tax year, increased \$23,925,485 to \$3,425,378,078 from the prior year. The District's tax rate increased \$0.066 and does include recoupment of prior year settlements. The State statute allows a District to recoup lost taxes from settlement reductions with an individual taxpayer. The process involves recalculating the tax rate for each year affected by the settlement. For fiscal year 2016-17, this process had a net decrease of \$0.03 towards the tax rate as compared to fiscal year 2015-16. Overall revenues increased \$5.6 million for fiscal year 2016-17 compared to fiscal year 2015-16. Local property tax revenues increased \$3.7 million and revenue from other local and intermediate sources decreased \$0.4 million in fiscal year 2016-17 compared to fiscal year 2015-16. The District's revenue from the State increased \$1.0 million in fiscal year 2016-17 compared to fiscal year 2015-16. Program revenue's increased a net \$1.3 million and is related to the Community Education program partnership with the Parkway School District resulting in the increase in program revenue.

At the government-wide level, the District had \$285.4 million in expenses. Of these expenses approximately \$39.9 million were offset by program specific charges for services, grants or contributions. General revenues were adequate to provide for the District's programs in fiscal year 2016-17.

Enrollment

The District served a student body of 20,853 students which included 19,035 resident students, 1,474 Voluntary Transfer Students (VTS) and 344 Special School District (274 resident and 70 VTS) students as of the September 2016 official enrollment. The District's enrollment has experienced slight annual enrollment reductions over the last six years. However, the District is experiencing residential growth which will result in additional students in the next two to five years.

Using this Annual Report

The District's annual report consists of a series of financial statements that show information for the District as a whole including the Rockwood School District Educational Facilities Authority (a component unit) and its individual funds. The Statement of Net Position on page 17 and the Statement of Activities on page 18 provide information about the activities of the Government as a whole based on the accrual basis of accounting and present a longer-term view of the District's finances. The Fund Financial Statements, the Balance Sheet—Governmental Funds and Statement of Revenue, Expenditures and Changes in Fund Balance, provide the next level of detail about the District's four required funds; the General Fund, the Special Revenue (Teachers) Fund, the Debt Service Fund and the Capital Projects Fund. These statements tell how the District financed program services in the short-term, as well as what remains for future spending. The fund level statements are prepared on the modified accrual basis of accounting and include bridge schedules to reconcile them to the government-wide level statements.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

The annual report also includes the notes to the basic financial statements. The user of the annual report should read the independent auditors' report, as well as the notes to the basic financial statements, to gain a clear picture of the financial position of the District.

Reporting the District as a Whole

The District adheres to Missouri State requirements for school districts and uses four major funds to account for the revenues, programs and activities each fiscal year. These statements provide information on these funds individually, and the view of the District as a whole. The Statement of Activities answers the question of how well did the District do financially during the year.

The Statement of Activities explains the types of resources: revenues, charges for services, grants and contributions and the uses of resources: instructional and support services expenses. In addition, the Statement of Activities reports the District's net position and changes in the assets, deferred outflows, liabilities and deferred inflows. This statement tells the reader that, for the District as a whole, the financial position during the current year has either improved or diminished.

These statements report revenues and expenses, assets, deferred outflows, liabilities, deferred inflows and net position using the accrual basis of accounting similar to the accounting used by most private-sector entities. This basis of accounting recognizes all of the current year's revenues and expenses regardless of when cash is received or paid.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular and miscellaneous activities. The District does not have any business-type activities. The Rockwood School District Educational Facilities Authority activities are reported as a blended component unit and shown with the District activities. See Note I for further information. The District also maintains an Internal Service Fund – Self Insurance Fund. These statements are shown separately.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

The District as a Whole

Table 1 provides a summary of the District's net position as of June 30, 2017 compared to June 30, 2016:

Table 1
Condensed Statements of Net Position - Governmental Activities
June 30,

	<u>2017</u>	<u>2016</u>	<u>Increase (decrease)</u>
ASSETS			
Current assets	\$ 135,199,445	\$ 167,501,119	\$ (32,301,674)
Capital assets - net	390,315,880	385,277,401	5,038,479
Total assets	<u>525,515,325</u>	<u>552,778,520</u>	<u>(27,263,195)</u>
DEFERRED OUTFLOWS OR RESOURCES			
Deferred pension contributions	112,076,020	67,761,239	44,314,781
LIABILITIES			
Current liabilities	29,353,831	29,752,330	(398,499)
Noncurrent liabilities	426,127,704	396,071,550	30,056,154
Total liabilities	<u>455,481,535</u>	<u>425,823,880</u>	<u>29,657,655</u>
DEFERRED INFLOWS OR RESOURCES			
Pension deferrals	44,697,671	42,755,120	1,942,551
NET POSITION			
Net investment in capital assets	225,193,534	228,068,652	(2,875,118)
Restricted	37,051,538	37,859,402	(807,864)
Unrestricted	(124,832,933)	(113,967,295)	(10,865,638)
Total net position	<u>\$ 137,412,139</u>	<u>\$ 151,960,759</u>	<u>\$ (14,548,620)</u>

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

Table 2 shows the sources of the changes in net position for the year ended June 30, 2017 compared to the year ended June 30, 2016.

Table 2
Changes in Net Position for Government-Wide Activities
For the years ended June 30,

	<u>2017</u>	<u>2016</u>	<u>Increase (decrease)</u>	<u>%</u>
Revenues				
Program revenues:				
Charges for services	\$ 25,650,319	\$ 23,948,355	\$ 1,701,964	5.7%
Operating grants and contributions	14,203,394	14,608,494	(405,100)	1.6%
General revenue - taxes	193,534,461	190,216,532	3,317,929	6.8%
Federal, State and County Aid				
Not restricted to programs	35,177,175	34,192,865	984,310	2.7%
Other	2,274,976	2,347,559	(72,583)	-79.2%
Total revenue	<u>270,840,325</u>	<u>265,313,805</u>	<u>5,526,520</u>	<u>2.1%</u>
Program expenses				
Instruction	154,499,049	139,147,070	15,351,979	0.4%
Pupil and instructional staff	25,427,899	22,658,607	2,769,292	-3.2%
Board and executive administration service	24,283,867	23,959,727	324,140	0.4%
Operation of plant	37,658,856	21,700,395	15,958,461	-11.5%
Pupil transportation	11,069,069	20,784,883	(9,715,814)	115.8%
Central services	3,408,243	3,104,843	303,400	-8.2%
Food service	8,286,684	8,481,726	(195,042)	12.7%
Community education	14,454,014	13,098,151	1,355,863	17.1%
Interest and fiscal charges	6,301,264	9,517,277	(3,216,013)	52.5%
Total expenses	<u>285,388,945</u>	<u>262,452,679</u>	<u>22,936,266</u>	<u>8.7%</u>
Change in net position	<u>\$ (14,548,620)</u>	<u>\$ 2,861,126</u>	<u>\$ (17,409,746)</u>	
Ending net position	<u>\$ 137,412,139</u>	<u>\$ 151,960,759</u>		

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

The Statement of Activities shows the cost of program services and any charges for services and grants offsetting those services, which are defined as net cost of services. Table 3 shows the total cost of services and the net cost of services. This table identifies the amount of the total cost of services, including depreciation, supported by tax revenue, other local effort, and unrestricted entitlements.

Table 3
Total and Net Costs of Governmental Activities
For the years ended June 30,

	2017		2016	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Instruction	\$ 154,499,049	\$ 140,680,333	\$139,147,070	\$ 125,590,301
Pupil and instructional staff	25,427,899	25,118,200	22,658,607	22,376,792
Board and executive administration services	24,283,867	24,282,917	23,959,727	23,959,366
Operation of plant	37,658,856	37,629,182	21,700,395	21,641,549
Pupil transportation	11,069,069	8,606,069	20,784,883	17,266,799
Central services	3,408,243	2,850,437	3,104,843	2,684,332
Food service	8,286,684	(29,100)	8,481,726	102,481
Community education	14,454,014	95,930	13,098,151	756,933
Interest and fiscal charges	6,301,264	6,301,264	9,517,277	9,517,277
Total	\$ 285,388,945	\$ 245,535,232	\$262,452,679	\$ 223,895,830

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

Capital Assets

At June 30, 2017, the District had \$604,921,536 invested in capital assets at the gross level with \$390,315,880 net of depreciation. Table 4 shows June 30, 2017 compared to June 30, 2016.

Table 4
Capital Assets
June 30,

	<u>2017</u>	<u>2016</u>	<u>Increase (decrease)</u>
Land and land improvements	\$ 28,947,476	\$ 28,319,392	\$ 628,084
Buildings and building improvements	528,607,359	523,630,091	4,977,268
Machinery and equipment	18,090,592	17,171,526	919,066
Automotives and other vehicles	14,426,055	13,719,567	706,488
Construction in progress	14,850,054	4,419,301	10,430,753
Totals	<u>\$ 604,921,536</u>	<u>\$ 587,259,877</u>	<u>\$ 17,661,659</u>

Overall capital assets increased \$17.7 million from June 30, 2016. The increase in capital assets is related to a net \$10.4 million of construction in progress as the District funds projects approved through the April 2015 bond authorization, \$4.9 million in building improvements and \$0.7 million in vehicles and buses. The District also purchased an additional \$0.9 million of machinery and equipment during the current year.

Further information may be found in Note IV, Changes in Capital Assets.

Debt Administration

At June 30, 2017, the District had general obligation bonds outstanding of \$166,380,000 and capital leases of \$11,407,041. The District has made major additions and renovations on its campuses in recent years including classrooms, labs, gymnasiums and theaters.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

In April 2015, the Community approved Proposition 4, a \$68.95 million bond issue. Bonds from the sale of this approval occurred in two authorizations with the first authorization of \$35 million being approved by the Board and sold by the District in May 2015. The second authorization of \$33.95 million was approved by the Board and sold by the District in March 2016. This bond issue allows the District to provide technology updates throughout all schools, strengthen safety and security for our students and staff, perform annual preventive maintenance at our schools and install synthetic fields and replace our tracks at our high schools. Included in the March 2016 sale was the authorization for the advanced refunding of a portion of the general obligation bonds, Series 2008B. Total bond issue for 2016 was \$72.8 million.

In April 2016, the Board authorized a lease purchase with respect to the acquisition, purchase, financing and leasing of school buses and certain equipment related thereto. The amount of this lease purchase was \$12.5 million.

In April 2017, the Community approved Proposition T, a \$95.5 million bond issue. The bond authorization is expected to cover special projects and cycle maintenance through the 2024-25 school year. The District will issue the bonds as needed to complete the project list over that time period.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

Table 5 shows outstanding obligations at June 30, 2017 compared to June 30, 2016.

Table 5
Outstanding Obligations
June 30,

	<u>2017</u>	<u>2016</u>	<u>Increase (decrease)</u>
Bonds Issued			
2008	\$ 4,125,000	\$ 8,675,000	\$ (4,550,000)
2010	50,855,000	58,370,000	(7,515,000)
2011	9,750,000	11,895,000	(2,145,000)
2015	29,125,000	33,410,000	(4,285,000)
2016	72,525,000	72,805,000	(280,000)
Total bonded debt	166,380,000	185,155,000	(18,775,000)
Other financing			
Transportation	11,336,774	12,500,000	(1,163,226)
Energy Financing	70,267	137,819	(67,552)
Total other financing	11,407,041	12,637,819	(1,230,778)
Total all obligations	<u>\$ 177,787,041</u>	<u>\$ 197,792,819</u>	<u>\$ (20,005,778)</u>

Other long-term obligations include accrued compensated absences, other post-employment benefit obligations and the net pension liability related to the State's retirement systems.

Further information may be found in Note V, Changes in Long-Term Obligations, VII, Pension Plans and IX, Other Post-Employment Benefit Obligation.

Missouri statute allows school districts to incur debt up to an amount equal to 15% of the most current assessed valuation. The District's allowable debt level ceiling was \$513.8 million at June 30, 2017, far above the District's current level of debt. Missouri law also requires school districts to set a tax levy adequate to service the outstanding debt. The District's Debt Service levy for fiscal year 2016-17 was \$0.68 on each \$100 of assessed valuation. The Debt Service Fund balance at June 30, 2017, was \$19.9 million. The District maintains an AAA bond rating, which was reaffirmed during a rating call with Standard & Poors' during the 2015-16 school year.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

Reporting the District's Most Significant Funds

The District's Funds

The District had actual revenues of \$271.1 million, actual expenditures of \$302.8 million, which resulted in an overall fund balance decrease of \$31.7 million from \$133.8 million in fiscal year 2015-16 to \$102.2 million in fiscal year 2016-17. The major changes in fund balances were:

- The General Fund balance increased \$0.6 million.
- The Teachers Fund decreased \$0.5 million
- The Debt Service Fund decreased \$0.2 million.
- The Capital Projects Fund decreased \$31.6 million as the District spent general obligation bond proceeds received in prior years on projects approved in the April 2015 authorization.

Schedules showing the District's original and final budget compared with actual operating results are provided in the CAFR on pages 64 and 65 for the General Fund and Teachers (Special Revenue) Fund and on pages 69 and 70 for the Debt Service Fund and Capital Projects.

The District's budget and reporting structure follow the statutes of the State of Missouri and as such consists of four major funds: the General Fund, the Teachers (Special Revenue) Fund, the Debt Service Fund and the Capital Projects Fund. At the fund level, the District accounts for the annual activities and prepares the budget using the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available or collectible within sixty days after the end of the current period (June 30). Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due.

The General Fund actual revenues of \$96.7 million were \$0.8 million lower than final budgeted revenues of \$97.5 million. The General Fund actual expenditures of \$95.1 million were \$1.3 million less than the final budgeted expenditures of \$96.3 million. This variance is due to the budget recapture of salaries, benefits, supplies and services. The General Fund had \$1.0 million in transfers to the Capital Projects Fund. The result is an increase in fund balance of \$0.6 million to \$38.9 million.

The Teacher's (Special Revenue) Fund had actual revenues of \$146.4 million and \$146.9 million of expenditures resulting in a decrease in fund balance of \$0.5 million to \$17.7 million.

The Debt Service Fund had revenues of \$25.8 million and \$26.0 million of expenditures to decrease the fund balance by \$0.2 million to \$19.9 million.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(continued)

The Capital Projects Fund revenue was \$2.1 million, expenditures of \$34.7 million and other financing sources of \$1.0 million for a net decrease of fund balance by \$31.6 million. Total fund balance for the Capital Projects Fund at June 30, 2017 is \$25.6 million. In fiscal year 2016-17 the District continued to fund projects from the sale of the general obligation bonds that was approved by the Community in April 2015. During fiscal year 2016-17, the District had \$29.1 million of bond related expenditures in the Capital Projects Fund. In addition, the District had \$1.5 million in expenditures to complete the acquisition of our bus fleet as the District transitioned to a District owned transportation department. Included in the other financing sources were fund transfers from the General Fund to meet state accounting requirements.

For the Future

Rockwood School District continues to be in excellent financial health and is committed to wise financial management. The operating fund balances are 22.0% of expenditures. The current Board of Education policy is to ensure year-end operating fund balances equal to 18% of the subsequent budgeted annual operating expenditures plus an additional 4% of expenditures for a stabilization fund.

During fiscal year 2014-15, the Community overwhelmingly passed Proposition 4, a \$68.95 million bond issue, with a 73.9% pass rate. The result of this approval allowed the District to improve facilities, including adding measures to strengthen safety and security for our students and staff as well as perform annual preventative maintenance throughout all schools. The Community also passed Proposition T during fiscal year 2016-17 which allows the District to plan for significant growth occurring within the District as approximately 2,300 homes will be built over the next 5 years. Also during fiscal year 2016-17, the District successfully transitioned to a District operated transportation system that saved the District money as well as increased services to our Community. The Districts fiscal year 2017-18 operating budget approved by the Board of Education reflects a balanced budget. The District does anticipate being faced with many financial constraints over the next couple years; however, it is the intention of the District to retain a balanced budget. Revenue sources are projected to increase modestly over next three fiscal years as the local assessed valuation improves but this will be offset by a commitment to raise average staff salaries to St. Louis County school district median as well as additional classroom staffing costs as the District is focused on decreasing classroom size, specifically at grades K-1. With residential growth the District is estimating an increase in student enrollment which will provide additional funding from State sources. However, the State revenue sources are dependent on funding at the State level and currently the District is being conservative with our revenue estimates from State sources as we monitor current legislative actions.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(UNAUDITED)
(concluded)

The Rockwood School District has a long tradition of success and has demonstrated an ability to make appropriate changes to meet the needs of District students. The District's systems for financial planning, budgeting and internal control are well regarded. The District will continue to be prudent in financial management in order to meet the challenges of the future.

Contacting the District's Financial Management:

This report is designed to give an overview of the financial conditions of the Rockwood School District. If you desire additional information, you may contact the following persons:

Paul Northington, SFO
Chief Financial Officer
636-733-2020

Dan Steinbruegge, CPA
Director of Finance
636-733-2058

Basic Financial Statements

ROCKWOOD R-VI SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2017

	Governmental activities
ASSETS	
Cash and temporary investments	\$ 126,281,017
Taxes receivable - net of allowance for uncollectibles	5,134,766
Other receivables	928,433
Inventory	1,103,365
Prepaid items	1,751,864
Land	14,525,508
Construction in progress	14,850,054
Depreciated capital assets	575,545,974
Less accumulated depreciation	(214,605,656)
Total assets	525,515,325
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension contributions	112,076,020
LIABILITIES	
Accounts payable and other current liabilities	22,413,946
Medical and dental benefits payable	6,382,638
Unearned revenue	557,247
Noncurrent liabilities	
Net pension liability	212,423,488
Other postemployment obligation	13,959,602
Due within one year	24,659,406
Due in more than one year	175,085,208
Total liabilities	455,481,535
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	44,697,671
NET POSITION	
Net investment in capital assets	225,193,534
Restricted for	
Debt service	17,571,742
Certified employees compensation and benefits	19,479,796
Unrestricted	(124,832,933)
Total net position	\$ 137,412,139

The notes to the basic financial statements are an integral part of these statements.

ROCKWOOD R-VI SCHOOL DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Function/Program	Expenses	Program revenues		Net (expense) revenue and changes in net position
		Charges for services	Operating grants and contributions	Total governmental activities
Governmental activities				
Instruction				
Elementary	\$ 52,612,003	\$ 1,980	\$ 297,724	\$ (52,312,299)
Middle	30,903,859	-	-	(30,903,859)
High	46,080,502	158,918	122,129	(45,799,455)
TAG/title/special	7,904,891	-	693,094	(7,211,797)
Early childhood special education	6,924,423	-	7,333,063	408,640
Student ath/athl act/spons act	9,417,788	5,078,166	845	(4,338,777)
Other instruction	655,583	-	132,797	(522,786)
Total instruction	154,499,049	5,239,064	8,579,652	(140,680,333)
Support services				
Attendance	1,714,647	-	118,285	(1,596,362)
Guidance	5,469,008	-	80,588	(5,388,420)
Health, psych, speech and audio	2,376,678	-	-	(2,376,678)
Improvement of instruction	9,961,874	9,890	100,936	(9,851,048)
Professional development	365,623	-	-	(365,623)
Media services (library)	5,540,069	-	-	(5,540,069)
Board of education services	789,964	-	-	(789,964)
Executive administration	5,416,161	-	328	(5,415,833)
Building level administration	15,255,410	-	-	(15,255,410)
Business central service	2,082,876	-	622	(2,082,254)
Operation of plant	37,658,856	-	29,674	(37,629,182)
Security services	739,456	-	-	(739,456)
Pupil transportation	11,069,069	212,150	2,250,850	(8,606,069)
Food services	8,286,684	6,198,567	2,117,217	29,100
Central office support services	3,408,243	535,190	22,616	(2,850,437)
Adult education	566,760	3,630	464,699	(98,431)
Community services	13,887,254	13,451,828	437,927	2,501
Debt service				
Interest and fiscal charges	6,301,264	-	-	(6,301,264)
Total support services	130,889,896	20,411,255	5,623,742	(104,854,899)
Total governmental activities	\$ 285,388,945	\$ 25,650,319	\$ 14,203,394	(245,535,232)
General revenues				
Taxes				
Property taxes, levied for general purposes				129,938,846
Property taxes, levied for debt service				22,198,166
Sales tax				17,886,567
M & M surtax				12,503,233
Other taxes				1,117,461
Voluntary student transfer aid				9,890,188
Federal, State and County aid not restricted to specific purpose:				35,177,175
Interest and investment earnings				2,084,033
Miscellaneous				190,943
Total general revenues				230,986,612
Change in net position				(14,548,620)
Net position at beginning of year				151,960,759
Net position at end of year				\$ 137,412,139

The notes to the basic financial statements are an integral part of these statements.

ROCKWOOD R-VI SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	Teachers' Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and temporary investments	\$ 42,410,430	\$ 23,019,338	\$ 19,856,995	\$ 34,611,616	\$ 119,898,379
Property taxes receivable					
less allowance for uncollectibles	1,345,476	1,706,715	526,022	32,486	3,610,699
Sales tax receivable	-	1,524,067	-	-	1,524,067
Accrued interest	31,649	20,103	57,895	18,850	128,497
Other receivables	369,883	420,058	-	9,995	799,936
Inventory	1,103,365	-	-	-	1,103,365
Prepaid items	1,465,192	179,422	-	107,250	1,751,864
Total assets	\$ 46,725,995	\$ 26,869,703	\$ 20,440,912	\$ 34,780,197	\$ 128,816,807
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 5,876,283	\$ 7,389,907	\$ 318	\$ 9,147,438	\$ 22,413,946
Unearned revenue	557,247	-	-	-	557,247
Total liabilities	6,433,530	7,389,907	318	9,147,438	22,971,193
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	1,375,581	1,744,902	537,769	33,215	3,691,467
FUND BALANCES					
Nonspendable					
Prepaid items	1,465,192	179,422	-	107,250	1,751,864
Inventory	1,103,365	-	-	-	1,103,365
Restricted					
Teacher salaries and benefits	-	17,555,472	-	-	17,555,472
Retirement of debt	-	-	19,902,825	-	19,902,825
Capital projects	-	-	-	24,036,195	24,036,195
Assigned					
Other capital projects	-	-	-	1,456,099	1,456,099
Unassigned	36,348,327	-	-	-	36,348,327
Total fund balances	38,916,884	17,734,894	19,902,825	25,599,544	102,154,147
Total liabilities, deferred inflows of resources and fund balances	\$ 46,725,995	\$ 26,869,703	\$ 20,440,912	\$ 34,780,197	\$ 128,816,807

The notes to the basic financial statements are an integral part of these statements.

ROCKWOOD R-VI SCHOOL DISTRICT

**RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

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

Total fund balance - governmental funds		\$ 102,154,147
Capital assets reported in District activities are not financial resources and therefore are not reported as assets in the funds statements.		
The cost of capital assets is	\$ 604,921,536	
Accumulated depreciation is	<u>(214,605,656)</u>	390,315,880
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds statements.		3,691,467
Deferred outflows of resources related to pension contributions are not due in the current period and therefore are not reported in the funds.		112,076,020
Deferred inflows of resources related to pension deferrals are not reported in governmental funds.		(44,697,671)
Long-term liabilities, including bonds payable, are not due and payable in the current period (net of retirements) and therefore are not reported as liabilities in the funds. These liabilities consist of:		
Net pension liability	(212,423,488)	
Other postemployment benefit obligations	(13,959,602)	
Bonds payable	(166,380,000)	
Accrued interest payable	(2,868,852)	
Capital leases	(11,407,041)	
Compensated absences	(7,717,221)	
Bond premium - unamortized	(12,100,621)	
Bond discount - unamortized	<u>729,121</u>	<u>(426,127,704)</u>
Total net position - governmental activities		<u>\$ 137,412,139</u>

The notes to the basic financial statements are an integral part of this statement.

ROCKWOOD R-VI SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	General Fund	Teachers' Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
Revenues						
Property taxes	\$ 56,781,603	\$ 72,026,521	\$ 22,198,166	\$ 1,371,064	\$ -	\$ 152,377,354
Other local sources	30,813,840	34,861,120	3,059,240	645,714	-	69,379,914
Intermediate sources	1,294,958	1,861,094	578,326	24,867	-	3,759,245
State sources	4,914,791	34,700,950	-	-	-	39,615,741
Federal sources	2,627,713	2,975,839	-	28,044	-	5,631,596
Other sources	269,124	-	-	47,689	73,091	389,904
Total revenues	96,702,029	146,425,524	25,835,732	2,117,378	73,091	271,153,754
Expenditures						
Instruction						
Elementary	2,005,910	45,529,622	-	6,125	-	47,541,657
Middle	1,341,348	26,113,803	-	14,885	-	27,470,036
High	3,066,154	36,315,654	-	342,474	-	39,724,282
TAG/title/special	561,266	6,927,770	-	34,000	-	7,523,036
Early childhood special education	2,403,506	4,209,681	-	22,633	-	6,635,820
Student act/athl/act/spons act	5,903,283	3,245,976	-	112,608	-	9,261,867
Other instruction	82,507	573,076	-	-	-	655,583
Total instruction	15,363,974	122,915,582	-	532,725	-	138,812,281
Support services						
Attendance	1,691,797	402	-	-	-	1,692,199
Guidance	573,222	4,693,079	-	-	-	5,266,301
Health, psych, speech and audio	2,340,899	6,075	-	-	-	2,346,974
Improvement of instruction	6,105,940	3,475,655	-	210,713	-	9,792,308
Professional development	226,560	131,168	-	-	-	357,728
Media services (library)	1,942,042	3,293,459	-	156,488	-	5,391,989
Board of Education services	515,785	-	-	10,268	-	526,053
Executive administration	888,351	2,667,581	-	39,400	-	3,595,332
Building level administration	5,384,103	9,398,355	-	-	-	14,782,458
Business central services	2,045,241	-	-	21,648	-	2,066,889
Operation of plant	24,771,922	-	-	33,088	-	24,805,010
Security services	738,431	1,025	-	-	-	739,456
Pupil transportation	8,185,031	-	-	1,533,574	-	9,718,605
Food services	7,384,065	-	-	659,936	-	8,044,001
Central office support services	3,371,175	101	-	-	-	3,371,276
Adult education	174,257	373,570	-	2,574	-	550,401
Community services	13,352,226	6,316	-	295,111	-	13,653,653
Facilities acquisition and construction	-	-	-	29,833,712	-	29,833,712
Debt service						
Principal retirement	-	-	18,775,000	1,163,226	67,552	20,005,778
Interest and fiscal charges	-	-	7,263,735	194,910	5,539	7,464,184
Total support services	79,691,047	24,046,786	26,038,735	34,154,648	73,091	164,004,307
Total expenditures	95,055,021	146,962,368	26,038,735	34,687,373	73,091	302,816,588
Excess of revenues over (under) expenditures	1,647,008	(536,844)	(203,003)	(32,569,995)	-	(31,662,834)
Other financing sources (uses)						
Transfers	(1,033,041)	-	-	1,033,041	-	-
NET CHANGE IN FUND BALANCE	613,967	(536,844)	(203,003)	(31,536,954)	-	(31,662,834)
Fund balance at beginning of year	38,302,917	18,271,738	20,105,828	57,136,498	-	133,816,981
Fund balance at end of year	<u><u>\$ 38,916,884</u></u>	<u><u>\$ 17,734,894</u></u>	<u><u>\$ 19,902,825</u></u>	<u><u>\$ 25,599,544</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 102,154,147</u></u>

The notes to the basic financial statements are an integral part of these statements.

ROCKWOOD R-VI SCHOOL DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS WITH
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Total net change in fund balances - total governmental funds	\$ (31,662,834)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for government-wide activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital assets exceed depreciation in the period.	
Capital asset purchases	\$ 17,873,048
Depreciation expense	<u>(12,834,569)</u> 5,038,479
Because some property taxes and other revenues will not be collected for several months after the District's fiscal year ends, they are not considered as available revenues in the governmental funds, and are instead counted as deferred property taxes. They are, however, recorded as revenues in the Statement of Activities. This includes the reversal of the prior year and the accrual of the current year.	
	(240,341)
Repayment of long-term obligations is an expenditure in the governmental funds, but it reduces long-term obligations in the Statement of Net Position and does not affect the Statement of Activities in the government-wide statements.	
	20,005,778
The changes in liabilities for compensated absences are recorded in the Statement of Activities and are based on actual days outstanding and estimated employees who are affected. These liabilities are not recognized in the fund statements.	
	390,287
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	13,096
The fund financial statements do not recognize the liability related to postemployment benefits other than pensions. This liability is recognized in the Statement of Activities.	
	(2,211,115)
The fund statements do not recognize the establishment or amortization of premium or discount on the general obligation bonds or other debt outstanding.	
	1,149,825
Pension benefit (expense) in the Statement of Activities differs from the amount reported in the governmental funds because pension expense is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, pension benefit (expense) is recognized based on the present value of the projected benefit payments for current and past employees.	
	<u>(7,031,795)</u>
Change in net position of governmental activities	<u>\$ (14,548,620)</u>

ROCKWOOD R-VI SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUND

JUNE 30, 2017

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Cash and cash equivalents	\$ 6,382,638
LIABILITIES	
Medical and dental benefits payable	<u>6,382,638</u>
NET POSITION	
Unrestricted	<u><u>\$ -</u></u>

The notes to the basic financial statements are an integral part of these statements.

ROCKWOOD R-VI SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUND**

YEAR ENDED JUNE 30, 2017

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues	
Local and intermediate sources	\$ 25,941,022
Operating expenses	
Claims	22,718,598
Administrative	<u>3,222,424</u>
Total operating expenses	25,941,022
CHANGE IN NET POSITION	-
Net position at beginning of year	<u>-</u>
Net position at end of year	<u><u>\$ -</u></u>

The notes to the basic financial statements are an integral part of these statements.

ROCKWOOD R-VI SCHOOL DISTRICT

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND
YEAR ENDED JUNE 30, 2017**

	Governmental Activities - Internal Service Fund
Cash flows from operating activities	
Cash received from local and intermediate sources	\$ 25,941,022
Cash payments to suppliers for claims and services	(26,355,904)
NET DECREASE IN CASH	(414,882)
Cash at beginning of year	6,797,520
Cash at end of year	\$ 6,382,638
Reconciliation of operating income to net cash used in operating activities	
Operating income	\$ -
Change in accounts payable and accrued liabilities	(414,882)
Net cash used in operating activities	\$ (414,882)

The notes to the basic financial statements are an integral part of these statements.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Rockwood R-VI School District (the District) was established under the Statutes of the State of Missouri. The District operates as a "six director" district (with seven members of the Board of Education) as described in RSMo Chapter 162. The District provides educational services to primarily pre-kindergarten through high school students. The Rockwood School District Board of Education (The Board) is the basic level of government that has financial accountability and control over all activities related to public education in the District.

Reporting Entity

These financial statements present the District (primary government) and its component unit, the Rockwood School District Educational Facilities Authority (the Authority). As defined by applicable GASB statements, component units are legally separate entities that are included in the District's reporting entity because of the significance of their operating or financial relationship with the District. The District is not a component unit of another reporting entity.

The District created the Authority, a nonprofit corporation, to partially finance construction of an Early Childhood Center and to pay off existing HVAC indebtedness. The Authority's debt that was issued related to this finance is expected to be repaid entirely with the resources of the primary government. Although legally separate, the Authority is blended and presented as a "nonmajor governmental fund" in the accompanying financial statements. Separate financial statements for the Authority are not issued.

Basis of Presentation

The 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.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities include the financial activities of the primary government, as a whole. Proprietary fund activity is eliminated to avoid 'doubling up' revenues and expenses. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions.

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

The government-wide Statement of Net Position presents the financial condition of the governmental activities at year end. The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program of the 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. Amounts reported as program revenues include (a) charges paid by the recipient of the goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the 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 District.

Fund Financial Statements

The fund financial statements report detailed information about the District's funds. The District segregates transactions related to certain functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the 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. Non-major funds (if applicable) are aggregated and presented in a single column. The internal service fund, which funds the District's self-insured health benefits, is presented in a single column on the face of the proprietary fund statements.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Concluded)

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

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities and fund balances arising from revenues and expenditures. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. District resources are allocated to and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following are the District's major funds:

Governmental Funds

General Fund: This fund is the general operating fund of the District, and accounts for expenditures for non-certified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program and any expenditures not required or permitted to be accounted for in other funds.

Special Revenue (Teachers) Fund: A special revenue fund is required to be established by state law which accounts for expenditures for certified employees involved in instruction and administration, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and certain benefits.

Debt Service Fund: Accounts for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term obligations.

Capital Projects Fund: Accounts for the proceeds of long-term debt, taxes and other revenues designated for acquisition or construction of major capital assets.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Concluded)

Proprietary Funds

The Proprietary Fund focuses on the determination of changes in net position, financial position, and cash flows and is classified as either enterprise or internal service. The District does not have any enterprise funds. The District's Proprietary Fund is:

Internal Service Fund – Accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis. This fund was established to account for the District's self-funded medical and dental insurance benefits for participating employees and their families. The revenues received by the internal service fund represent District contributions and premiums withheld as payroll deductions from employees. Claims paid, direct insurance payments, and administrative costs are the only expenses of this fund. A liability for estimated claims incurred, but not reported, is recorded in this fund.

Basis of Accounting

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

Government-wide financial statements prepared on the accrual basis of accounting recognize and record revenues when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes, sales taxes, grants and similar revenue are susceptible to accrual and so have been recognized as revenues of the current fiscal year. Property taxes are recognized as revenues in the year they are levied. Grants and similar revenue are recognized as revenue as soon as all of the eligibility requirements have been met.

Government fund financial statements prepared on the modified accrual basis of accounting recognize revenues as soon as they are both measurable and available. The District considers available to mean collectible within sixty days after the end of the current period. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which is recognized when due. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds at the fund reporting level.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Concluded)

Amounts reported as program revenues include 1) charges to users for goods, services, or privileges provided, 2) operating grants and contributions 3) capital grants and contributions (if applicable).

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities. The District does not have any business-type activities. The Rockwood School District Facility Authority's activities are reported as a blended component unit and shown with governmental activities.

Proprietary funds distinguish between operating and non-operating revenues and expenses. Operating revenues and expenses normally result from providing services and producing and delivering goods in connection with the fund's principle function. The principal operating revenue in the internal service fund includes payroll withholdings or payments on insurance premiums. Operating expenses are related to providing insurance coverage and paying third party administrative fees. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

It is District policy to use restricted resources prior to unrestricted when both are available for use.

Revenues – Exchange and Non-Exchange Transactions

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

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues – Exchange and Non-Exchange Transactions (Concluded)

Non-exchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from non-exchange transactions must also be available before they 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, sales tax, interest, tuition, grants, student fees and rentals.

Expenses/Expenditures

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

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

Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments, which is managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained.

The District may invest in bonds of the State of Missouri, of the United States, or any wholly-owned corporation of the United States; or in other short-term obligations of the United States. Interest income earned is allocated to contributing funds based on each funds' proportionate shares of funds invested.

For purposes of the statement of cash flows, the District's internal service fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Cash and Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consist of amounts escrowed for future general obligation bond principal and interest payments in the Missouri Securities Investment Program, as discussed in Note II.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out (FIFO) basis, and consist of purchased food and supplies of \$1,103,365. An expenditure is recorded at the time the inventory is used. Prepaid items of \$1,751,864 consist of insurance premiums on policies that provide coverage past the current year-end. These premiums will be expensed through the balance of the policy terms within one year. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Receivables

Taxes receivable include property taxes and sales taxes. Property taxes receivable is reported net of an allowance for uncollectible calculated from historical collection rates. Other receivables include interest earned but not yet credited to the District's accounts, amounts due the District from the State, amounts due to the District from federal grants, and some miscellaneous receivables from various local activities.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Capital Assets

Capital assets, which include land, land improvements, buildings, machinery and equipment, automobiles and other vehicles, and construction in progress, are reported in the governmental activities column of the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000. All land purchases are capitalized. Assets are recorded at historical cost or estimated historical cost if actual historical cost is not available and are updated for additions and retirements during the year. Donated assets are recorded at their fair market values as of the date received. The District does not own any infrastructure.

The cost of routine maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Concluded)

Capital assets under construction and not yet in use by the District as of the date of the financial statements are reported as construction in progress. Assets reported as construction in progress will include individual assets with a cost less than \$5,000.

All reported capital assets except land and construction in progress are depreciated using the straight-line method over the useful lives of the assets.

<u>Capital asset type</u>	<u>Estimated useful life</u>
Land improvements	20
Buildings	50
Machinery and equipment	15
Technology (including machinery and equipment)	5
Automobiles and other vehicles	5-10

Deferred Outflows of Resources

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary fund statements of net position. The only deferred outflows of resources reported in this year's financial statements are deferred amounts related to the District's defined benefit pension plans as further discussed in Note VII. No deferred outflows of resources affect the governmental funds financial statements in the current year.

Deferred Inflows of Resources

The District's statements of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). Deferred inflows of resources are reported in the District's statement of net position for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over multiple years, including the current year. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes are reported in the governmental funds balance sheet.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences and Early Retirement

An accrual for certain salary related payments associated with vacation time and unused sick leave are included in the government-wide financial statements.

District employees earn vacation time throughout the fiscal year to be taken by the end of the subsequent fiscal year. Any unused vacation days remaining will be forfeited by the employee. Unused vacation is payable to the employee upon termination. Employees who meet certain requirements may receive compensation for unused sick leave payable at time of retirement.

Accrued Liabilities and Long-Term Obligations

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

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, special termination benefits, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds, capital leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Post Employment Benefits

COBRA Benefits - Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. The program provides continuation of benefits for the number of months as prescribed by law.

There is no associated cost to the District under this program. The District prepares the initial COBRA enrollment forms and the former employee makes the premium payments directly to a division of the third party administrator.

The District also offers continued healthcare benefits to retired employees who elect to participate. The retiree pays the premium.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only by the Board. The District does not have any committed fund balances.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Amounts are assigned by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. Under the District's adopted fund balance policy, amounts may be assigned by the Chief Financial Officer.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, a negative unassigned fund balance may be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Balance Sheet – Governmental Funds.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Net Position

Net position represents the difference between assets, and deferred outflows of resources, liabilities, and deferred inflows of resources. 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 of any unspent bond proceeds, plus deferred amounts on refundings resulting from advance refundings. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as they are needed.

Interfund Activity

Interfund transfers are reported as other financing sources/ (uses) in governmental funds. Missouri statute requires the District to report all equipment purchases in the Capital Projects Fund. During the year the District accounts for certain capital outlay expenditures in the various General Fund sub-categories (Student Activity, Community Education and Child Nutrition). The District then records a transfer for these expenditures to the Capital Projects Fund at year end. For the year ended June 30, 2017, these transfers amounted to \$1,033,041.

Use of Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. However, it is management's belief that the actual results will materially approximate the estimates used.

Teachers Salaries

The salary payment schedule of the District for the 2016-17 school year requires the payment of salaries over a twelve month period. Consequently, the final three teacher payrolls related to the 2016-17 school year are included in accrued liabilities on the basic financial statements.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

II. CASH AND TEMPORARY INVESTMENTS

Cash balances from all funds, except the Debt Service Fund, are combined and invested to the extent available in short-term securities. State laws require that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District. Earnings from such investments are allocated to the General Fund, Teachers Fund and Capital Projects Fund on the basis of the applicable cash balance participation by each fund. Separate accounts are maintained for the Debt Service Fund and the Internal Service Fund. Interest is deposited directly into these accounts. State statutes authorize the District to invest in obligations of the United States government or any agency or instrumentality, including repurchase agreements; bonds of the State of Missouri, or the United States, or of any wholly owned corporation of the United States, and other short-term obligations of the United States; under limited circumstances, commercial paper and bankers' acceptances; and deposit accounts with insured financial institutions, provided the accounts are entirely insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with government securities that have a fair value exceeding the deposit amount.

Investments with the Missouri Direct Deposit Program and escrow agents for refunding escrow accounts are regulated by investment contracts that only authorize investments in obligations of the United States government or any agency or instrumentality thereof.

The District's investments in external investment pools are stated at amortized cost, which approximates fair value, except for the term investments, which are stated at net asset value. The net asset value of the term investments was \$21,200,000 as of June 30, 2017.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

II. CASH AND TEMPORARY INVESTMENTS (CONTINUED)

The cash deposits and temporary investments are summarized and presented in the financial statements at fair value as follows as of June 30, 2017:

Cash deposits	\$ 8,215,926
Cash on hand	11,453
Investments	
External investment pools	<u>118,053,638</u>
 Total	 <u><u>\$ 126,281,017</u></u>
 Cash and investments - governmental funds	 \$ 1,844,741
Restricted cash and investments - governmental funds	118,053,638
Cash and investments - proprietary funds	<u>6,382,638</u>
 Total reporting entity	 <u><u>\$ 126,281,017</u></u>

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2017, the carrying amount of the deposits under District control was \$8,215,926 and the bank balance was \$17,543,207, which was covered by federal depository insurance and collateral held at the Bank of New York, the District's safekeeping agent, pledged in the name of the District.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

II. CASH AND TEMPORARY INVESTMENTS (CONTINUED)

Investments

MISSOURI SECURITIES INVESTMENT PROGRAM (MOSIP)

At June 30, 2017, the District had \$118,053,638 invested in the MOSIP program with an average maturity of six months. All funds in this program are invested in accordance with Section 165.061 RSMo. Each school district owns a pro-rata share of each investment or deposit, which is held in the name of the Fund. The fair value for the external investment pool is the same as the value of the pool shares. A separate financial report for the MOSIP program can be obtained from the PFM Asset Management LLC, 77 West Port Plaza Drive, Suite 220, St. Louis, Missouri 63146. The MOSIP program is exempt from regulatory oversight as it is a Local Government Investment Pool.

The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States Government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. Government agencies or instrumentalities of any maturity, as provided by law.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. One of the ways the District manages its exposure to interest rate risk is by purchasing investments with short-term maturities to provide the cash flow and liquidity needed for operations, and by timing cash flows from maturities so a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

II. CASH AND TEMPORARY INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments that can be held by government agencies to safe high quality securities. The investments authorized under the investment policy are limited to federal government-backed securities, certificates of deposit, bankers' acceptance, repurchase agreements (under certain conditions), local and state government bonds (limited to one of the highest three credit ratings) and District policy is also to use diversification to minimize credit risk. The District has a formal policy and supporting regulation which governs the investment funds. District administrators will be guided by the criteria of legality, safety, liquidity and yield. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in MOSIP are rated AAAm, AA+ and A-1 to A-1+ by Standard and Poor's.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in possession of an outside party. The District's investment policy states that the District will manage custodial credit risk by pre-qualifying the financial institutions and advisors with which the District will do business; and, diversifying the portfolio so that potential losses on individual securities will be minimized. The District's investment policy further mandates that all securities purchased be perfected in the name of or for the account of the District and be held by a third-party custodian as evidenced by appropriate safekeeping receipts.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

II. CASH AND TEMPORARY INVESTMENTS (CONCLUDED)

Concentration of Credit Risk

As a means of limiting its exposure to losses arising from concentration of investments, the District's investment policy mandates that the portfolio not have a concentration of assets in specific maturity or specific class of securities. At a minimum, diversification standards by security type and issuer are established as (a) U.S. treasuries, securities issued by State of Missouri, and securities having principal and/or interest guaranteed by the U.S. Government – 100%; (b) collateralized time and demand deposits – 100%; (c) U.S. Government agencies, and government sponsored enterprises, no more than 60%; (d) collateralized repurchase agreements, no more than 50%; (e) U.S. Government callable securities, no more than 15%; (f) qualified commercial paper, no more than 25%; and (g) bankers' acceptances, no more than 25%.

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law. There were no investments in any one issuer representing 5% or more of total investments (excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools and other pooled investments).

III. TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. All unpaid taxes become delinquent January 1 of the following year. The county collects the property taxes and remits them to the District on a monthly basis. An allowance for uncollectible taxes has been provided for delinquent taxes.

At the fund reporting level, property tax revenues are recognized when they become measurable and available. Available includes those property tax receivables expected to be collected within sixty (60) days after year-end. Revenue recognition of delinquent property taxes not collected within sixty (60) days of fiscal year end is deferred.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

III. TAXES (CONCLUDED)

The District also receives sales tax collected by the State of Missouri and remitted to the District based on eligible pupil counts. The District is required to reduce its sales tax levy by one-half of the amount of sales tax estimated to be received in the subsequent calendar year, Prop C rollback. However, the District's voters approved a full waiver of the Prop C rollback in the 1994/1995 school year, so sales taxes are not reduced to the District. The final assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2016 for purposes of local taxation was:

Real estate	
Residential	\$ 2,262,580,705
Agricultural	2,684,833
Commercial including locally assessed railroad and utility	703,394,700
Personal property including locally assessed railroad and utility	<u>479,598,070</u>
	3,448,258,308
 Less tax increment financing	 <u>22,880,230</u>
	 <u><u>\$ 3,425,378,078</u></u>

Accounts receivable-property taxes at June 30, 2017, were \$4,052,736 (less an allowance for uncollectible taxes of \$442,037).

The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year ending June 30, 2017 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 1.7394	\$ 1.7394
Special Revenue Fund	2.2064	2.2064
Debt Service Fund	0.6800	0.6800
Capital Projects Fund	<u>0.0420</u>	<u>0.0420</u>
	<u><u>\$ 4.6678</u></u>	<u><u>\$ 4.6678</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2017, aggregated approximately 96.8% of the current assessment computed on the basis of the levy as shown above.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS **June 30, 2017**

IV. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Transfers	Additions	Deletions	Balance June 30, 2017
Governmental activities					
Capital assets that are not depreciated					
Land	\$ 13,923,234	\$ -	\$ 602,274	\$ -	\$ 14,525,508
Construction in progress	4,419,301	(3,801,768)	14,232,521	-	14,850,054
Capital assets that are depreciated					
Land improvements	14,396,158	-	25,810	-	14,421,968
Buildings	523,630,091	3,801,768	1,175,500	-	528,607,359
Machinery and equipment	17,171,526	-	950,064	(30,998)	18,090,592
Automobiles and other vehicles	13,719,567	-	886,879	(180,391)	14,426,055
Totals at estimated historical cost	587,259,877	-	17,873,048	(211,389)	604,921,536
Accumulated depreciation					
Land improvements	8,104,029	-	340,737	-	8,444,766
Buildings	178,206,503	-	10,503,032	-	188,709,535
Machinery and equipment	13,762,499	-	466,811	(30,998)	14,198,312
Automobiles and other vehicles	1,909,445	-	1,523,989	(180,391)	3,253,043
Total accumulated depreciation	201,982,476	-	12,834,569	(211,389)	214,605,656
Governmental activities					
capital assets, net	\$ 385,277,401	\$ -	\$ 5,038,479	\$ -	\$ 390,315,880

Depreciation was charged to functions of the District as follows:

Instruction	
Elementary	\$ 3,102,589
Middle	2,310,839
High school	4,790,410
Talented and Gifted	161,994
Board of Education services	192,282
Transportation	1,271,589
Operation of plant	542,871
Food service	404,906
Community services	57,089
	<u>\$ 12,834,569</u>

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS **June 30, 2017**

V. CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amounts due within one year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 185,155,000	\$ -	\$ (18,775,000)	\$ 166,380,000	\$ 19,015,000
Deferred amounts for issuance discounts	(817,072)	-	87,951	(729,121)	-
Deferred amounts on issuance premiums	13,338,397	-	(1,237,776)	12,100,621	-
Total bonds payable, net	197,676,325	-	(19,924,825)	177,751,500	19,015,000
Capital leases	12,637,819	-	(1,230,778)	11,407,041	1,247,002
Interest	2,881,948	2,868,852	(2,881,948)	2,868,852	2,868,852
Compensated absences	8,107,508	7,717,221	(8,107,508)	7,717,221	1,528,552
Total governmental activity long-term obligations	<u>\$ 221,303,600</u>	<u>\$ 10,586,073</u>	<u>\$ (32,145,059)</u>	<u>\$ 199,744,614</u>	<u>\$ 24,659,406</u>

Payments on the general obligation bonds are made by the Debt Service Fund. The obligations under capital leases are paid by the Capital Projects Fund. The compensated absences will be liquidated by the General Fund or the Teachers Fund depending on which fund the employee's salary was charged.

The District issues general obligation bonds to provide funds to erect, improve and equip school buildings. The District has built three new elementary schools, one middle school and major renovations to each of the four high schools in addition to improvements to every school site in the District in recent years. From time to time the District issues general obligation bonds to refund prior bond issuances to reduce cash flows and interest costs.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

V. CHANGES IN LONG-TERM OBLIGATIONS (CONTINUED)

Bonds payable consist of the following at June 30, 2017:

<u>Date issued</u>	<u>Maturity date</u>	<u>Rate of interest</u>	<u>Original issue amount</u>	<u>Balance at June 30, 2017</u>
6/5/08	2/1/22	3.25% - 5.00%	\$ 70,000,000	\$ 4,125,000
12/1/09	2/1/20	3.00% - 4.00%	24,465,000	16,950,000
6/29/10	2/1/24	4.00% - 4.75%	33,905,000	33,905,000
9/10/10	2/1/27	4.75%	7,295,000	7,295,000
9/21/10	2/1/18	2.00% - 3.00%	13,800,000	2,455,000
6/11/15	2/1/35	3.25% - 5.00%	35,000,000	29,125,000
3/17/16	2/1/36	2.00% - 5.00%	72,805,000	72,525,000
				<u>\$ 166,380,000</u>

The annual requirements to amortize all general obligation (GO) bonded debt outstanding as of June 30, 2017, including interest payments are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 19,015,000	\$ 6,864,729	\$ 25,879,729
2019	18,255,000	6,219,179	24,474,179
2020	18,455,000	5,574,054	24,029,054
2021	20,005,000	4,833,349	24,838,349
2022	21,270,000	3,862,706	25,132,706
2023-2027	42,975,000	9,093,044	52,068,044
2028-2032	7,000,000	4,022,188	11,022,188
2033-2036	19,405,000	1,570,925	20,975,925
	<u>\$ 166,380,000</u>	<u>\$ 42,040,174</u>	<u>\$ 208,420,174</u>

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

V. CHANGES IN LONG-TERM OBLIGATIONS (CONTINUED)

Advanced Refunding

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the District's financial statements. As of June 30, 2017, the total debt outstanding that is considered to be defeased is \$40,200,000.

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to fifteen percent of the assessed valuation of a district (including state-assessed railroad and utilities). The legal debt margin of the District calculated using the December 31, 2016, assessed valuation and excluding state-assessed railroad and utilities was as follows at June 30, 2017.

Constitutional debt limit	\$ 513,806,712
General obligation bonds payable	(166,380,000)
Amount available in Debt Service Fund	<u>19,902,825</u>
Available bonding capacity	<u><u>\$ 367,329,537</u></u>

Capital Leases

In 2008 the District entered into a \$600,000 lease purchase agreement with Bank of America. Proceeds were used for an energy conservation lighting project which was finalized in 2009. The principal balance at June 30, 2017, was \$70,267.

In 2016, the District entered into a \$12,500,000 lease purchase agreement with Banc of America Public Capital Corp. Proceeds were used to purchase school buses for the District. The principal balance at June 30, 2017, was \$11,336,774.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

V. CHANGES IN LONG-TERM OBLIGATIONS (CONCLUDED)

Other Financing

The annual requirement to amortize the capital leases as of June 30, 2017, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
2018	\$ 1,247,002	\$ 184,225	\$ 1,431,227
2019	1,196,655	161,481	1,358,136
2020	1,216,911	141,225	1,358,136
2021	1,237,511	120,625	1,358,136
2022	1,258,459	99,677	1,358,136
2023-2026	<u>5,250,503</u>	<u>182,042</u>	<u>5,432,545</u>
	<u><u>\$ 11,407,041</u></u>	<u><u>\$ 889,275</u></u>	<u><u>\$ 12,296,316</u></u>

VI. TAX ABATEMENTS

Saint Louis County has granted four tax incentives in the Rockwood R-VI School District. The total amount of tax abated for 2016 was \$426,818. These tax abatements are considered immaterial to the overall financial statements.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS

Public School Retirement System of Missouri

The District contributes to the Public School Retirement System of Missouri (PSRS) and the Public Education Employee Retirement System (PEERS), a cost-sharing multiple-employer defined benefit pension plan.

PLAN DESCRIPTION

PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989.

The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

PEERS is a mandatory cost-sharing multiple employer retirement system for all public school district employees in Missouri (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONTINUED)

Public School Retirement System of Missouri (Continued)

BENEFITS PROVIDED

PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Summary Plan Descriptions detailing the provisions of the plans can be found on the Systems' website at www.psrs-peers.org.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONTINUED)

Public School Retirement System of Missouri (Concluded)

COST OF LIVING ADJUSTMENTS ("COLA")

The Board of Trustees has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI increase is greater than 5.00%. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

CONTRIBUTIONS

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2015, 2016 and 2017. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2015, 2016 and 2017. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$17,912,866 and \$2,896,314, respectively, for the year ended June 30, 2017.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related To Pensions

At June 30, 2017, the District recorded a liability of \$194,089,325 for its proportionate share of PSRS' net pension liability and \$18,334,163 for its proportionate share of PEERS' net pension liability. In total, the District recorded net pension liabilities of \$212,423,488. The net pension liability for the plans in total was measured as of June 30, 2016 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of \$17,472,925 and \$2,420,725, respectively, for the year ended June 30, 2016, relative to the actual contributions of \$669,858,142 for PSRS and \$105,934,385 for PEERS from all participating employers. At June 30, 2016, the District's proportionate share was 2.6085% for PSRS and 2.2851% for PEERS.

For the year ended June 30, 2017, the District recognized pension expense of \$24,536,409 for PSRS and \$3,497,546 for PEERS, its proportionate share of the total pension expense. The District also recognized expense of \$7,652 for contributions to PSRS related to employee reciprocity and other service transfers.

At June 30, 2017, the District reported deferred outflows of resources from the following sources related to PSRS and PEERS pension benefits:

Balance of Deferred Outflows Due to:	Deferred Outflows of Resources		
	PSRS	PEERS	District Total
Differences between expected and actual experience	\$ 13,964,641	\$ 530,700	\$ 14,495,341
Changes of assumptions	2,195,221	1,091,983	3,287,204
Net difference between projected and actual earnings on pension plan investments	65,953,240	6,664,469	72,617,709
Changes in proportion and differences between Employer contributions and proportionate share of contributions	678,170	188,416	866,586
Employer contributions subsequent to the measurement date	17,912,866	2,896,314	20,809,180
Total	<u>\$ 100,704,138</u>	<u>\$ 11,371,882</u>	<u>\$ 112,076,020</u>

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2017, the District reported deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

Balance of Deferred Inflows Due to:	Deferred Inflows of Resources		
	PSRS	PEERS	District Total
Differences between expected and actual experience	\$ 14,829,625	\$ 1,074,544	\$ 15,904,169
Net difference between projected and actual earnings on pension plan investments	25,733,461	2,485,106	28,218,567
Changes in proportion and differences between Employer contributions and proportionate share of contributions	460,627	114,308	574,935
Total	<u>\$ 41,023,713</u>	<u>\$ 3,673,958</u>	<u>\$ 44,697,671</u>

Deferred outflows of resources to PSRS and PEERS pensions in the amount of \$17,912,866 and \$2,896,314, respectively, resulting from contributions subsequent to the measurement date of June 30, 2016, will be recognized as a reduction to the net pension liability in the year ended June 30, 2017.

Other amounts reported as collective deferred (inflows)/outflows of resources to be recognized annually in pension expense are as follows:

Year Ending June 30:	PSRS	PEERS	District Total
2018	\$ 6,220,048	\$ 853,937	\$ 7,073,985
2019	6,220,048	864,897	7,084,945
2020	19,086,779	1,907,314	20,994,093
2021	11,938,168	1,175,462	13,113,630
2022	(1,124,136)	-	(1,124,136)
Thereafter	(573,349)	-	(573,349)
	<u>\$ 41,767,558</u>	<u>\$ 4,801,610</u>	<u>\$ 46,569,168</u>

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONTINUED)

Actuarial Assumptions

Actuarial valuations of the Systems involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year. The most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the study and effective with the June 30, 2016 valuation. Significant actuarial assumption and method changes are detailed below. For additional information please refer to the Systems' CAFR. The next experience studies are scheduled for 2021.

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Measurement Date – June 30, 2016

Valuation Date – June 30, 2016

Expected Return on Investments – 7.75% net of investment expenses and including 2.25% inflation.

Total Payroll Growth PSRS – 2.75% per annum consisting of 2.25% inflation, 0.25% real wage growth due to the inclusion of health care costs in pension earnings, and 0.25% of real wage growth due to productivity.

Total Payroll Growth PEERS – 3.25% per annum consisting of 2.25% inflation, 0.50% real wage growth due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth due to productivity.

Future Salary Increases PSRS – 3.00% - 9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due the productivity.

Future Salary Increases PEERS – 4.00% - 11.00%, depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Cost-of-Living Increases PSRS & PEERS – The long-term cost-of-living adjustment (COLA) assumed in the valuation is 1.50% per year, based on the current policy of the Board to grant a 0.00% COLA when annual inflation, as measured by the CPI-U index for a fiscal year, increases between 0.00% and 2.00% and to grant 2.00% when the increase is between 2.00% and 5.00%. The actuarial assumption increases from 1.00% to 1.50% over ten years (from fiscal year 2017 to fiscal year 2027). The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receives a COLA on the fourth January after retirement.

Mortality Assumption –

- Actives PSRS: RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
- Actives PEERS: RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
- Nondisabled Retirees, Beneficiaries and Survivors PSRS: RP 2006 Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
- Nondisabled Retirees, Beneficiaries and Survivors PEERS: RP 2006 Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
- Disabled retirees: RP 2006 Disabled Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Changes in Actuarial Assumptions and Methods: An experience study was completed in June 2016 resulting in an update to the following assumptions:

- PSRS & PEERS – The inflation assumption decreased from 2.50% to 2.25% per year.
- PSRS –
 - The payroll growth assumption decreased from 3.50% to 2.75% per year.
 - The future salary increase assumption decreased from 4.00%-10.00%, depending on service to 3.00%-9.50%, depending on service.
 - The investment return assumption decreased from 8.00% to 7.75% per year.
 - The active mortality assumption changed from the RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA 75% of the RP-2006 White Collar Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.
 - The non-disabled retiree mortality assumption changed from the RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA to the RP-2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
 - The disabled retiree mortality assumption changed from RP 2000 Disabled Retiree Mortality Table to the RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONTINUED)

- **PEERS –**
 - The payroll growth assumption decreased from 3.75% to 3.25% per year.
 - The future salary increase assumption decreased from 5.00%-12.00%, depending on service to 4.00%-11.00%, depending on service.
 - The investment return assumption decreased from 8.00% to 7.75% per year.
 - The active mortality assumption changed from the RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA to 75% of the RP-2006 Total Dataset Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.
 - The non-disabled retiree mortality assumption changed from the RP 2000 Mortality Table set back one year for males and no set back/forward for females, then projected to 2016 using Scale AA to the RP-2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
 - The disabled retiree mortality assumption changed from RP 2000 Disabled Retiree Mortality Table to the RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.
- **PSRS & PEERS –** In addition, the Board adopted a new COLA policy during fiscal 2016 resulting in a decrease in the future COLA assumption from 2.00% per year to a variable, increasing assumption of 1.00%-1.50% over ten years beginning January 1, 2018.

Fiduciary Net Position: The Systems issue a publicly available financial report that can be obtained at www.psrs-peers.org.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

EXPECTED RATE OF RETURN

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in Systems' target allocation as of June 30, 2016, is summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cash flows.

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis	Weighted Long- Term Expected Real Return Arithmetic Basis
U.S. Public Equity	27.00 %	5.16 %	1.39 %
Public Credit	7.00	2.17	0.15
Hedged Assets	6.00	4.42	0.27
Non-U.S. Public Equity	15.00	6.01	0.90
U.S. Treasuries	16.00	0.96	0.15
U.S. TIPS	4.00	0.80	0.03
Private Credit	4.00	5.60	0.22
Private Equity	12.00	9.86	1.18
Private Real Estate	9.00	3.56	0.32
Total	<u>100.00 %</u>		<u>4.61</u>
		Inflation	<u>2.25</u>
		Long-term arithmetical nominal return	<u>6.86</u>
		Effect of covariance matrix	<u>0.89</u>
		Long-term expected geometric return	<u>7.75 %</u>

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VII. PENSION PLANS (CONCLUDED)

Actuarial Assumptions (Concluded)

DISCOUNT RATE

The long-term expected rate of return used to measure the total pension liability was 7.75% as of June, 30, 2016, and is consistent with the long-term expected geometric return on the Systems' investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% based on the actuarial experience studies and asset-liability study conducted during the current year. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

DISCOUNT RATE SENSITIVITY

The sensitivity of the District's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 7.75% is presented as well as the net pension liability using a discount rate that is 1.0% lower (6.75%) or 1.0% higher (8.75%) than the current rate.

	1% Decrease 6.75%	Current Rate 7.75%	1% Increase 8.75%
Proportionate Share of the Net Pension Liability			
PSRS	\$ 329,264,501	\$ 194,089,325	\$ 81,535,451
PEERS	\$ 31,883,752	\$ 18,334,164	\$ 6,962,724

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

VIII. DEFERRED COMPENSATION PLANS

The District offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) or 457(b). These plans, available to all District employees, permit them to defer a portion of their salary until future years. The District makes these Plans available to its employees as an accommodation only. The District's role in connection with the Plans is generally limited to processing the paperwork necessary to remit participant's salary withholdings (deferrals) to annuity providers and custodians.

IX. OTHER POST-EMPLOYMENT BENEFIT OBLIGATION

Plan Description

In addition to providing the pension benefits described above, the District (under the provisions of the Rockwood Self-insurance Plan) provides continuation of medical, dental and vision insurance coverage, including prescription drugs to employees who are eligible for normal or early retirement under a single employer plan. Retirees who elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since the retirees pay the premium for each year, the District's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The plan is not accounted for as a trust fund since an irrevocable trust has not been established. A stand-alone financial report is not available for the plan.

Funding Policy

The District currently pays for the implicit rate subsidy associated with these postemployment health care benefits on a pay-as-you-go basis. The District determines contribution requirements and they may be amended by the District. As of June 30, 2017, no trust fund has been established for the funding of the plan's postemployment benefit obligation, resulting in the classification of the entire liability as unfunded. The schedule of funding progress is presented as required supplementary information.

Annual Other Postemployment Benefit Cost

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

IX. OTHER POST-EMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

Annual Other Postemployment Benefit Cost (Concluded)

As of June 30, 2017, the schedule of employer contributions and net OPEB obligation is as follows:

Annual required contribution	\$ 4,350,006
Interest on net OPEB obligation	469,939
Adjustment to annual required contribution	<u>(453,297)</u>
Annual OPEB cost (expense)	4,366,648
Contributions made	<u>2,155,533</u>
Increase in net OPEB obligation	2,211,115
Net OPEB obligation at July 1, 2016	<u>11,748,487</u>
Net OPEB obligation at June 30, 2017	<u><u>\$ 13,959,602</u></u>

As of June 30, 2017, the annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

Plan Year	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 4,366,648	49.36%	\$ 13,959,602
2016	4,633,122	55.94%	11,748,487
2015	4,435,830	55.48%	9,707,290

As of July 1, 2016, the actuarial accrued liability for benefits was \$51,509,647, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$155,928,280, and the ratio of the unfunded actuarial liability to covered payroll was 33.03%.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

IX. OTHER POST-EMPLOYMENT BENEFIT OBLIGATION (CONCLUDED)

Funded Status and Funding Progress

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term prospective of the calculations. The initial unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

In the actuarial valuation, the liabilities were computed using the projected unit credit cost method. The actuarial assumptions utilized a 4.0% discount rate per year based on 2.50% long-term inflation and 1.50% real rate of return. Because the plan is unfunded, reference to general assets, which are short-term in nature, was considered in the selection of the 4.0% rate. The healthcare trends used are based on long term healthcare trends generated by the Getzen Model.

X. SELF-INSURED MEDICAL BENEFITS

The District is under a self-insured plan to provide medical and dental benefits to participating employees and their families. The participating employees contribute to the self-insurance fund through payroll deductions based on their coverage election. The District's maximum liability for each employee and in the aggregate for a one-year period is limited by insurance coverage. Transactions for the self-funded insurance are recorded in the Internal Service Fund.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

X. SELF-INSURED MEDICAL BENEFITS (CONCLUDED)

Liabilities of the fund are recorded when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated based upon recent claim settlement trends. Settlements have not exceeded coverage for each of the past three fiscal years.

Changes in the balance of claims liabilities are as follows for the years ended June 30, 2017:

Unpaid claims, beginning of year	\$ 6,797,520
Incurred claims (including IBNRs)	22,718,598
Claim payments	<u>(23,133,480)</u>
Unpaid claims, end of year	<u>\$ 6,382,638</u>

XI. INSURANCE PROGRAM

The District, along with various other local school districts, participates in the Missouri United School Insurance Council (MUSIC), an insurance association for workers' compensation, general liability and property casualty insurance. The purpose of MUSIC is to distribute the cost of self-insurance over similar entities. MUSIC requires an annual premium payment to cover estimated claims payable and reserves for claims for each entity. Part of the assessment then goes to buy excess insurance contracts for the group as a whole. Should the contributions received by MUSIC be in excess or not be sufficient, rebates or special assessments can be made of the member Districts. There have been no significant changes in insurance coverage from the prior year. Settlements have not exceeded coverage for each of the past three fiscal years.

XII. COMMITMENTS AND CONTINGENCIES

Litigation – Various claims and lawsuits are pending against the District. In the opinion of District management, the potential loss on all claims and lawsuits will not be significant to the District's financial statements taken as a whole.

Grants – The District received financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the District at June 30, 2017.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2017

XII. COMMITMENTS AND CONTINGENCIES (CONCLUDED)

Construction – The District has entered into various contracts for building and grounds renovations and improvements which are included in the amount designated in the capital projects fund in the fund financial statements.

Required Supplemental Information

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted amounts		Actual	Variances-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Property taxes	\$ 61,031,451	\$ 57,280,772	\$ 56,781,603	\$ (3,750,679)	\$ (499,169)
Other local sources	30,627,992	30,335,946	30,813,840	(292,046)	477,894
Intermediate sources	1,287,044	1,314,743	1,294,958	27,699	(19,785)
State sources	5,533,237	4,787,805	4,914,791	(745,432)	126,986
Federal sources	3,543,445	3,166,911	2,627,713	(376,534)	(539,198)
Other sources	648,005	591,914	269,124	(56,091)	(322,790)
Total revenues	102,671,174	97,478,091	96,702,029	(5,193,083)	(776,062)
Expenditures					
Instruction					
District wide	-	(580)	-	580	(580)
Elementary	(456,628)	2,101,297	2,005,910	(2,557,925)	95,387
Middle	2,231,403	1,406,143	1,341,348	825,260	64,795
High	4,695,428	3,284,040	3,066,154	1,411,388	217,886
TAG/title/special	594,254	549,641	561,266	44,613	(11,625)
Early childhood special education	2,992,511	2,467,407	2,403,506	525,104	63,901
Student act/athl/act/spons act	7,139,320	6,682,906	5,903,283	456,414	779,623
Other instruction	108,000	94,220	82,507	13,780	11,713
Total instruction	17,304,288	16,585,074	15,363,974	719,214	1,221,100
Support services					
Attendance	1,701,409	1,590,083	1,691,797	111,326	(101,714)
Guidance	757,726	701,936	573,222	55,790	128,714
Health, psych, speech and audio	2,334,825	2,303,586	2,340,899	31,239	(37,313)
Improvement of instruction	4,622,172	6,802,444	6,105,940	(2,180,272)	696,504
Professional development	351,379	313,313	226,560	38,066	86,753
Media services (library)	2,083,691	1,878,729	1,942,042	204,962	(63,313)
Board of Education services	523,545	522,907	515,785	638	7,122
Executive administration	1,399,679	1,218,022	888,351	181,657	329,671
Building level administration	5,484,026	5,443,656	5,384,103	40,370	59,553
Business central services	2,083,046	2,034,838	2,045,241	48,208	(10,403)
Operation of plant	24,917,590	23,103,951	24,771,922	1,813,639	(1,667,971)
Security services	777,243	761,000	738,431	16,243	22,569
Pupil transportation	7,622,338	7,032,133	8,185,031	590,205	(1,152,898)
Food services	9,342,252	9,286,807	7,384,065	55,445	1,902,742
Central office support services	3,362,401	3,343,159	3,371,175	19,242	(28,016)
Adult education	81,008	76,606	174,257	4,402	(97,651)
Community services	13,553,078	13,337,487	13,352,226	215,591	(14,739)
Total support services	80,997,408	79,750,657	79,691,047	1,246,751	59,610
Total expenditures	98,301,696	96,335,731	95,055,021	1,965,965	1,280,710
Excess of revenues over (under) expenditures	4,369,478	1,142,360	1,647,008	(3,227,118)	504,648
Other financing sources (uses)					
Transfers	40,000	(984,176)	(1,033,041)	(1,024,176)	(48,865)
NET CHANGE IN FUND BALANCE	\$ 4,409,478	\$ 158,184	613,967	\$ (4,251,294)	\$ 455,783
Fund balance at beginning of year			38,302,917		
Fund balance at end of year			\$ 38,916,884		

The notes to the required supplementary information are an integral part of this schedule.

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - TEACHERS' FUND - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2017**

				Variances--	
	Budgeted amounts			positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Property taxes	\$ 69,494,836	\$ 72,659,708	\$ 72,026,521	\$ 3,164,872	\$ (633,187)
Other local sources	33,966,008	34,653,676	34,861,120	687,668	207,444
Intermediate sources	1,991,016	1,888,054	1,861,094	(102,962)	(26,960)
State sources	33,448,136	34,899,484	34,700,950	1,451,348	(198,534)
Federal sources	2,116,795	2,012,725	2,975,839	(104,070)	963,114
Total revenues	141,016,791	146,113,647	146,425,524	5,096,856	311,877
Expenditures					
Instruction					
Elementary	42,595,581	44,599,448	45,529,622	(2,003,867)	(930,174)
Middle	26,358,780	26,358,780	26,113,803	-	244,977
High	36,969,582	36,974,810	36,315,654	(5,228)	659,156
TAG/title/special	6,904,808	6,903,818	6,927,770	990	(23,952)
Early childhood special education	3,904,993	4,332,664	4,209,681	(427,671)	122,983
Student act/athl/act/spons act	2,545,770	2,530,770	3,245,976	15,000	(715,206)
Other instruction	576,000	576,000	573,076	-	2,924
Total instruction	119,855,514	122,276,290	122,915,582	(2,420,776)	(639,292)
Support services					
Attendance	1,026	1,026	402	-	624
Guidance	4,791,073	4,801,976	4,693,079	(10,903)	108,897
Health, psych, speech and audio	14,061	14,061	6,075	-	7,986
Improvement of instruction	4,197,376	3,965,930	3,475,655	231,446	490,275
Professional development	113,569	183,478	131,168	(69,909)	52,310
Media services (library)	3,387,688	3,396,286	3,293,459	(8,598)	102,827
Executive administration	2,580,335	2,612,360	2,667,581	(32,025)	(55,221)
Building level administration	9,300,895	9,300,895	9,398,355	-	(97,460)
Security services	-	-	1,025	-	(1,025)
Central office support services	202	202	101	-	101
Adult education	407,210	407,210	373,570	-	33,640
Community services	33,150	33,150	6,316	-	26,834
Total support services	24,826,585	24,716,574	24,046,786	110,011	669,788
Total expenditures	144,682,099	146,992,864	146,962,368	(2,310,765)	30,496
NET CHANGE IN FUND BALANCE	\$ (3,665,308)	\$ (879,217)	(536,844)	\$ 2,786,091	\$ 342,373
Fund balance at beginning of year			18,271,738		
Fund balance at end of year			\$ 17,734,894		

The notes to the required supplementary information are an integral part of this schedule.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2017

I. BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 67, RSMo, the District adopts a budget for each major fund of the political subdivision.
2. Prior to July, the Chief Financial Officer, who serves as the budget officer, submits to the Board of Education a proposed modified accrual basis budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all funds. Budgeted expenditures cannot exceed available monies plus estimated reserves for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. In June 2016 the budget was legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the budgetary comparison schedules.
6. Budgets are presented on the modified accrual basis of accounting for all governmental funds.

ROCKWOOD R-VI SCHOOL DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFIT OBLIGATION - UNAUDITED

June 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) Percentage of Covered Payroll ((b-a)/c)
July 1, 2016	\$ -	\$ 51,509,647	\$ 51,509,647	0%	\$ 155,928,280	33.03%
July 1, 2015	-	53,404,263	53,404,263	0%	145,783,663	36.63%
July 1, 2013	-	30,042,009	30,042,009	0%	133,143,586	22.56%

Schedule of Employer Contribution

Plan Year	Annual Required Contribution (ARC)	OPEB Cost Contributed
2013	\$ 2,772,158	\$ 2,591,858
2014	2,896,906	1,850,187
2015	4,384,279	2,461,133
2016	4,350,006	2,155,533
2017	4,350,006	2,155,533

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND EMPLOYER CONTRIBUTIONS - UNAUDITED
June 30, 2017**

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PEERS

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2014	2.2947%	\$ 8,379,463	\$ 33,461,964	25.04%	91.33%
6/30/2015	2.2571%	11,937,941	33,844,638	35.27%	88.28%
6/30/2016	2.2851%	18,334,163	35,287,528	51.96%	83.32%

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios - PSRS

<u>Year Ended*</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Fiduciary Net Position as a Percentage of Total Pension Liability</u>
6/30/2014	2.6005%	\$ 106,687,473	\$ 116,171,323	91.84%	89.34%
6/30/2015	2.6171%	151,081,522	119,291,385	126.65%	85.78%
6/30/2016	2.6085%	194,089,325	121,248,689	160.08%	82.18%

Schedule of Employer Contributions - PEERS

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2013	\$ 2,171,436	\$ 2,171,436	\$ -	\$ 31,653,617	6.86%
6/30/2014	2,295,492	2,295,492	-	33,461,964	6.86%
6/30/2015	2,321,741	2,321,741	-	33,844,638	6.86%
6/30/2016	2,420,725	2,420,725	-	35,287,528	6.86%

Schedule of Employer Contributions - PSRS

<u>Year Ended</u>	<u>Statutorily Required Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2013	\$ 16,348,556	\$ 16,348,556	\$ -	\$ 113,315,223	14.43%
6/30/2014	16,746,568	16,746,568	-	116,171,323	14.42%
6/30/2015	17,183,404	17,183,404	-	119,291,385	14.40%
6/30/2016	17,472,925	17,472,925	-	121,248,689	14.41%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available

* The data provided is based as of the measurement data of PSRS' and PEERS' net pension liability, which is as of the beginning of the District's fiscal year

Supplemental Information

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted amounts		Actual	Variances-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Property taxes	\$ 22,765,434	\$ 22,393,311	\$ 22,198,166	\$ (372,123)	\$ (195,145)
Other local sources	2,677,236	2,848,959	3,059,240	171,723	210,281
Intermediate sources	581,699	513,456	578,326	(68,243)	64,870
Total revenues	26,024,369	25,755,726	25,835,732	(268,643)	80,006
Expenditures					
Debt service					
Principal retirement	18,775,000	18,775,000	18,775,000	-	-
Interest and fiscal charges	7,305,500	7,305,500	7,263,735	-	41,765
Total expenditures	26,080,500	26,080,500	26,038,735	-	41,765
NET CHANGE IN FUND BALANCE	\$ (56,131)	\$ (324,774)	(203,003)	\$ (268,643)	\$ 121,771
Fund balance at beginning of year			20,105,828		
Fund balance at end of year			\$ 19,902,825		

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted amounts		Actual	Variances-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Property taxes	\$ -	\$ 1,383,117	\$ 1,371,064	\$ 1,383,117	\$ (12,053)
Other local sources	822,049	2,567,333	645,714	1,745,284	(1,921,619)
Intermediate sources	-	31,120	24,867	31,120	(6,253)
State sources	-	15,181	-	15,181	(15,181)
Federal sources	34,400	11,820	28,044	(22,580)	16,224
Other sources	20,000	38,039	47,689	18,039	9,650
Total revenues	876,449	4,046,610	2,117,378	3,170,161	(1,929,232)
Expenditures					
Instruction					
District Wide	28,059,425	19,611,361	-	8,448,064	19,611,361
Elementary	-	6,126	6,125	(6,126)	1
Middle	27,100	23,115	14,885	3,985	8,230
High	306,021	380,274	342,474	(74,253)	37,800
TAG/title/special	33,000	35,890	34,000	(2,890)	1,890
Early childhood special education	11,100	22,633	22,633	(11,533)	-
Student act/athl/act/spons act	-	109,505	112,608	(109,505)	(3,103)
Total instruction	28,436,646	20,188,904	532,725	8,247,742	19,656,179
Support services					
Improvement of instruction	-	366,811	210,713	(366,811)	156,098
Media services (library)	-	204,367	156,488	(204,367)	47,879
Board of education services	-	10,268	10,268	(10,268)	-
Executive administration	-	1,134	39,400	(1,134)	(38,266)
Business central services	-	21,649	21,648	(21,649)	1
Operation of plant	-	203,034	33,088	(203,034)	169,946
Pupil Transportation	1,234,870	2,836,201	1,533,574	(1,601,331)	1,302,627
Food services	-	659,936	659,936	(659,936)	-
Adult education	9,573	9,573	2,574	-	6,999
Community services	7,000	260,619	295,111	(253,619)	(34,492)
Facilities acquisition and construction	13,759,384	34,139,742	29,833,712	(20,380,358)	4,306,030
Debt service					
Principal retirement	67,553	67,553	1,163,226	-	(1,095,673)
Interest and fiscal charges	363,884	200,657	194,910	163,227	5,747
Total support services	15,442,264	38,981,544	34,154,648	(23,539,280)	4,826,896
Total expenditures	43,878,910	59,170,448	34,687,373	(15,291,538)	24,483,075
Excess of revenues over (under) expenditures	(43,002,461)	(55,123,838)	(32,569,995)	(12,121,377)	22,553,843
Other financing sources (uses)					
Transfers	-	1,024,176	1,033,041	1,024,176	8,865
NET CHANGE IN FUND BALANCE	\$ (43,002,461)	\$ (54,099,662)	(31,536,954)	\$ (11,097,201)	\$ 22,562,708
Fund balance at beginning of year			57,136,498		
Fund balance at end of year			\$ 25,599,544		

Comprehensive
Annual
Financial
Report

2017

Statistical Section

ROCKWOOD R-VI SCHOOL DISTRICT

SUMMARY OF STATISTICAL INFORMATION JUNE 30, 2017

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

<u>Contents</u>	<u>Page</u>
<ul style="list-style-type: none">• Continuing Disclosure Information These schedules are required as part of the District's ongoing general obligation bonded debt disclosures and give additional information to investors about the financial position of the District.	72-74
<ul style="list-style-type: none">• Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.	75-78
<ul style="list-style-type: none">• Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source – the property tax.	79-83
<ul style="list-style-type: none">• Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	84-88
<ul style="list-style-type: none">• Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	89-90
<ul style="list-style-type: none">• Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	91-101

ROCKWOOD R-VI SCHOOL DISTRICT

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

Net Position	2017	2016	2015	2014	2013	2012	2010	2009	2009	2008
Net investment in capital assets	\$ 225,193,534	\$ 228,068,652	\$ 232,797,187	\$ 221,357,283	\$ 206,063,602	\$ 202,298,386	\$ 197,510,211	\$ 192,550,322	\$ 192,550,322	\$ 182,365,725
Restricted	37,051,538	37,859,402	44,987,495	49,729,488	51,157,404	44,927,219	18,071,770	23,698,379	23,698,379	32,294,398
Unrestricted	(124,832,933)	(113,967,295)	(128,685,049)	22,124,829	28,462,859	27,414,959	41,392,047	41,708,899	41,708,899	38,035,523
Total Net Position	\$ 137,412,139	\$ 151,960,759	\$ 149,099,633	\$ 293,211,600	\$ 285,683,865	\$ 274,640,564	\$ 256,974,028	\$ 257,957,600	\$ 257,957,600	\$ 252,695,646

Source: Rockwood School District records

ROCKWOOD R-VI SCHOOL DISTRICT

**EXPENSES, PROGRAM REVENUES AND NET EXPENSE
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Government Activities:										
Total Instruction	\$ 154,499,049	\$ 139,147,070	\$ 132,256,867	\$ 138,563,393	\$ 136,271,495	\$ 133,650,726	\$ 133,373,106	\$ 134,654,265	\$ 129,906,095	\$ 121,031,515
Support services:										
Attendance	1,714,647	1,399,540	1,322,228	1,352,646	1,424,266	1,520,932	1,603,788	1,485,541	1,510,275	1,297,090
Guidance	5,469,008	4,991,688	4,867,916	5,640,806	5,937,211	5,496,946	6,344,635	6,151,889	5,976,929	5,683,462
Health, Psych Speech and Audio	2,376,678	2,211,583	2,112,645	2,054,229	1,984,684	1,997,997	2,191,323	2,447,080	2,326,520	2,038,911
Improvement of Instruction	9,961,874	8,102,827	12,056,225	6,786,073	6,428,817	6,805,834	7,074,567	8,999,165	8,672,894	7,150,068
Professional Development	365,623	329,276	272,165	226,173	290,004	227,875	343,435	378,315	538,370	542,993
Media Services (Library)	5,540,069	5,623,693	7,889,169	7,346,587	5,656,588	5,672,895	5,335,044	5,699,157	5,901,264	4,998,844
Board of Education Services	789,964	631,209	621,306	1,041,997	785,045	707,590	742,056	902,285	518,130	756,993
Executive Administration	5,416,161	6,887,803	5,341,466	5,608,339	4,955,030	4,816,589	6,379,041	4,635,913	6,111,954	6,665,917
Building Level Administration	15,255,410	13,695,959	13,167,649	14,013,256	13,593,442	13,818,623	14,000,225	13,998,535	13,755,297	12,951,017
Business Central Service	2,082,876	2,009,977	1,738,887	3,199,875	1,887,135	2,053,707	2,125,826	2,075,087	2,125,317	2,207,562
Operation of Plant	37,658,856	734,779	607,334	23,835,426	28,046,958	26,345,258	29,669,223	29,250,163	25,883,783	21,643,635
Security Services	739,456	21,700,395	22,328,546	693,517	576,181	625,697	630,884	650,356	657,961	642,813
Pupil Transportation	11,069,069	20,784,883	9,853,425	9,630,378	9,184,785	8,906,939	9,628,120	10,390,547	10,129,427	9,870,745
Food Services	8,286,684	8,481,726	8,396,828	7,524,873	7,659,304	7,682,563	7,385,190	7,369,456	8,162,386	7,832,764
Central Office Support Services	3,408,243	3,104,843	2,942,148	3,382,201	2,957,401	2,904,578	2,935,918	2,976,633	2,809,541	2,574,063
Adult Education	566,760	476,583	428,198	457,769	467,235	484,798	484,920	350,910	331,702	282,909
Community Services	13,887,254	12,621,568	11,171,434	10,723,746	9,428,400	9,180,907	8,713,595	9,001,752	8,919,460	8,115,359
Debt Service:										
Interest and Fiscal Charges	6,301,264	9,517,277	4,638,292	6,241,448	7,366,434	8,129,869	8,954,159	6,223,878	11,463,349	6,694,731
Total Primary Government Expenses	285,388,945	262,452,679	242,012,728	248,322,732	244,900,415	241,030,323	247,915,055	247,640,927	245,700,654	222,981,391
Program Revenues										
Government Activities:										
Charges for services										
Total Instruction	5,239,064	5,638,505	5,452,358	7,463,983	7,291,946	6,973,053	7,073,085	6,704,124	6,793,469	7,167,971
Support services:										
Attendance	-	-	-	-	-	-	-	-	-	4,398
Guidance	-	-	-	-	-	-	-	-	-	-
Health, Psych Speech and Audio	-	-	-	-	-	-	-	-	-	-
Improvement of Instruction	9,890	8,928	75,383	5,980	4,064	-	13,043	423	55,200	597
Professional Development	-	-	-	-	-	-	-	-	-	-
Media Services (Library)	-	-	-	-	-	-	-	-	-	-
Board of Education Services	-	-	-	-	-	-	-	-	-	-
Executive Administration	-	-	-	-	-	-	-	-	-	4,808
Building Level Administration	-	-	-	-	-	-	-	-	-	-
Business Central Service	-	-	-	-	-	-	-	-	-	23,562
Security Services	-	-	-	-	-	-	-	-	-	8,279
Operation of Plant	-	-	-	-	-	-	-	-	-	-
Pupil Transportation	212,150	215,576	207,304	198,628	218,212	193,757	183,930	185,579	173,776	16,273
Food Services	6,198,567	6,258,575	6,313,888	6,121,760	6,192,094	6,729,910	6,483,793	6,497,566	6,511,218	6,527,740
Central Office Support Services	535,190	392,462	443,500	297,701	553,311	534,142	403,454	390,617	576	10,277
Adult Education	3,630	4,180	5,930	5,980	6,480	9,155	19,855	20,708	10,886	22,601
Community Services	13,451,828	11,430,129	10,159,825	8,763,991	8,726,412	8,575,792	8,278,371	8,006,913	7,522,830	7,513,303
Debt Service:										
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	14,203,394	14,608,494	14,373,625	13,560,876	13,829,463	15,212,040	14,607,448	17,919,259	17,440,559	15,423,235
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Primary Government Program Revenue	39,853,713	38,556,849	37,031,813	36,418,899	36,821,982	38,227,849	37,062,979	39,725,189	38,508,514	36,723,044
Total Primary Government Net Expense	\$ (245,535,232)	\$ (223,895,830)	\$ (204,980,915)	\$ (211,903,833)	\$ (208,078,433)	\$ (202,802,474)	\$ (210,852,076)	\$ (207,915,738)	\$ (207,192,140)	\$ (186,258,347)

Source: Rockwood School District records

ROCKWOOD R-VI SCHOOL DISTRICT

**GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Primary Government Net Expense	\$ (245,535,232)	\$ (223,895,830)	\$ (204,980,915)	\$ (211,903,833)	\$ (208,078,433)	\$ (202,802,474)	\$ (210,852,076)	\$ (207,915,738)	\$ (207,192,140)	\$ (186,258,347)
General revenues:										
Taxes:										
Property taxes, levied for general purposes	\$ 129,938,846	\$ 128,397,684	\$ 128,354,346	\$ 125,025,922	\$ 121,836,738	\$ 119,769,305	\$ 120,030,914	\$ 114,186,899	\$ 115,416,190	\$ 109,422,508
Property taxes, levied for debt service	22,198,166	22,219,595	21,551,651	21,190,870	21,542,309	21,679,534	22,667,673	23,329,284	23,774,719	25,261,467
Sales tax	17,886,567	18,147,377	16,739,765	16,709,474	16,003,095	16,307,188	13,131,036	14,433,669	14,844,928	15,878,048
M&M surcharge	12,503,233	11,022,032	11,290,878	10,814,455	10,585,790	11,030,332	11,800,655	12,175,961	11,926,730	11,140,999
Other taxes	1,117,461	152,307	88,030	126,331	87,193	175,486	119,455	90,995	506,164	6,146,796
Voluntary student transfer aid	9,890,188	10,277,537	10,013,475	10,463,958	10,900,371	11,147,244	13,230,955	13,106,568	13,410,749	12,741,066
Federal, State and County aid not restricted to specific purposes	35,177,175	34,192,865	33,284,007	33,525,572	34,047,915	35,695,930	30,764,665	27,886,662	24,517,542	23,397,590
Interest and investment earnings	2,084,033	2,210,223	1,250,698	1,552,148	4,066,338	2,001,398	1,670,518	1,675,140	7,756,920	4,916,011
Miscellaneous	190,943	137,336	13,387	22,838	51,985	55,976	42,822	46,988	300,152	452,760
Total general revenues	230,986,612	226,756,956	222,586,237	219,431,568	219,121,734	217,862,393	213,458,693	206,932,166	212,454,094	209,357,245
Change in Net Position										
Total Primary Government	\$ (14,548,620)	\$ 2,861,126	\$ 17,605,322	\$ 7,527,735	\$ 11,043,301	\$ 15,059,919	\$ 2,606,617	\$ (983,572)	\$ 5,261,954	\$ 23,098,898

Source: Rockwood School District records

ROCKWOOD R-VI SCHOOL DISTRICT

**FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

General Fund
Reserved
Unreserved
Total General fund
All Other Governmental Funds
Reserved-Debt Service
Unreserved reported in:
Special Revenue Fund
Capital Projects Fund
Total all other governmental funds
Total Fund Balance

2009	2008
\$ 1,054,938	\$ 947,071
44,609,405	40,361,130
\$ 45,664,343	\$ 41,308,201
\$ 25,258,210	\$ 22,187,513
10,732,278	17,983,125
43,584,807	79,924,874
79,575,295	120,095,512
\$ 125,239,638	\$ 161,403,713

	2017	2016	2015	2014	2013	2012	2011	2010
General Fund								
Nonspendable								
Prepaid items	\$ 1,465,192	\$ 1,405,696	\$ 1,237,922	\$ 1,105,968	\$ 1,107,599	\$ 1,037,790	\$ 1,087,100	\$ 1,113,673
Inventory	1,103,365	744,018	704,480	793,810	-	-	-	-
Unassigned	36,348,327	36,153,203	32,178,863	34,456,894	38,839,426	37,551,809	40,165,482	42,637,721
Total General Fund	\$ 38,916,884	\$ 38,302,917	\$ 34,121,265	\$ 36,356,672	\$ 39,947,025	\$ 38,589,599	\$ 41,252,582	\$ 43,751,394
All Other Governmental Funds								
Nonspendable	\$ 286,672	\$ 157,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted								
Federal grants	-	-	-	-	-	-	469,331	2,386,610
Teacher salaries and benefits	17,555,472	18,114,036	20,805,086	19,256,996	26,910,132	21,256,614	7,580,285	4,125,585
Retirement of debt	19,902,825	20,105,828	19,533,084	18,793,391	56,863,082	55,441,740	48,215,699	50,099,350
Capital projects	24,036,195	53,105,395	35,387,066	-	-	5,738,143	27,999,956	41,067,409
Assigned								
Other capital projects	1,456,099	4,031,103	4,722,047	11,803,865	2,990,620	3,790,128	2,051,272	1,199,754
Total all other governmental funds	63,237,263	95,514,064	80,447,283	49,854,252	86,763,834	86,226,625	86,316,543	98,878,708
Total Fund Balance	\$ 102,154,147	\$ 133,816,981	\$ 114,568,548	\$ 86,210,924	\$ 126,710,859	\$ 124,816,224	\$ 127,569,125	\$ 142,630,102

Source: Rockwood School District records

Note: GASB 54 was implemented in 2010 causing the difference in fund balance classifications.

ROCKWOOD R-VI SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Property Taxes	\$ 152,377,354	\$ 150,358,038	\$ 149,717,887	\$ 145,944,690	\$ 143,690,111	\$ 142,288,500	\$ 142,512,111	\$ 137,515,532	\$ 142,218,514	\$ 134,683,975
Other Local Sources	69,379,914	65,924,669	62,785,345	63,024,977	65,106,594	64,358,117	62,576,466	63,824,656	66,473,286	73,206,002
County Sources	3,759,245	3,909,816	3,793,676	4,139,951	3,471,022	4,252,949	2,612,659	3,117,999	2,859,875	2,920,465
State Sources	39,615,741	39,568,792	37,144,667	37,272,774	37,293,036	38,136,803	32,844,421	29,459,257	30,822,501	28,742,867
Federal Sources	5,631,596	4,895,361	5,948,793	5,348,562	6,126,110	8,220,641	8,514,395	12,229,485	6,847,041	5,642,010
Other Sources	389,904	469,607	652,151	495,968	516,948	1,139,852	2,406,485	715,216	532,605	601,773
Total Revenues	\$ 271,153,754	\$ 265,126,283	\$ 260,042,519	\$ 256,226,922	\$ 256,203,821	\$ 258,396,862	\$ 251,466,537	\$ 246,862,145	\$ 249,753,822	\$ 245,797,092

Source: Rockwood School District records

ROCKWOOD R-VI SCHOOL DISTRICT

**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EXPENDITURES										
Total Instruction	\$ 138,812,281	\$ 135,944,288	\$ 133,222,394	\$ 128,039,846	\$ 126,240,552	\$ 124,231,269	\$ 124,376,072	\$ 124,625,713	\$ 121,781,654	\$ 111,130,902
Support Services										
Attendance	1,692,199	1,424,916	1,432,827	1,352,646	1,424,267	1,520,932	1,603,788	1,485,540	1,510,275	1,297,090
Guidance	5,266,301	5,259,408	5,295,208	5,640,806	5,937,210	5,496,945	6,344,634	6,151,889	5,976,929	5,683,462
Health, Psych Speech and Audio	2,346,974	2,253,853	2,137,271	2,054,228	1,984,684	1,997,996	2,191,323	2,447,080	2,326,520	2,038,911
Improvement of Instruction	9,792,308	8,348,388	12,418,666	6,786,073	6,428,817	6,805,834	7,074,567	8,999,165	8,672,894	7,150,068
Professional Development	357,728	340,095	293,403	226,173	290,004	227,875	343,435	378,315	538,370	542,993
Media Services (Library)	5,391,989	5,822,473	8,414,908	7,346,588	5,656,588	5,672,894	5,335,044	5,699,157	5,901,264	4,998,844
Board of Education Services	526,053	494,026	521,764	563,861	405,010	298,051	416,440	566,216	415,442	374,663
Executive Administration	3,595,332	4,056,506	3,851,204	3,908,422	4,476,600	4,016,450	4,636,655	3,770,008	3,813,398	4,159,248
Building Level Administration	14,782,458	14,314,170	14,028,743	14,013,256	13,593,442	13,818,624	14,000,225	13,998,535	13,755,297	12,951,017
Business Central Services	2,066,889	2,033,096	2,158,135	3,199,875	1,887,135	2,053,707	2,125,826	2,075,087	2,125,317	2,207,562
Operation of Plant	24,805,010	23,894,085	23,660,430	24,405,560	22,898,739	22,777,410	23,443,244	22,772,405	23,747,102	21,113,616
Security Services	739,456	734,778	607,335	693,517	576,181	625,697	630,884	650,355	657,961	642,813
Pupil Transportation	9,718,605	20,784,883	9,853,425	9,630,378	9,184,785	8,906,939	9,628,120	10,390,547	10,129,427	9,870,745
Food Services	8,044,001	8,417,281	8,355,997	6,714,824	7,532,441	7,624,468	7,358,150	7,518,460	8,087,804	7,851,794
Central Office Support Services	3,371,276	3,153,168	3,139,953	3,382,201	2,957,402	2,904,578	2,935,919	2,976,632	2,765,035	2,532,319
Adult Education	550,401	500,209	493,159	457,770	467,235	484,798	484,920	350,911	331,702	282,909
Community Services	13,653,653	12,795,830	11,298,835	10,685,763	9,376,743	9,128,821	8,664,487	8,952,642	8,874,678	8,087,570
Capital Outlay										
Capital Outlay	29,833,712	19,898,933	4,869,192	5,126,124	7,240,018	23,924,703	37,286,809	36,942,757	37,772,844	23,119,018
Debt Service										
Principal Retirement	20,005,778	18,314,942	17,602,433	53,660,020	16,191,702	19,303,471	19,658,460	20,154,206	18,063,295	23,759,573
Interest and Fiscal Charges	7,464,184	7,117,818	6,690,154	8,838,926	9,559,631	10,228,780	9,884,554	8,916,822	12,668,900	7,962,186
Total Support Services	164,004,307	159,958,858	137,123,042	168,687,011	128,068,634	147,818,973	164,047,484	165,196,729	168,134,454	146,626,401
TOTAL EXPENDITURES	\$ 302,816,588	\$ 295,903,146	\$ 270,345,436	\$ 296,726,857	\$ 254,309,186	\$ 272,050,242	\$ 288,423,556	\$ 289,822,442	\$ 289,916,108	\$ 257,757,303
Debt Service as a % of non-capital expenditures	8.57%	9.21%	9.21%	21.43%	10.24%	11.74%	13.33%	12.99%	13.88%	15.58%

Source: Rockwood School District records

ROCKWOOD R-VI SCHOOL DISTRICT

**OTHER FINANCING SOURCES AND NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Excess of revenues over (under) expenditures	\$ (31,662,834)	\$ (30,776,863)	\$ (10,302,917)	\$ (40,499,935)	\$ 1,894,635	\$ (13,653,380)	\$ (36,957,019)	\$ (42,960,297)	\$ (40,162,285)	\$ (11,960,211)
Other Financing Sources (Uses):										
Capital lease	-	12,500,000	-	-	-	-	-	-	-	600,000
Bond issuance	-	33,950,000	35,000,000	-	-	-	21,095,000	33,905,000	-	74,500,000
Refunding bonds issued	-	38,855,000	-	-	-	9,905,000	-	24,465,000	32,945,000	17,165,000
Discount on issuance of bonds	-	(217,238)	(275,617)	-	-	(39,620)	-	-	-	-
Payments to refunding escrow agent	-	(43,032,703)	-	-	-	-	-	-	(33,030,000)	(17,165,000)
Premium on issuance of bonds	-	7,970,237	3,936,158	-	-	1,035,099	801,042	1,980,761	4,083,210	2,545,401
Net change in fund balances	\$ (31,662,834)	\$ 19,248,433	\$ 28,357,624	\$ (40,499,935)	\$ 1,894,635	\$ (2,752,901)	\$ (15,060,977)	\$ 17,390,464	\$ (36,164,075)	\$ 65,685,190

Source: Auditors' Reports-Statement of Revenues, Expenditures and Changes in Fund Balance

ROCKWOOD R-VI SCHOOL DISTRICT

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ending 6/30	Real Property Assessed Value 19%	Real Property Est. Actual Value	Personal Property Assessed Value 33%	Personal Property Est. Actual Value	Total Property Assessed Value	Total Property Est. Actual Value	Total Tax Rate per \$100 A/V
2017	\$ 2,945,926,088	\$ 15,504,874,147	\$ 479,451,990	\$ 1,452,884,818	\$ 3,425,378,078	\$ 16,957,758,966	\$ 4.668
2016	2,932,936,073	15,436,505,647	468,516,520	1,419,747,030	3,401,452,593	16,856,252,677	4.602
2015	2,796,437,614	14,718,092,705	462,460,573	1,401,395,676	3,258,898,187	16,119,488,381	4.724
2014	2,761,027,710	14,531,757,316	435,014,930	1,318,227,061	3,196,042,640	15,849,984,377	4.683
2013	2,838,883,870	14,941,494,053	434,352,420	1,316,219,455	3,273,236,290	16,257,713,508	4.536
2012	2,831,441,600	14,902,324,211	416,295,455	1,248,886,366	3,247,737,055	16,151,210,577	4.463
2011	2,913,895,060	13,907,448,560	471,239,160	1,396,342,694	3,385,134,220	15,303,791,254	4.275
2010	2,927,594,890	13,917,578,413	588,041,433	1,750,288,976	3,515,636,323	15,667,867,389	4.008
2009	3,066,281,780	15,080,643,936	618,308,932	1,503,589,824	3,684,590,712	16,584,233,760	3.923
2008	2,864,097,580	14,264,993,762	567,383,355	1,442,256,924	3,431,480,935	15,707,250,686	3.999

Source: St. Louis and Jefferson County Assessor's Offices

Note: On January 1 of every second year the property values are rendered for appraisal (reassessment). The appraisal process for the Rockwood School District is conducted by the St. Louis or Jefferson county Assessor's office. For Rockwood School District residential real estate is appraised at 19% of market value, commercial at 32% of value, agricultural at 12% of value and personal property at 33% of value.

The Assessor's Office submits preliminary values to the school district by June. These values are usually a realistic estimate of the ultimate certified values that come by August. The preliminary values are good estimates upon which to base the tax levies for the operating and debt service budgets. Once the certified values are received by the district, the tax rate adoption is completed prior to September and the budgeting process can be begin for the subsequent fiscal year.

Property owners (both Real Estate and Personal Property) are taxed by the various taxing authorities (including the school district) in their county of residence. Tax levy rates (so much per \$100 of assessed valuations) are set by the taxing authorities according the State law. Assessed valuations are set by the county in which the property resides and every other year is a reassessment year. The tax obligation is billed by the county department of revenue and paid through that department to the taxing authorities. The tax billed is simply the levy rate multiplied by the assessed valuation. There are normally multiple taxing authority obligations included on one tax bill which is typically mailed to tax payers in November with a due date of December 31. The District receives the majority of its revenue in late December and January.

ROCKWOOD R-VI SCHOOL DISTRICT

**DIRECT AND OVERLAPPING PROPERTY TAXES
LAST TEN FISCAL YEARS
(rate per \$100 of assessed value)**

Taxing Districts	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Rockwood School District*	\$ 4.668	\$ 4.602	\$ 4.724	\$ 4.683	\$ 4.536	\$ 4.463	\$ 4.275	\$ 4.008	\$ 3.923	\$ 3.999
General Fund	1.739	1.835	1.763	1.580	1.608	1.405	1.405	1.333	1.277	1.287
Special (Teacher's) Fund	2.206	2.086	2.281	1.916	2.188	2.238	2.050	1.855	1.776	1.791
Capital Fund	0.042	-	-	0.680	0.680	0.140	0.140	0.140	0.190	0.170
Debt Fund	0.680	0.680	0.680	0.507	0.060	0.680	0.680	0.680	0.680	0.750
Overlapping										
St. Louis County	0.523	0.523	0.523	0.523	0.523	0.523	0.523	0.523	0.558	0.558
Municipalities										
City of Chesterfield	-	-	0.030	0.030	0.030	0.030	0.030	0.030	0.003	0.060
City of Clarkson Valley*	0.153	0.153	0.151	0.130	0.124	0.121	0.119	0.117	0.111	0.108
City of Ellisville	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
City of Eureka*	0.409	0.388	0.403	0.391	0.505	0.505	0.371	0.371	0.373	0.373
City of Winchester*	0.261	0.216	0.215	0.215	0.201	0.201	0.181	0.181	0.176	0.176
Fire Districts										
Eureka	1.211	1.211	1.242	1.230	1.209	0.390	1.154	1.141	1.078	1.078
Fenton*	1.006	0.958	1.025	0.913	0.851	0.851	0.840	0.800	0.761	0.763
Metro West*	1.137	1.137	1.130	1.136	1.053	1.051	0.103	0.999	0.860	0.872
Monarch (Chesterfield)*	1.008	1.008	0.898	0.898	0.886	0.899	0.923	0.876	0.871	0.857
Special School District	1.241	1.235	1.261	1.240	1.012	1.013	0.995	0.938	0.918	0.908
Sewer District										
Metropolitan Sewer District	0.120	0.088	0.088	0.874	0.064	0.082	0.079	-	-	0.069

Note: Years listed are calendar years

* Rates are blended, other entities' rates are averaged

Source: St. Louis County Department of Revenue

ROCKWOOD R-VI SCHOOL DISTRICT

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2016			2007		
	Taxable Value	Rank	% of Total Taxable Value	Taxable Value	Rank	% of Total Taxable Value
THF DEVELOPMENT LLC	\$ 50,726,850	1	32.72%	\$ 40,814,650	2	1.41%
MARITZ INC	25,983,990	2	16.76%	20,530,630	3	0.71%
SAINT LOUIS PREMIUM OUTLETS	15,292,000	3	9.86%	N/A	N/A	N/A
TAUBMAN PRESTIGE OUTLETS	12,232,060	4	7.89%	N/A	N/A	N/A
UNIGROUP INC	9,465,340	5	6.11%	12,155,240	4	0.42%
ALTUS PROPERTIES	8,945,620	6	5.77%	N/A	N/A	N/A
ST. JOHNS MERCY HEALTH CARE	8,757,310	7	5.65%	11,237,440	5	0.39%
LACLEDE GAS COMPANY	8,422,520	8	5.43%	7,220,170	9	0.25%
BAXTER CROSSING APARTMENTS ASSOCIATES	8,139,600	9	5.25%	N/A	N/A	N/A
MADISON, IND.	7,076,100	10	4.56%	N/A	N/A	N/A
HITZERT PROPERTIES	N/A	N/A	N/A	7,194,400	10	0.25%
SIX FLAST ST. LOUIS	N/A	N/A	N/A	9,906,450	7	N/A
DAIMLER CHRYSLER	N/A	N/A	N/A	126,987,500	1	4.39%
MISSOURI AMERICAN WATER	N/A	N/A	N/A	8,518,160	8	0.29%
OLD TOWNE IMPROVEMENTS	N/A	N/A	N/A	10,321,990	6	0.36%

Source: St. Louis County Department of Revenue

ROCKWOOD R-VI SCHOOL DISTRICT

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

June 30,	Residential Property	Commercial Property	Agricultural Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Property Est. Actual Value
2017	\$ 2,252,675,035	\$ 690,559,260	\$ 2,691,793	\$ 479,451,990	\$ 3,425,378,078	\$ 4.668	\$ 16,957,758,966
2016	2,237,264,455	692,919,010	2,752,608	468,516,520	3,401,452,593	4.602	16,856,252,677
2015	2,133,814,084	660,272,720	2,350,810	462,460,573	3,258,898,187	4.724	16,119,488,381
2014	2,114,332,970	644,270,840	2,423,900	435,014,930	3,196,042,640	4.683	15,849,984,377
2013	2,193,724,990	642,695,900	2,462,980	434,352,420	3,273,236,290	4.536	16,257,713,508
2012	2,182,922,740	646,062,150	2,456,710	416,295,455	3,247,737,055	4.463	16,151,210,577
2011	2,223,807,780	697,839,521	2,693,830	460,793,089	3,385,134,220	4.275	15,303,791,254
2010	2,208,816,180	726,651,471	2,573,310	577,595,362	3,515,636,323	4.008	15,667,867,389
2009	2,385,119,190	800,001,080	3,285,800	496,184,642	3,684,590,712	3.923	16,584,233,760
2008	2,344,027,180	608,236,700	3,272,270	475,944,785	3,431,480,935	3.999	15,707,250,686

Source: St. Louis and Jefferson County Assessor's Offices

ROCKWOOD R-VI SCHOOL DISTRICT

**PROPERTY TAX LEVIES AND COLLECTIONS - ST. LOUIS COUNTY
LAST TEN FISCAL YEARS**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Assessed Valuations	3,425,378,078	3,401,452,593	3,258,898,187	3,196,042,640	3,273,236,290	3,247,737,055	3,385,134,220	3,515,636,323	3,684,590,712	3,431,480,935
Tax Rate	\$ 4.668	\$ 4.602	\$ 4.724	\$ 4.683	\$ 4.536	\$ 4.463	\$ 4.275	\$ 4.008	\$ 3.923	\$ 3.999
Taxes Levied for the Fiscal Year	\$ 159,896,649	\$ 156,517,841	\$ 153,950,350	\$ 149,670,677	\$ 148,473,998	\$ 144,946,505	\$ 144,714,488	\$ 140,906,704	\$ 144,546,494	\$ 137,224,923
Collected within Fiscal Year of Levy										
Amount	\$ 154,825,890	\$ 152,267,447	\$ 149,856,387	\$ 146,338,778	\$ 144,876,201	\$ 139,760,984	\$ 135,367,916	\$ 137,516,184	\$ 139,699,137	\$ 134,689,879
% of Levy	96.8%	97.3%	97.3%	97.8%	97.6%	96.4%	93.5%	97.6%	96.6%	98.2%
Collected (paid) in Subsequent Years	\$ (2,448,536)	\$ (1,909,410)	\$ (135,800)	\$ (394,088)	\$ 1,341,622	\$ 1,687,856	\$ 2,204,301	\$ 1,392,291	\$ 2,549,378	\$ 2,506,456
Total Collections to Date										
Amount	\$ 152,377,354	\$ 150,358,037	\$ 149,720,587	\$ 145,944,690	\$ 146,217,823	\$ 141,448,840	\$ 137,572,217	\$ 138,908,475	\$ 142,248,515	\$ 137,196,335
% of Levy	95.3%	96.1%	97.3%	97.5%	98.5%	97.6%	95.1%	98.6%	98.4%	100.0%

Note: Based on Fiscal Year

Source: Rockwood School District records and St. Louis County/Jefferson County Department of Revenue

ROCKWOOD R-VI SCHOOL DISTRICT

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Obligation Bonds, Net	\$ 177,751,500	\$ 197,676,325	\$ 176,509,838	\$ 156,970,321	\$ 212,139,018	\$ 223,015,000	\$ 231,810,000	\$ 228,680,000	\$ 189,680,000	\$ 206,449,733
Capital Leases	11,407,041	12,637,819	202,761	265,194	355,215	441,917	1,045,388	2,738,848	3,523,054	4,901,617
Total Primary	\$ 189,158,541	\$ 210,314,144	\$ 176,712,599	\$ 157,235,515	\$ 212,494,233	\$ 223,456,917	\$ 232,855,388	\$ 231,418,848	\$ 193,203,054	\$ 211,351,350
Personal Income (County data)	N/A	N/A	\$ 62,403,307,000	\$ 60,653,300,000	57,265,857,000	54,548,335,000	52,713,697,000	51,448,812,000	51,817,478,000	53,926,646,000
% of Personal Income	N/A	N/A	0.28%	0.26%	0.37%	0.41%	0.44%	0.45%	0.37%	0.39%

Note: N/A-Not available; Information is for St. Louis County; 2016 (partial) & 2017 demographic information not available at time of publication.

Source: Rockwood School District and St. Louis County records

ROCKWOOD R-VI SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Obligation Bonds, Net	\$ 177,751,500	\$ 197,676,325	\$ 176,509,838	\$ 156,970,321	\$ 212,139,018	\$ 223,015,000	\$ 231,810,000	\$ 228,680,000	\$ 189,680,000	\$ 206,449,733
Estimated Actual Value of Taxable Property	16,957,758,966	16,856,252,677	16,119,488,381	15,849,984,377	16,257,713,508	16,151,210,577	15,303,791,254	15,667,867,388	16,584,233,761	15,707,250,686
% of General Bonded Debt to Estimated Actual Value Of Taxable Property	1.05%	1.17%	1.10%	0.99%	1.30%	1.38%	1.51%	1.46%	1.14%	1.31%
Population(County data)	N/A	998,581	1,003,362	1,001,876	1,001,444	1,000,438	998,692	998,954	992,408	991,830
General Obligation Debt Per Capita	N/A	\$ 198	\$ 176	\$ 157	\$ 212	\$ 223	\$ 232	\$ 229	\$ 191	\$ 208

Note: N/A-Not available; Information is for St. Louis County; 2016 (partial) & 2017 demographic information not available at time of publication.

Source: Rockwood School District and St. Louis County records

ROCKWOOD R-VI SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL DEBT

June 30, 2017

Taxing Body	Long-Term Instruments as of 6/30/17	Approx. Percent of Applicable Overlap	Estimated Share of Direct and Overlapping Debt
<u>Direct</u>			
Rockwood School District	\$ 189,158,541	100.00%	\$ 189,158,541
Subtotal Direct Debt	189,158,541	100.00%	189,158,541
<u>Overlapping</u>			
St. Louis County	101,310,000	15.03%	15,226,893
City of Ballwin	-	65.39%	-
City of Chesterfield	5,600,000	37.18%	2,082,080
City of Clarkson Valley	-	100.00%	-
City of Ellisville	-	100.00%	-
City of Eureka	-	99.54%	-
City of Fenton	-	66.55%	-
City of Wildwood	1,340,000	99.94%	1,339,196
City of Winchester	-	19.78%	-
Eureka Fire PD	5,610,000	98.83%	5,544,363
Fenton FPD	-	68.53%	-
Metro West FPD	2,200,000	81.97%	1,803,340
Monarch (Chesterfield) FPD	-	43.20%	-
Valley Park FPD	-	5.00%	-
Special School District	-	10.00%	-
MSD	-	0.00%	-
Subtotal Overlapping Debt	116,060,000		25,995,872
Total	\$ 305,218,541		\$ 215,154,413

Source: Individual entities

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. Percentage of overlap is calculated by the Collector of Revenue's Office as follows: For the purpose of determining the appropriate composite property tax rates, all properties are within areas defined by what are called school district sub-codes. Each sub-code accounts for what taxing districts have jurisdiction over a particular parcel, or property. Periodic ledgers comprising the total assessed values for each sub-code area are generated by County Revenue. Appropriate percentage overlap values have been culled from the appropriate ledger.

ROCKWOOD R-VI SCHOOL DISTRICT

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	\$3,425,378,078
Debt Limit (15% of Assessed Value)	513,806,712
Debt Applicable to Limit	(166,380,000)
Amount Available in Debt Service Fund	<u>19,902,825</u>
Legal Debt Margin	\$367,329,537

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt Limitation	\$ 513,806,712	\$ 510,217,889	\$ 488,834,728	\$ 479,406,396	\$ 493,981,107	\$ 489,991,042	\$ 507,770,133	\$ 527,345,448	\$ 552,688,607	\$ 552,688,607
General Obligation Bonds Payable	(166,380,000)	(185,155,000)	(170,800,000)	(153,340,000)	(206,910,000)	(212,139,018)	(231,810,000)	(228,680,000)	(189,680,000)	(189,680,000)
Avail. Debt Service Fund Balance	19,902,825	20,105,828	19,533,084	18,793,391	56,863,082	55,441,740	48,215,698	50,099,350	25,258,209	22,187,513
Net Debt Applicable	(146,477,175)	(165,049,172)	(151,266,916)	(134,546,609)	(150,046,918)	(156,697,278)	(183,594,302)	(178,580,650)	(164,421,791)	(167,492,487)
Legal Debt Margin	367,329,537	345,168,717	337,567,812	344,859,787	343,934,189	333,293,764	324,175,831	348,764,798	388,266,816	385,196,120
Legal Debt Margin as a % of Debt Limit	71.49%	67.65%	69.06%	71.93%	69.62%	68.02%	63.84%	66.14%	70.25%	69.69%

Note: Legal Debt Margin is the additional amount of debt the District may incur. Legal Debt Limit is the assessed valuation (A/V) multiplied by 15%.

Source: Rockwood School District records

ROCKWOOD R-VI SCHOOL DISTRICT

**PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Debt Service	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Principal	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Coverage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes: Rockwood does not have any pledged revenue.

ROCKWOOD R-VI SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS - ST. LOUIS COUNTY ONLY LAST TEN FISCAL YEARS

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2017	N/A	N/A	N/A	N/A
2016	998,581	N/A	N/A	3.6%
2015	1,003,362	\$ 62,403,307,000	\$ 62,194	5.3%
2014	1,001,876	60,653,300,000	60,216	6.2%
2013	1,001,444	57,265,857,000	57,183	6.5%
2012	1,000,438	54,548,335,000	54,524	6.8%
2011	998,692	52,713,697,000	52,783	8.1%
2010	998,954	51,448,812,000	51,512	9.4%
2009	992,408	51,817,478,000	52,214	8.9%
2008	991,830	53,926,646,000	54,371	5.9%

Note: N/A-Not available; Information is for St. Louis County; 2016 (partial) & 2017 information not available at time of publication.

Source: Missouri Economic Research and Information Center

ROCKWOOD R-VI SCHOOL DISTRICT

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

	2017			2008		
Employer	# of Employees	%	Rank	# of Employees	%	Rank
Rockwood School District	3,382	27.1%	1	3,120	18.0%	2
Six Flags	3,091	24.8%	2	3,000	17.4%	3
Maritz	1,700	13.6%	3	2,205	12.8%	4
St. Clare Health Center	1,100	8.8%	4	N/A	N/A	N/A
Unigroup/Vanliner/Mayflower	843	6.8%	5	1,200	6.9%	5
Fabick CAT Company	560	4.5%	6	327	1.9%	10
Rotometrics	465	3.7%	7	600	3.5%	6
Mark Andy, Inc.	477	3.8%	8	N/A	N/A	N/A
Pfizer	500	4.0%	9	N/A	N/A	N/A
Eaton's Bussman Business	365	2.9%	10	N/A	N/A	N/A
Daimler Chrysler	N/A	N/A	N/A	5,530	32.0%	1
Cooper Bussman	N/A	N/A	N/A	370	2.1%	8
Roadway Express	N/A	N/A	N/A	366	2.1%	9
Fru-Con	N/A	N/A	N/A	571	3.3%	7
Total	12,483	100%		17,289	100%	

Note: Data includes part-time employees, N/A-Not available. Rockwood is in the process of obtaining historical and current data to establish the number of employees as a % to the individual municipality's total number of employees.

Source: Individual businesses and Rockwood records.

ROCKWOOD R-VI SCHOOL DISTRICT

**EMPLOYEE COUNTS
LAST TEN FISCAL YEARS**

POSITION	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
SUPT.DEPUTY/ASST SUPT	7	7	7	5	6	7	6	7	7	6
DIRECTORS	14	14	14	15	15	15	16	17	17	16
PRIN, HS AND MS	10	10	10	10	10	10	10	10	10	10
ELEMENTARY PRINCIPALS	19	19	19	19	19	19	19	19	19	19
HS ASST & ASSOC./ACT DIR	23	23	23	23	23	23	44	45	45	44
ASST PRIN, ELE & MS	19	19	19	18	18	29	17	19	21	22
COORDINATORS	18	18	18	15	14	13	N/A	N/A	N/A	N/A
SUB TOTAL	110	110	110	105	105	116	112	117	119	117
TEACHERS (INCLUDES COUNSELORS, LIBRARIANS AND COLLEGE ADMISSION SPEC.)										
ELEMENTARY	596	592	590	585	582	586	612	610	622	620
MIDDLE SCHOOL	339	339	335	337	355	342	355	374	378	372
HIGH SCHOOL	453	453	458	466	507	477	502	509	509	445
CERT. PRESCHOOL TEA	16	16	16	16	16	16	15	17	16	16
EARLY CHLDHD SPEC ED TEA, SPCD	42	42	42	39	42	40	44	45	43	41
RESOURCE	4	4	4	N/A	N/A	N/A	99	94	90	78
(Includes TAG, Interns and Psychometrists)										
CONTENT FAC, DATA ANLSTS, A+ COOR,										
INSTR TECH	89	89	89	84	79	86	N/A	N/A	N/A	N/A
SUB TOTAL	1,539	1,535	1,534	1,527	1,581	1,547	1,627	1,649	1,658	1,572
SUPPORT STAFF										
SECRETARIES (ALL)	181	181	181	185	188	178	191	192	193	183
SECRETARIAL ASSTS.	25	25	25	29	31	33	33	34	35	31
ACCT/PR/FINANCE	13	13	13	12	13	12	11	13	13	13
H.R. SPECIALIST	5	5	5	5	5	5	7	7	6	6
MAIL ROOM SPEC	1	1	1	1	1	1	1	1	1	1
DATA PROCESSING	N/A	N/A	N/A	N/A	N/A	N/A	12	10	9	8
COMMUNICATIONS	5	5	5	6	6	5	6	5	7	8
COMPUTER TECH.	41	41	41	43	45	40	28	26	24	23
ROTC	4	4	4	4	4	4	4	4	4	4
HOMEBOUND TEACHERS	N/A	N/A	N/A	N/A	N/A	13	17	20	32	29
STUDY HALL/ISS	12	12	12	15	8	14	14	17	16	14
HALL MONITORS	22	22	22	27	11	9	14	20	17	13
SRP ASSISTANT	3	3	3	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SEC RESOURCE	1	1	1	1	1	1	2	4	3	4
ECSE AUTISM ANALYST	2	2	2	2	2	2	2	2	1	1
ECSE OCCUP THERAPIST	7	7	7	7	7	7	7	6	6	6
ECSE PHYSICAL THERAPIST	3	3	3	3	3	3	3	3	2	3
ECSE APPLIED BEHAVIOR	0	0	0	0	3	3	4	4	8	7
ECSE PARA I AND PARA II	53	53	50	52	42	61	44	48	35	34
CLSRM ASSTS/READ I/IT/ESOL	141	141	137	163	132	113	168	157	156	136
LIBRARY ASSTS	4	4	4	4	5	4	4	5	5	5
COMPUTER SUPPORT SPEC	N/A	N/A	N/A	N/A	N/A	N/A	4	5	7	9
NURSES and NURSE SUPV.	44	44	44	43	43	41	42	42	42	41
SOCIAL WORKERS/STUDENT SRVS.	19	19	19	14	13	14	14	15	15	11
PREVENTION SPEC. (GRANT)	1	1	1	1	1	1	1	-	1	1
CHILD NUTRITION (ALL)	223	223	223	236	229	217	220	221	219	217
WAREHOUSE (ALL)	10	10	10	10	13	10	10	11	10	11
PARKING LOT ATTEND	4	4	4	4	4	4	7	7	7	7
ADVENTURE CLUB	277	277	249	193	187	184	171	182	171	171
PARTNERS IN ED	17	15	15	14	14	14	14	14	14	14
PRESCHL/PAT	71	71	71	61	69	55	74	84	81	81
SPECIAL PROJECTS	N/A	N/A	N/A	N/A	0	-	-	-	N/A	N/A
COE	3	3	3	0	0	0	5	7	5	10
SUB TOTAL	1,192	1,190	1,155	1,135	1,080	1,048	1,134	1,166	1,145	1,102
FACILITIES										
COORDINATORS	2	2	2	2	4	4	4	4	3	3
SUPERVISORS	7	7	7	7	6	6	7	6	7	7
GROUND MAINT	20	20	20	20	20	20	20	19	19	20
GENERAL MAINT	45	45	45	46	46	45	46	45	45	45
CUSTODIAL	192	185	185	228	241	172	175	175	170	162
SUB TOTAL	266	259	259	303	317	247	252	249	244	237
SUB TOTAL W/O COMM. ED.	3,107	3,094	3,058	3,070	3,083	2,958	3,125	3,181	3,166	3,028
COMMUNITY EDUCATION										
(AEL) ADULT BASIC ED	17	17	17	14	16	17	17	15	15	15
AQUATICS	124	124	124	126	133	139	147	130	115	117
COMM ED SUPERVISORS	6	6	6	7	8	8	10	5	5	5
COMM ED THEATRE/AV	7	7	7	18	17	5	5	3	3	3
COMM ED (EVENINGS, SEAS. & MISC)	N/A	N/A	N/A	N/A	N/A	N/A	64	68	54	60
CLUB VOLLEYBALL	89	89	89	35	43	4	N/A	N/A	N/A	N/A
COMM ED OFFICE	2	2	2	2	2	N/A	N/A	N/A	N/A	N/A
COMM ED INSTRUCTORS	17	17	17	14	13	N/A	N/A	N/A	N/A	N/A
ECONOM ED OUTDOOR	13	13	13	3	3	N/A	N/A	N/A	N/A	N/A
SUB TOTAL	275	275	275	219	235	173	243	221	192	200
GRAND TOTAL	3,382	3,369	3,333	3,289	3,318	3,131	3,368	3,402	3,358	3,228

Note: Does not include substitutes, temporaries or seasonal employees

Source: Rockwood School District Records

ROCKWOOD R-VI SCHOOL DISTRICT

**OPERATING STATISTICS
LAST TEN FISCAL YEARS**

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Enrolled Pupils (September)	20,853	21,026	21,312	21,498	21,916	22,157	22,436	22,254	22,159	22,268
Operating Expenditures	\$ 223,115,240	\$ 227,404,773	\$ 220,969,073	\$ 214,186,089	\$ 202,274,482	\$ 199,857,980	\$ 204,693,730	\$ 205,770,317	\$ 204,634,962	\$ 188,163,324
Cost Per Enrolled Pupil	\$ 10,699	\$ 10,815	\$ 10,368	\$ 9,963	\$ 9,230	\$ 9,020	\$ 9,123	\$ 9,246	\$ 9,235	\$ 8,450
% chg	-1.07%	4.31%	4.07%	7.95%	2.32%	-1.13%	7.97%	9.30%	16.83%	6.90%
Teaching Staff	1,539	1,535	1,534	1,527	1,581	1,547	1,627	1,649	1,658	1,572
Enrolled Pupils/Teacher Ratio	17:1	17:1	17:1	18:1	18:1	14:1	14:1	13:1	13:1	14:1
# of Free & Reduced	2,912	3,055	3,083	3,127	3,199	3,251	3,190	3,111	2,715	2,778
% of Enrolled Pupils Qualify for Free/Reduced	14.0%	14.5%	14.5%	14.5%	14.6%	14.7%	14.2%	14.0%	12.3%	12.5%

Note: Operating Expenditures are before transfers; Enrolled Pupils includes resident, VTS, Part-time and SSD students and does not include ILC students or 1 day CCL; Teaching Staff includes counselors, excludes College Admin Specialists

Source: Rockwood School District records

ROCKWOOD R-VI SCHOOL DISTRICT

TEACHER BASE SALARIES LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Rockwood School District (RSD)										
Minimum Salary	\$ 41,124	\$ 40,746	\$ 40,423	\$39,826	\$ 39,237	\$ 39,097	\$ 38,794	\$ 38,250	\$ 36,600	\$ 35,000
Maximum Salary	95,334	100,204	97,855	95,097	92,623	90,670	88,596	86,325	83,125	79,600
RSD Average Salary	61,303	60,139	59,368	58,336	57,405	56,701	55,461	53,984	52,272	48,343
County Average Salary	60,903	60,392	59,040	58,420	58,376	58,833	57,025	56,839	55,014	53,986
Statewide Average Salary	\$ 48,616	\$ 47,955	\$ 47,399	\$46,754	\$ 46,213	\$ 45,723	\$ 45,315	\$ 45,097	\$ 46,099	\$ 43,256

Note: Amounts do not include benefits such as pension, health insurance, disability, etc.

Source: Statewide and County data from DESE; District data from Rockwood School District records

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

Location	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Elementary										
BABLER-1957										
Square Feet	100,473	100,473	100,473	100,473	100,473	100,473	100,473	100,473	97,400	97,400
Capacity	540	540	599	599	660	660	639	639	660	660
Enrollment	544	562	524	532	541	557	573	569	595	617
BALLWIN-1963										
Square Feet	68,350	68,350	68,350	68,350	68,350	68,350	68,350	68,350	68,350	68,350
Capacity	497	497	576	576	593	593	591	591	591	591
Enrollment	506	511	517	495	550	566	558	524	517	490
BLEVINS-2001										
Square Feet	61,700	61,700	61,700	61,700	61,700	61,700	61,700	61,700	61,700	61,700
Capacity	432	432	455	455	570	570	570	570	570	570
Enrollment	405	401	401	437	440	470	497	494	510	497
BOWLES-1972										
Square Feet	54,335	54,335	54,335	54,335	54,335	54,335	54,335	53,450	53,450	53,450
Capacity	324	324	357	357	442	442	438	438	438	438
Enrollment	313	286	301	284	315	291	327	341	344	342
CHESTERFIELD-1959										
Square Feet	59,300	59,300	59,300	59,300	59,300	59,300	59,300	59,300	59,300	59,300
Capacity	410	410	501	501	572	572	616	616	616	616
Enrollment	375	401	386	416	438	453	540	512	523	543
ELLISVILLE-1940										
Square Feet	86,650	86,650	86,650	86,650	86,650	86,650	86,650	86,650	86,650	86,650
Capacity	605	605	812	812	639	639	639	639	639	639
Enrollment	554	543	535	552	583	597	570	575	549	594
EUREKA-1962										
Square Feet	60,560	60,560	60,560	60,560	60,560	60,560	60,560	60,560	60,560	60,560
Capacity	346	346	403	403	394	394	371	371	371	371
Enrollment	334	346	324	309	317	298	308	275	280	288
FAIRWAY-2004										
Square Feet	67,851	67,851	67,851	67,851	67,851	67,851	67,851	67,851	64,400	64,400
Capacity	518	518	524	524	660	660	744	744	598	593
Enrollment	459	483	463	496	516	528	556	539	557	560
GEGGIE-1972										
Square Feet	62,380	62,380	62,380	62,380	62,380	62,380	62,380	62,380	56,000	56,000
Capacity	605	605	622	622	572	572	591	591	549	549
Enrollment	591	573	611	612	590	569	555	521	515	507
GREEN PINES-1988										
Square Feet	57,025	57,025	57,025	57,025	57,025	58,465	58,465	58,465	58,465	58,465
Capacity	410	410	645	645	549	549	549	549	459	549
Enrollment	384	396	403	424	435	459	472	500	507	507
KEHRS MILL-1992										
Square Feet	66,276	66,276	66,276	66,276	66,276	66,276	66,276	59,800	59,800	59,800
Capacity	583	583	645	645	660	660	658	658	637	637
Enrollment	535	583	570	572	592	607	622	629	626	618
KELLISON-1973										
Square Feet	59,907	59,907	59,907	58,700	58,700	60,140	60,140	60,140	60,140	60,140
Capacity	454	454	501	501	524	524	528	528	528	528
Enrollment	410	394	380	409	433	438	461	456	464	487

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

Location	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Elementary Concluded										
POND-1959										
Square Feet	58,247	58,247	58,247	58,247	58,247	58,247	58,247	57,300	57,300	57,300
Capacity	410	410	432	432	576	576	591	591	591	591
Enrollment	364	350	364	358	407	413	449	456	487	510
RIDGE MEADOWS-1991										
Square Feet	59,900	59,900	59,900	59,900	59,900	59,900	59,900	59,900	59,900	59,900
Capacity	475	475	455	455	574	574	570	570	570	570
Enrollment	358	385	410	419	439	469	503	424	532	535
STANTON-1984										
Square Feet	57,920	57,920	57,270	57,270	57,270	57,270	57,270	50,570	50,570	50,570
Capacity	540	540	524	524	591	591	612	612	505	505
Enrollment	491	513	548	543	525	544	539	518	469	461
UTHOFF VALLEY-1992										
Square Feet	62,573	62,573	60,010	60,010	60,010	60,010	60,010	60,010	60,010	60,010
Capacity	540	540	576	576	572	572	570	570	570	570
Enrollment	488	465	464	481	484	497	531	503	488	509
WESTRIDGE-1961										
Square Feet	65,079	65,079	65,079	65,079	65,079	65,079	65,079	66,519	61,130	61,130
Capacity	475	475	455	455	530	530	610	610	459	459
Enrollment	439	451	447	436	435	438	421	391	409	446
WILD HORSE-1999										
Square Feet	70,380	70,380	70,380	70,380	70,380	70,380	70,380	70,380	65,500	65,500
Capacity	562	562	622	622	660	660	746	746	570	570
Enrollment	538	550	567	547	558	565	573	568	543	549
WOERTHER-1972										
Square Feet	58,475	58,475	58,475	58,475	58,475	58,475	58,475	58,475	58,475	58,475
Capacity	475	475	547	547	618	618	658	658	658	658
Enrollment	448	447	443	459	485	536	565	555	554	586
Middle School										
CRESTVIEW-1964										
Square Feet	227,950	227,950	227,950	227,950	227,950	216,000	216,000	216,000	216,000	216,000
Capacity	1,275	1,275	1,275	1,275	1,460	1,460	1,442	1,442	1,442	1,442
Enrollment	1,228	1,204	1,185	1,215	1,228	1,205	1,211	1,167	1,197	1,183
LASALLE SPRINGS-1996										
Square Feet	123,688	123,688	122,533	122,533	122,533	115,000	115,000	115,000	115,000	115,000
Capacity	975	975	1,063	1,063	1,053	1,053	1,028	1,028	1,028	1,028
Enrollment	904	887	909	910	926	942	929	903	936	870
ROCKWOOD SOUTH-1982										
Square Feet	144,592	144,592	144,592	144,592	144,592	139,935	139,935	139,935	139,935	139,935
Capacity	1,254	1,254	1,254	1,254	1,192	1,192	1,192	1,192	1,192	1,192
Enrollment	970	973	945	978	982	1,016	1,006	954	946	945
ROCKWOOD VALLEY-1994										
Square Feet	129,683	129,683	129,683	129,683	129,683	122,300	122,300	122,300	122,300	122,300
Capacity	1,041	1,041	1,041	1,041	1,037	1,037	1,012	1,012	1,012	1,012
Enrollment	671	697	716	753	724	794	768	801	796	801
SELVIDGE-1970										
Square Feet	132,285	132,285	132,285	132,285	132,285	132,285	132,285	125,500	125,500	125,500
Capacity	1,126	1,126	1,126	1,126	1,032	1,032	1,032	1,032	1,014	1,014
Enrollment	694	722	702	711	696	714	691	692	687	714
WILDWOOD-2002										
Square Feet	125,100	125,100	125,100	125,100	125,100	125,100	125,100	125,100	125,100	125,100
Capacity	1,063	1,063	1,063	1,063	1,001	1,001	1,001	1,001	1,001	1,001
Enrollment	672	689	735	754	762	755	764	772	786	785

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION (CONCLUDED)
LAST TEN FISCAL YEARS**

Location	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
High School										
EUREKA-1970										
Square Feet	348,251	348,251	329,511	329,511	329,511	328,063	317,206	315,030	281,730	281,730
Capacity	1,928	1,928	2,125	2,125	2,053	2,053	1,942	1,942	1,656	1,655
Enrollment	1,812	1,861	1,928	1,906	1,996	1,956	1,918	1,882	1,756	1,771
LAFAYETTE-1992										
Square Feet	347,467	347,467	347,467	347,467	347,467	347,467	347,467	339,425	309,725	309,725
Capacity	2,316	2,316	2,316	2,316	2,352	2,352	2,013	2,352	2,158	2,158
Enrollment	1,852	1,860	1,929	1,949	1,992	2,018	2,065	2,065	2,011	2,063
MARQUETTE-1995										
Square Feet	346,859	346,859	330,805	330,805	330,805	314,968	309,988	304,060	293,440	293,440
Capacity	2,444	2,444	2,444	2,444	2,385	2,385	2,296	2,296	2,101	2,101
Enrollment	2,228	2,190	2,254	2,235	2,209	2,168	2,215	2,274	2,225	2,179
ROCKWOOD SUMMIT-1994										
Square Feet	305,006	305,006	305,006	305,006	305,006	305,006	303,221	289,026	262,080	262,080
Capacity	1,679	1,679	1,679	1,679	1,694	1,694	1,694	1,694	1,519	1,519
Enrollment	1,286	1,299	1,351	1,306	1,278	1,294	1,301	1,375	1,351	1,390
Other Structures										
ANNEX-1934										
Square Feet	85,736	85,736	85,736	84,200	84,200	85,640	85,640	85,640	85,640	85,640
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
VANDOVER-1943										
Square Feet	20,800	20,800	20,800	20,800	20,800	20,800	20,800	20,800	20,800	20,800
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WAREHOUSE-1980										
Square Feet	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ADMINISTRATION-1973										
Square Feet	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
BUS GARAGE-1972										
Square Feet	10,008	10,008	10,008	7,300	7,300	10,180	10,180	10,180	10,180	10,180
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CCL/SULLIVAN-1975										
Square Feet	45,200	45,200	45,200	45,200	45,200	46,640	46,640	45,200	45,200	45,200
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EARLY CHILDHOOD CENTER-2004										
Square Feet	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500
Capacity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: November 2014 Enrollment Projections Report, Facilities Department

Note: Square footage as of Fall 2014 and includes trailers

ROCKWOOD R-VI SCHOOL DISTRICT

**TOTAL ENROLLMENT
LAST TEN FISCAL YEARS**

Grade	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
K	1,260	1,330	1,263	1,168	1,241	1,275	1,410	1,363	1,342	1,426
1	1,396	1,348	1,271	1,344	1,384	1,483	1,486	1,462	1,486	1,468
2	1,390	1,352	1,387	1,404	1,540	1,551	1,557	1,551	1,478	1,637
3	1,410	1,430	1,454	1,563	1,557	1,545	1,621	1,534	1,671	1,612
4	1,469	1,479	1,591	1,588	1,580	1,678	1,638	1,724	1,652	1,675
5	1,518	1,616	1,601	1,612	1,719	1,650	1,785	1,669	1,696	1,699
SSD	93	89	91	102	102	113	123	147	143	129
Subtotal K-5	8,536	8,644	8,658	8,781	9,123	9,295	9,620	9,450	9,468	9,646
6	1,680	1,658	1,679	1,738	1,638	1,775	1,730	1,734	1,745	1,690
7	1,670	1,659	1,752	1,652	1,794	1,738	1,781	1,742	1,701	1,811
8	1,708	1,752	1,644	1,805	1,754	1,788	1,775	1,733	1,801	1,709
SSD	81	103	117	126	132	125	83	80	101	88
Subtotal 6-8	5,139	5,172	5,192	5,321	5,318	5,426	5,369	5,289	5,348	5,298
9	1,834	1,747	1,916	1,899	1,939	1,904	1,932	2,004	1,879	1,889
10	1,728	1,818	1,850	1,815	1,817	1,836	1,884	1,801	1,860	1,903
11	1,752	1,804	1,747	1,785	1,810	1,835	1,754	1,788	1,832	1,671
12	1,764	1,702	1,777	1,749	1,775	1,723	1,734	1,779	1,623	1,695
SSD	100	139	172	148	134	138	143	143	149	165
Subtotal 9-12	7,178	7,210	7,462	7,396	7,475	7,436	7,447	7,515	7,343	7,323
Grand Total	20,853	21,026	21,312	21,498	21,916	22,157	22,436	22,254	22,159	22,267

ROCKWOOD R-VI SCHOOL DISTRICT CAPACITY SCHEDULES INFORMATION

June 30, 2017

The capacity of a school building depends on how many rooms are available for general classrooms and District standards regarding the number of students to be served in each classroom. In order to be used for classroom space, the size of the room needs to be appropriate, and it cannot be occupied by another program (e.g. SSD, early childhood, adventure club, remedial services, etc.) offered within the building. In general, when enrollment exceeds capacity, the school is likely using non-standard rooms as classroom space or the number of students in the classrooms exceed the guidelines. The non-standard rooms may include:

- The library, multi-purpose or cafeteria for classrooms
- Using a dedicated art or music room and providing that curriculum within each classroom
- If the over-capacity relates to projected enrollment, it may signal that a special program within the building may need to be relocated to accommodate the projected enrollment.

For grades 6-8, the District organizes students into middle school teams. There are eight curricular areas covered with four being offered in a general classroom and four offered in specially equipped rooms. Two of the specially equipped rooms are core classes offered to all students (science and PE) and two are encore classes (business, FACS, fine arts, gifted and technology). To determine the capacity of a middle school, it is important to determine the number of teams that can be served within these constraints and the number of students to be served in each room.

For high school, there are many more specialized rooms. Additionally, students have a wide range of courses they can select. Using the final master schedule, the class offerings are separated into those that are taught in general classrooms vs. specialized. Likewise, the rooms are separated into the same classifications. A capacity calculation can be created for each type of room. Due to scheduling conflicts, it is highly likely that some rooms will have open periods throughout the day. This is especially true when using a block schedule. An efficiency factor can be determined by dividing the total number of occupied periods by the number of classrooms times seven periods. To determine the capacity for a high school building, add the following:

- The number of regular classrooms times the average number of students to be served in each room times the efficiency factor for that category of room
- The number of specially equipped rooms times the average number of students to be served in each room times the efficiency factor for that category of room
- Some students enroll in work skill classes and, for a portion of the school day, the student is not being served within the classroom. Determine the full-time equivalency for these students.

When reviewing the capacity information on the attached chart, the following information is important:

- The capacity for each elementary school is computed the same and follows the approach outlined in the first paragraph above.
- With the exception of LaSalle Middle School and Eureka High School, the capacity numbers are based on the 2013 study by an outside demographer, RSP. Due to the rapid growth in the Eureka quadrant, a more in-depth analysis was completed using the approach described above.

ROCKWOOD R-VI SCHOOL DISTRICT

ELEMENTARY ENROLLMENT VS. CAPACITIES BY FISCAL YEAR

School	Year Built	Capacity				Actual Enroll	Projected Enrollment				
		DESE Standard	Rockwood High	Rockwood Low	DESE Desirable	2017	2018	2019	2020	2021	2022
BABLER	1957	596	540	484	424	544	554	576	550	554	548
BALLWIN	1963	549	497	445	390	506	505	524	517	497	501
BLEVINS	2001	477	432	387	339	405	418	439	458	473	477
BOWLES	1972	358	324	290	254	313	324	317	332	348	347
CHESTERFIELD	1959	453	410	368	322	375	384	404	400	393	379
ELLISVILLE	1940	668	605	542	475	554	550	561	530	514	492
EUREKA	1962	382	346	310	271	334	348	387	416	449	463
FAIRWAY	2004	572	518	464	407	459	443	443	436	423	420
GEGGIE	1972	668	605	542	475	591	564	571	610	651	682
GREEN PINES	1988	453	410	368	322	384	390	403	397	391	402
KEHRS MILL	1992	644	583	522	458	535	519	507	497	494	489
KELLISON	1973	501	454	406	356	410	428	425	426	443	430
POND	1959	453	410	368	322	364	388	410	447	463	469
RIDGE MEADOWS	1991	525	475	426	373	358	352	355	346	342	325
STANTON	1984	596	540	484	424	491	484	485	482	473	467
UTHOFF VALLEY	1992	596	540	484	424	488	506	514	518	521	530
WESTRIDGE	1961	525	475	426	373	439	449	451	448	455	449
WILD HORSE	1999	620	562	503	441	538	535	546	553	541	542
WOERTHER	1972	525	475	426	373	448	461	486	484	488	462
Total		10,161	9,201	8,245	7,223	8,536	8,602	8,804	8,847	8,913	8,874

ROCKWOOD R-VI SCHOOL DISTRICT

MIDDLE SCHOOL ENROLLMENT VS. CAPACITIES BY FISCAL YEAR

School	Built	Capacity		Actual Enroll	Projected Enrollment				
		Low	High	2017	2018	2019	2020	2021	2022
CRESTVIEW	1964	1,200	1,275	1,228	1,248	1,204	1,157	1,121	1,138
LASALLE*	1996	720	975	904	899	935	929	880	880
ROCKWOOD SOUTH	1982	1,180	1,254	970	960	942	930	923	908
ROCKWOOD VALLEY	1994	980	1,041	671	635	613	608	607	624
SELVIDGE	1970	1,060	1,126	694	667	612	603	616	668
WILDWOOD	2002	1,000	1,063	672	628	668	639	646	585
Total		6,140	6,734	5,139	5,037	4,974	4,866	4,793	4,803

*Due to the more significant growth in the Eureka quadrant, a more in-depth capacity analysis was computed for this school. All other capacity numbers were taken from the 2013 RSP analysis.

ROCKWOOD R-VI SCHOOL DISTRICT

HIGH SCHOOL ENROLLMENT VS. CAPACITIES BY FISCAL YEAR

		Capacity		Actual Enroll	Projected Enrollment				
School	Built	Low	High	2017	2018	2019	2020	2021	2022
EUREKA*	1970	1,430	1,928	1,812	1,810	1,759	1,794	1,816	1,723
LAFAYETTE	1992	2,180	2,316	1,852	1,797	1,749	1,745	1,647	1,565
MARQUETTE	1995	2,300	2,444	2,228	2,195	2,233	2,260	2,199	2,136
ROCKWOOD SUMMIT	1994	1,580	1,679	1,286	1,267	1,307	1,297	1,293	1,374
Total		7,490	8,367	7,178	7,069	7,048	7,096	6,955	6,798

*Due to the more significant growth in the Eureka quadrant, a more in-depth capacity analysis was computed for this school. All other capacity numbers were taken from the 2013 RSP analysis.

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State Compliance Section

Independent Accountants' Report on Compliance with Specified Requirements of Missouri Laws and Regulations

Board of Education
Rockwood R-VI School District

We have examined Rockwood R-VI School District's compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the Rockwood R-VI School District's records of average daily attendance and average daily transportation of pupils and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2017. Management of Rockwood R-VI School District is responsible for Rockwood R-VI School District's compliance with the specified requirements. Our responsibility is to express an opinion on Rockwood R-VI School District's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Rockwood R-VI School District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Rockwood R-VI School District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Rockwood R-VI School District's compliance with specified requirements.

In our opinion, Rockwood R-VI School District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2017.

This report is intended solely for the information and use of the members of the Board of Education, District management, the Missouri Department of Elementary and Secondary Education and other audit agencies and is not intended to be and should not be used by anyone other than these specified parties.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
November 30, 2017

ROCKWOOD R-VI SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2017

District Number: 096-091

1. Calendar (Sections 160.041 and 171.031, RSMo)

Standard day length (SDL) – The total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time. Reported with 4 decimal places.

Grades K-5	6.5000	SDL
Grades 6-8	6.4500	SDL
Grades 9-12	6.3200	SDL

The number and actual calendar days and hours classes were in session and pupils were under the direction of teachers during this school year were as follows:

	<u>Days</u>	<u>Hours</u>
Eureka Sr. High	173	1,056.46
Lafayette Sr. High	174	1,062.78
Marquette Sr. High	174	1,062.78
Rockwood Summit Sr. High	174	1,062.78
Rockwood Valley Middle	174	1,098.06
Crestview Middle	174	1,098.06
LaSalle Springs Middle	173	1,091.61
Wildwood Middle	174	1,098.06
Rockwood South Middle	174	1,098.06
Selvidge Middle	174	1,098.06
Ballwin Elementary	174	1,106.36
Bowles Elementary	174	1,106.36
Chesterfield Elementary	174	1,106.36
Ellisville Elementary	174	1,106.36
Eureka Elementary	173	1,099.86
Green Pines Elementary	174	1,106.36
Geggie Elementary	173	1,099.86
Kellison Elementary	174	1,106.36
Pond Elementary	174	1,106.36
Stanton Elementary	174	1,106.36
Westridge Elementary	174	1,106.36
Babler Elementary	174	1,106.36
Kehrs Mill Elementary	174	1,106.36
Uthoff Elementary	174	1,106.36
Woerther Elementary	174	1,106.36
Wild Horse Elementary	174	1,106.36
Blevins Elementary	173	1,099.86
Fairway Elementary	174	1,106.36

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2017**

2. Average Daily Attendance (ADA)

Regular term

	Full-Time & Part-Time	Deseg In	Total
Grades K - 5	7,705.00	543.15	8,248.15
Grades 6 - 8	4,518.70	384.83	4,903.53
Grades 9 - 12	6,103.92	506.39	6,610.31
Subtotal regular term	18,327.62	1,434.37	19,761.99
Summer school	61.99	27.73	89.72
Total average daily attendance	18,389.61	1,462.10	19,851.71

3. September Membership

	Full-Time & Part-Time	Deseg In	Total
September membership FTE count	19,206.27	1,550.40	20,756.67

4. Free and Reduced Priced Lunch FTE Count

	Full-Time & Part-Time	Deseg In	Total
Free	1,183.88	1,260.61	2,444.49
Reduced	359.50	107.69	467.19
Total	1,543.38	1,368.30	2,911.68

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2017**

5. Finance

- | | | |
|----|--|------------------|
| A. | As required by Section 162.401, RSMo, a bond was purchased for the schools' treasurer in the total amount of: | <u>\$ 50,000</u> |
| B. | The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo. | <u>True</u> |
| C. | The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. | <u>True</u> |
| D. | Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. | <u>True</u> |
| E. | If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected date for the projects to be undertaken. | <u>N/A</u> |
| F. | The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo. | <u>True</u> |
| G. | The District has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. | <u>True</u> |
| H. | The amount spent for approved professional development committee plan activities was: | <u>\$357,728</u> |

All above "False" answers must be supported by a finding or management letter comment.

Finding #: N/A

Management Letter Comment #: N/A

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2017**

6. Transportation

- A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True
- B. The District's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported. True
- C. Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:
- | | |
|-------------------------|----------------|
| ▪ Eligible ADT | <u>10,241</u> |
| ▪ Ineligible ADT | <u>2,356.5</u> |
- D. The District's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year. True
- E. Actual odometer records show the total district-operated and contracted mileage for the year was: 1,826,650
- Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:
- | | |
|---|------------------|
| ▪ Eligible Miles | <u>1,605,875</u> |
| ▪ Ineligible Miles (Non-Route/Disapproved) | <u>220,775</u> |
- F. Number of days the district operated the school transportation system during the regular school year: 174
- G. All above "False" answers must be supported by a finding or management letter comment.
- Finding #: N/A
- Management Letter Comment #: N/A

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Federal Compliance Section

**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Board of Education
Rockwood R-VI School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Rockwood R-VI School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Rockwood R-VI School District's basic financial statements, and have issued our report thereon dated November 30, 2017.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Rockwood R-VI School District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Keiter, Eck & Braeckel LLP

St. Louis, Missouri
November 30, 2017

**Independent Auditors' Report on Compliance For Each Major Program
and on Internal Control Over Compliance Required by The Uniform Guidance**

Board of Education
Rockwood R-VI School District

Report on Compliance for Each Major Federal Program

We have audited Rockwood R-VI School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Rockwood R-VI School District's major federal programs for the year ended June 30, 2017. Rockwood R-VI School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Rockwood R-VI School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Rockwood R-VI School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Rockwood R-VI School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Rockwood R-VI School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of Rockwood R-VI School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Rockwood R-VI School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rockwood R-VI School District's internal control over compliance.

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

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

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

Keiser, Eck & Braeckel LLP

St. Louis, Missouri
November 30, 2017

ROCKWOOD R-VI SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Federal Grantor / Pass-Through Grantor / Program Cluster or Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Identification Number</u>	<u>Expenditures</u>
U.S. Department of Education			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education - Grants to States	84.027	096-091	\$ 1,032,202
Non-IDEA Special Education Grant	84.323	096-091	4,623
Adult Education - Basic Grants to States	84.002	096-091	452,000
Career and Technical Education - Basic Grants to States	84.048	096-091	132,798
Title I Grants to Local Educational Agencies	84.010	096-091	1,216,831
Title II Improving Teacher Quality State Grants	84.367	096-091	396,486
Title III English Language Acquisition Grants	84.365	096-091	67,020
Assessment Substitute	84.369	096-091	2,307
Total U.S. Department of Education			<u>3,304,267</u>
U.S. Department of Health and Human Services			
Passed-through Missouri Department of Social Services			
Drug-Free Communities Support Program Grants	93.276	096-091	126,485
Total U.S. Department of Health and Human Services			<u>126,485</u>
U.S. Department of Air Force			
Passed-through Missouri Department of Elementary and Secondary Education:			
Buffer Zone Protection Program	97.078	096-091	110,129
Total U.S. Department of Air Force			<u>110,129</u>
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	096-091	371,347
National School Lunch Program	10.555	096-091	
Cash assistance			1,651,810
Non-cash assistance (food distribution)			556,661
Total National School Lunch Program			<u>2,208,471</u>
Total U.S. Department of Agriculture and Child Nutrition Cluster			<u>2,579,818</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 6,120,699</u></u>

The accompanying notes are an integral part of this schedule.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of the Rockwood R-VI School District under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of *OMB Uniform Guidance, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rockwood R-VI School District prepares its Schedule of Expenditures of Federal Awards on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related liabilities are incurred.

The District has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 – SUBRECIPIENTS

There have been no awards passed through to subrecipients.

ROCKWOOD R-VI SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of report issued on financial statements: Unmodified opinion

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses?

None reported

Noncompliance material to the financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness identified? No

Significant deficiencies identified that are not considered to be material weaknesses?

None reported

Type of auditors’ report issued on compliance for major programs: Unmodified opinion

Any audit findings disclosed that are required to be reported under section CFR200 of OMB

Uniform Guidance? No

The programs tested as a major program are as follows:

<u>Name of Program or Cluster</u>	<u>CFDA Number(s)</u>
Special Education - Grants to States	84.027
Title II - Improving Teacher Quality State Grants	84.367

The dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? Yes

ROCKWOOD R-VI SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings which are required to be reported in accordance with Generally Accepted Governmental Auditing Standards.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to Federal Awards.