
Rockwood R-VI School District



2018 Comprehensive Annual Financial Report

For fiscal year ended June 30, 2018



ST. LOUIS COUNTY, MISSOURI, 63025
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ROCKWOOD R-VI SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI

Comprehensive Annual Financial Report
For the year ended June 30, 2018

Submitted by:

Mr. Paul Northington, SFO, Chief Financial Officer

Mr. Dan Steinbruegge, CPA, Director of Finance

<http://www.rsdmo.org>

ROCKWOOD R-VI SCHOOL DISTRICT

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Comprehensive
Annual
Financial
Report

2018

Introductory Section



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Dan Steinbruegge, CPA
Director of Finance

December 11, 2018

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, 2018, 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 Report.

The report 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 Managements' 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% 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
2008-09	20,370	1,789	22,159
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	20,151	1,765	21,916
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
2017-18	19,396	1,465	20,861

As noted by the chart, the District experienced slight annual enrollment reductions between 2010-11 and 2016-17 but had a small increase in 2017-18. The District is projecting total enrollment for 2018-19 to be 21,033 students, an increase of 172 students. The District is experiencing residential growth which will result in additional students in the next 2-5 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 31 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 24.2, outperforming the state average of 20.2 and the national average of 21.
- District earned a 98.6% overall score on the Annual Performance Report released by DESE.
- 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 2018.
- All four Rockwood high schools were named "America's Most Challenging High Schools" by the Washington Post.
- Three Rockwood high schools were named "Best High School" by the U.S. News and World Report.
- Rockwood earned "National District of Character" distinction and has a total of 17 National Schools of Character and 18 Missouri Schools of Character.
- The United States Department of Education's "Blue Ribbon List" includes ten Rockwood schools, and Missouri's "Gold Star" list includes fifteen 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 20,861 students enrolled including our Special School District students. The District serves this student body in twenty elementary facilities (including two Centers for Creative Learning), six middle schools (grades 6-8) and four high schools. The average age of our building is 36 years old with the oldest building being built in 1940 and our most recent building addition in 2004. The District is currently constructing a new elementary building to address residential developments in the Eureka quadrant and will turn the existing Eureka Elementary school into a second Early Childhood Center.

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% 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% (2017-2018). 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 10,395 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. In our September 2017 official student count, this K-12 program represents 1,465 of 20,861 students or about 7.0% 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 report entity.

From a budget perspective, the District has placed an emphasis on providing a balanced budget in order to maintain our fiscal stability and the required reserve levels. Student enrollment has been on the decline for a number of years and a major focus for the past couple years has been lowering class size at the elementary level to move towards the State's desirable class size numbers while maintaining our facilities rather than building new facilities. Funding facility needs has been provided by the support of our local taxpayers. 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 \$65 million from that bond authorization with the expectation that the remaining bond funds from this authorization to be spent during the 2018/19 school year.

The local economy has also improved the last two budget years and the District has been responding to the significant growth occurring within our boundaries. Homebuilding is driving this growth as the District is estimating that approximately 2,300 homes will be built over the next five years. Projections of increases in student enrollment led District officials to review current capacity levels in our schools. In April 2017, the District placed a \$95.5 million bond issue ("Prop T") on the ballot and once again the

Community approved the measure. Prop T addresses capacity issues by constructing a new elementary school in the Eureka quadrant, adding classroom's at Geggie elementary school as well as completing the STEM additions at Marquette and Eureka high schools. In addition, Prop T is expected to cover other special projects and cycle maintenance through the 2024/25 school year. The District issued \$62.8 million in bonds in March 2018 to fund these projects.

The focus during the 2018/19 school budget process was on the operations of the District, specifically the Incidental 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 2017. Enrollment projections were developed for subsequent years. In October 2017, school and department levels began working on their 2018/19 requested budgets and reviewed them with their respective Administrative Leadership Team ("ALT") member. After formal approval by the ALT member, the budget requests were submitted to the finance office. In November 2017, the ALT team 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 Incidental, Teachers and Building Funds. The school building budgets were based on a per pupil calculation and provided to building level administration for building allocation. In December 2017 the finance office presented a preliminary 2018/19 budget target that included a balanced budget.

The balanced budget target included the following factors:

- Local assessed valuation with new construction increased 8.77% in 2017/18 (7.84% increase less new construction)
- Support on education funding by the State of Missouri continued as the Basic Foundation Formula was fully funded
- Student enrollment increased in 2017/18
- 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 2018.

Additional budget updates were presented to the Board through May 2018 with final budget approval in June 2018.

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 75% of the District's total revenue. Local property taxes represent approximately 67% of the District's operating revenue budget.

The District is experiencing more residential and small commercial development activity in our area in which we anticipate 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 we experienced a 8.77% increase in the assessed valuation with new construction of approximately \$3.4 billion. The District expects continued assessed valuation growth but not at the percentage increase experienced in 2017-18.

The District enjoys a bond rating among the highest in the nation - AAA. This was reaffirmed during a rating call with Standard & Poors' during the 2017-18 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.

The District currently is preparing for a new Strategic Plan covering the school years 2020-2025. A framework has been developed that provides a steering committee to assist in five subcommittees to address student learning, extraordinary people, customized supports, school climate and leadership. More information will be provided as the Way Forward brings together members of the Rockwood community to help set the future direction of our schools.

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 member's 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). Each agreement dictates the work environment and compensation for the members of the each organization. The agreement with the RCEA is through the 2021/22 school year, RAN through the 2020/21 school year and the RASW through the 2019/20 school year.

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' unqualified 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, 2017. This was the thirteenth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government 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 (CAFR) for the years ended June 30, 2004 - 2017. The District will also submit this 2018 financial report for that coveted award. The District also participates in ASBO International's Meritorious Budget Award (MBA) Program. For the past eighteen 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, 2018.

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,

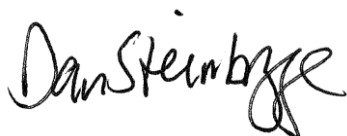
Dr. Eric Knost
Superintendent

A handwritten signature in black ink, appearing to read "Eric Knost", with a stylized, flowing script.

Mr. Paul Northington, SFO
Chief Financial Officer

A handwritten signature in black ink, appearing to read "Paul Northington", with a stylized, flowing script.

Mr. Dan Steinbruegge, CPA
Director of Finance

A handwritten signature in black ink, appearing to read "Dan Steinbruegge", with a stylized, flowing script.

ROCKWOOD R-VI SCHOOL DISTRICT

BOARD OF EDUCATION

2018-2019



Loralee Mondl, President, was elected to the Rockwood Board of Education in 2013. She holds bachelor's 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 and is currently an Adjunct Math Professor at Webster University. She and her husband Jim have two sons, Nick is a Rockwood Summit graduate and Cam is currently a sophomore at Summit.



Lynne Midyett, Vice President, 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.



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.



Matt Doell, Director, 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.



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.



Randy Miller, Director, 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, Ms. Rhomberg is a 40 plus year resident of the Rockwood School District with two children and two grandchildren who have graduated from Rockwood Schools. As a mother, a grandmother, and a great grandmother, education remains front and center as her focus.

With 50 years in education – a bachelor's degree in Elementary Education from Southeast Missouri State University, and a masters in Educational Process from Maryville University- Ms. Rhomberg's educational experience covers a wide range of roles and positions - 6 years in second grade in the Lindbergh School District, 10 years as a reading specialist at Kellison Elementary, 13 years as language arts/ intervention coordinator , OASIS coordinator and Title I coordinator in the Rockwood School District. After retiring from education, Ms. Rhomberg joined Zaner-Bloser Publishing as a National Literacy Consultant and for 6 years traveled the United States delivering professional development to educators of all levels. Ms. Rhomberg continues to support educators as an adjunct professor at Webster University where she teaches undergraduate/ graduate reading courses.

Ms. Rhomberg is an active member of various professional organizations including the International Literacy Association and currently serves on the St. Louis Suburban Reading Council as a director and is the Missouri Literacy Association president. During the 2017-2018 school year she served as an appointed director on the Rockwood School District Board of Education. Her long term educational opportunities and her district historical perspectives provide her with the knowledge, training, and experience to make complex decisions affecting Rockwood students, staff, parents, and patrons.

ROCKWOOD R-VI SCHOOL DISTRICT

2018/19 ORGANIZATION

Board of Education

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

Superintendent

Dr. Eric Knost	Superintendent of Schools
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Superintendent's Cabinet

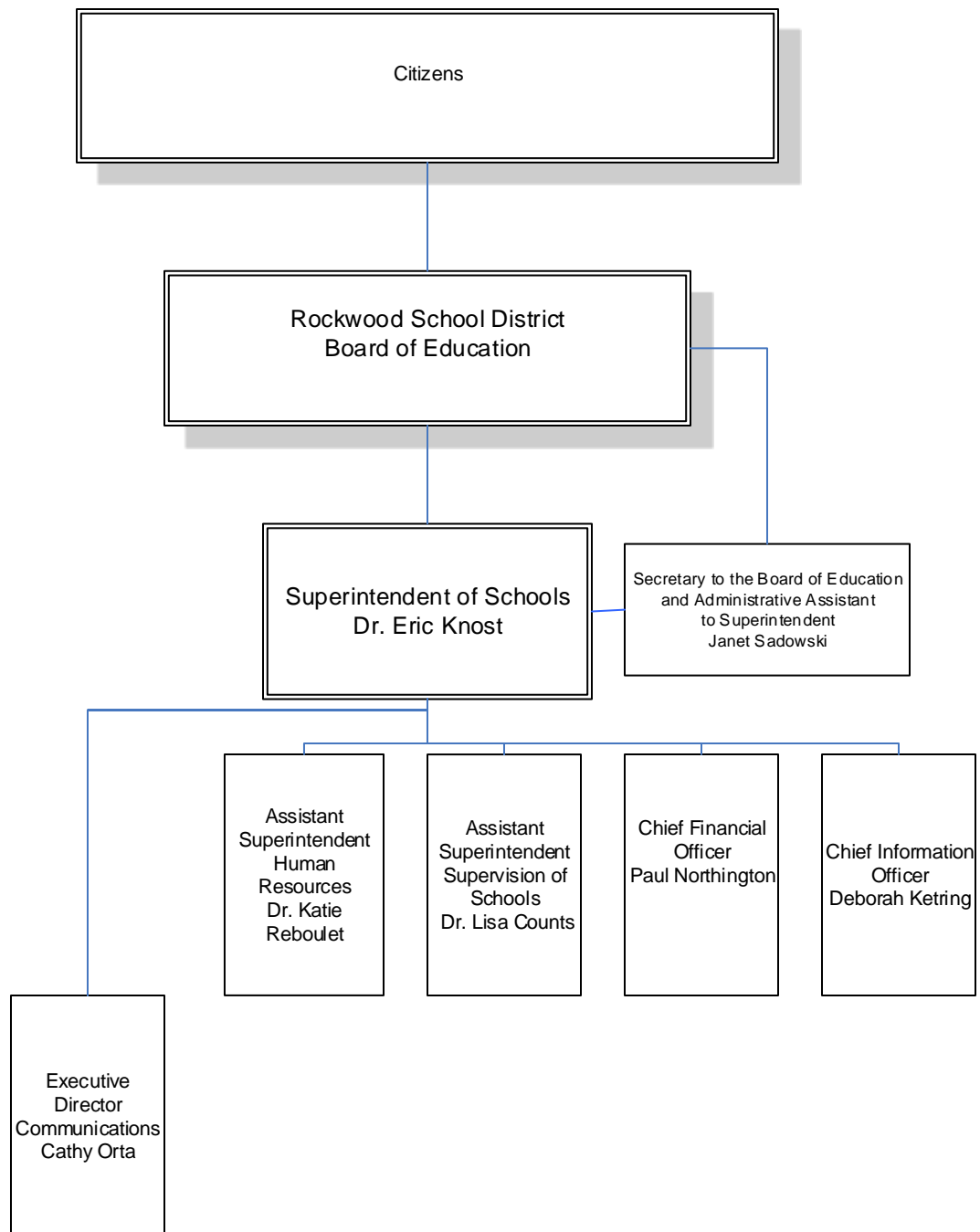
Ms. Deborah Ketring	Chief Information Officer
Dr. Lisa Counts	Asst. Superintendent Supervision of Schools
Dr. Katherine Reboulet	Asst. Superintendent, Human Resources
Mr. Paul Northington	Chief Financial Officer

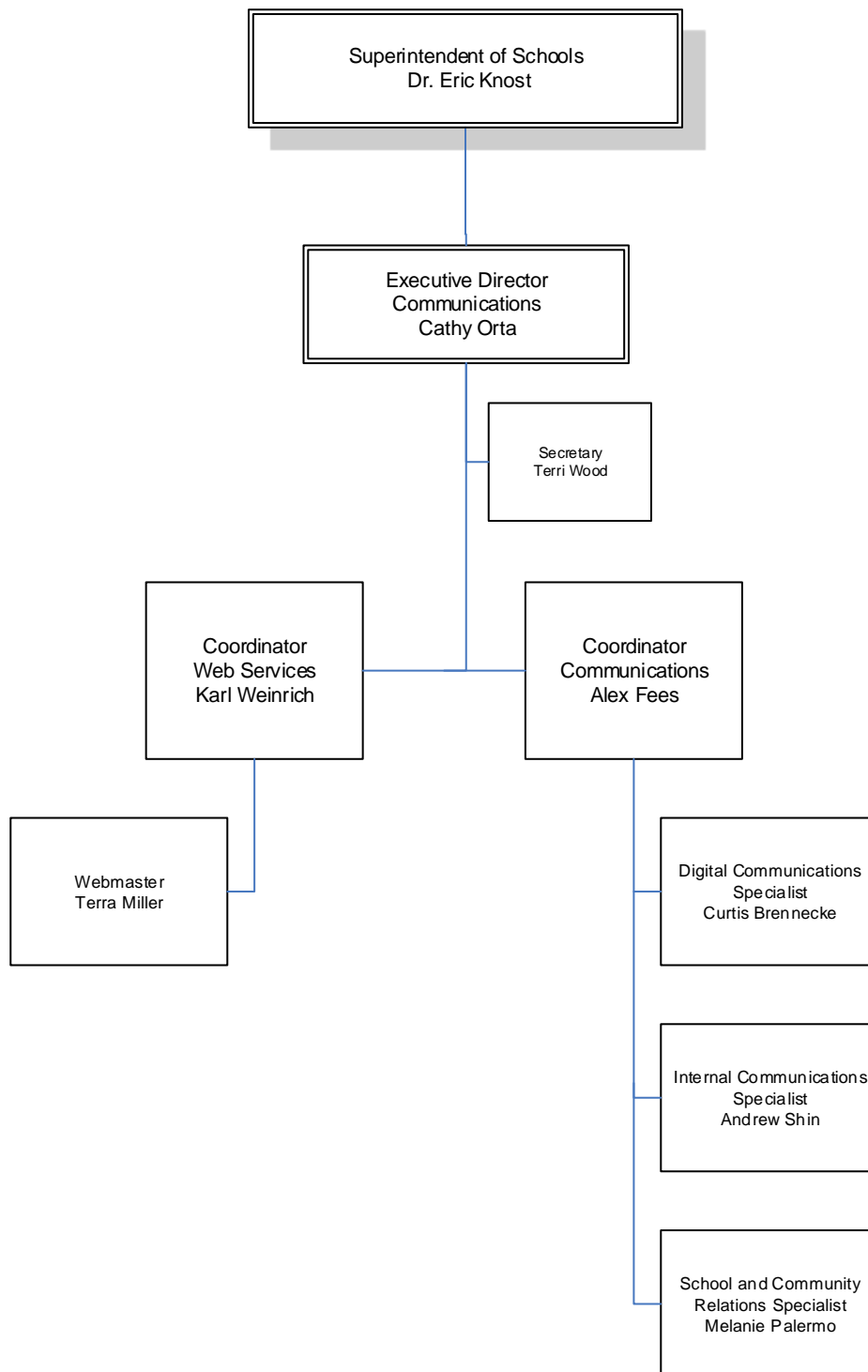
Executive Directors

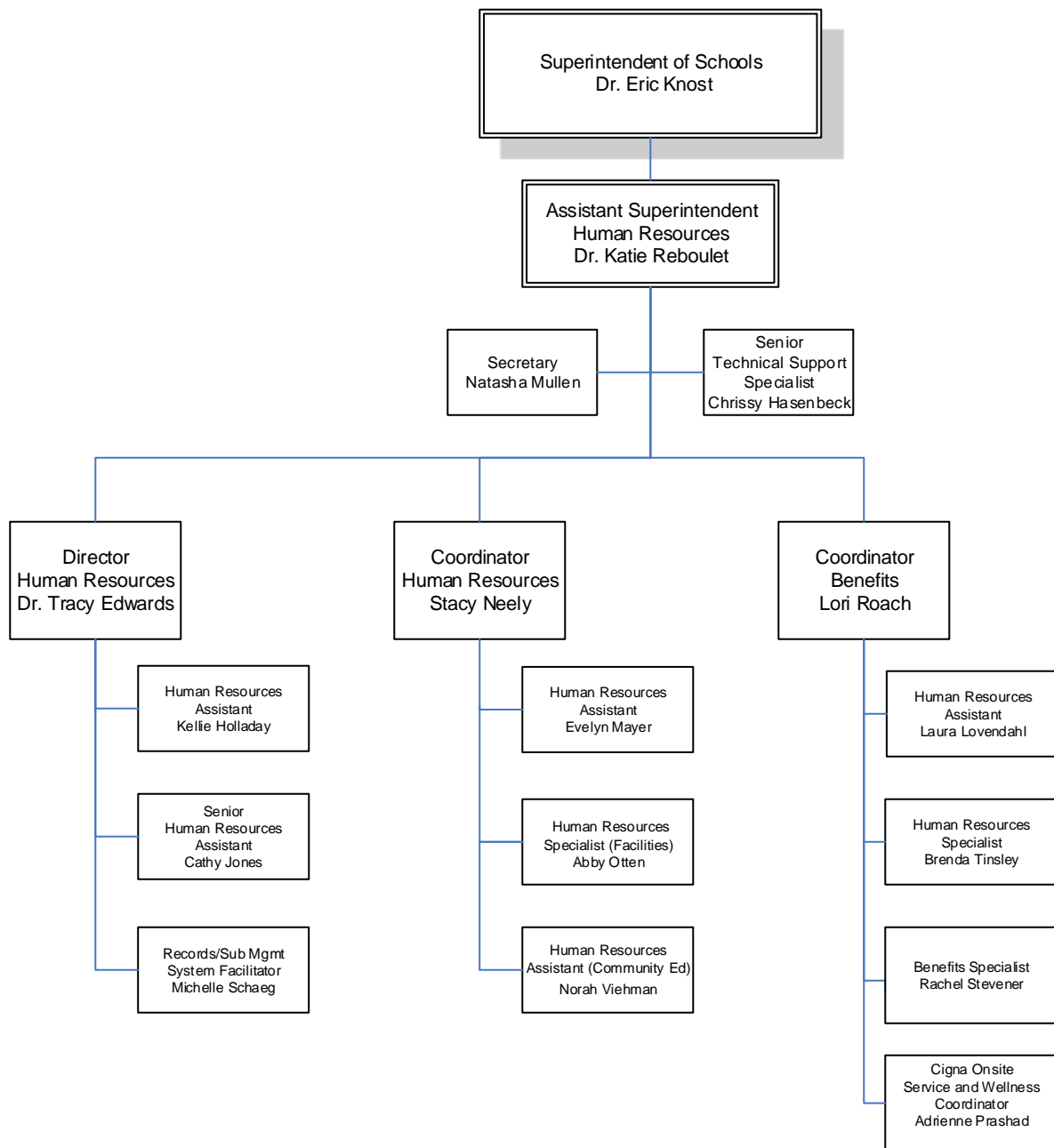
Dr. Jane Brown	Executive Director Early Childhood
Dr. David Cobb	Executive Director Elementary Education
Dr. Terry Harris	Executive Director Student Services
Ms. Cathy Orta	Executive Director Communications
Ms. Shelley Willott	Executive Director Learning and Support Services

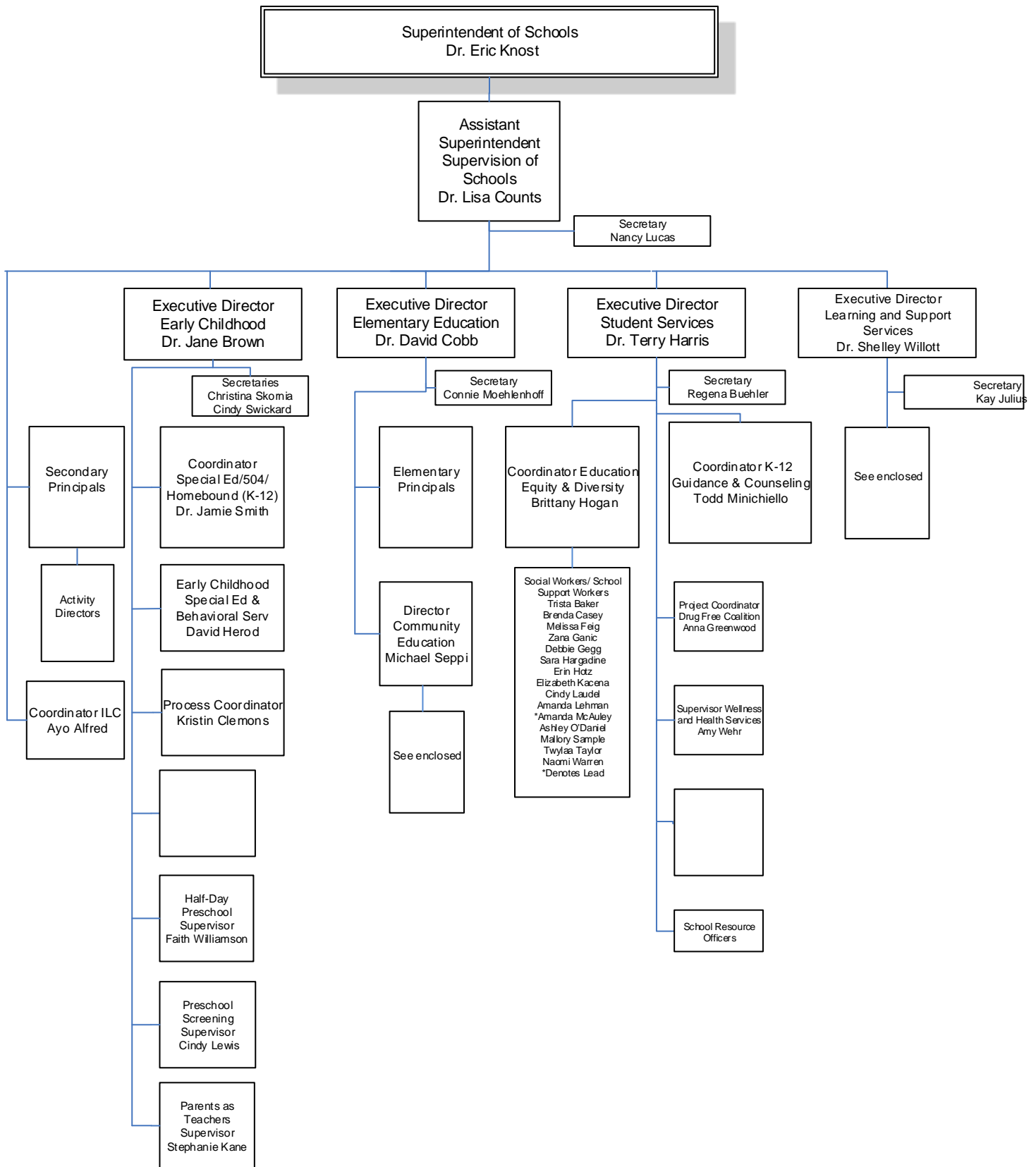
Directors

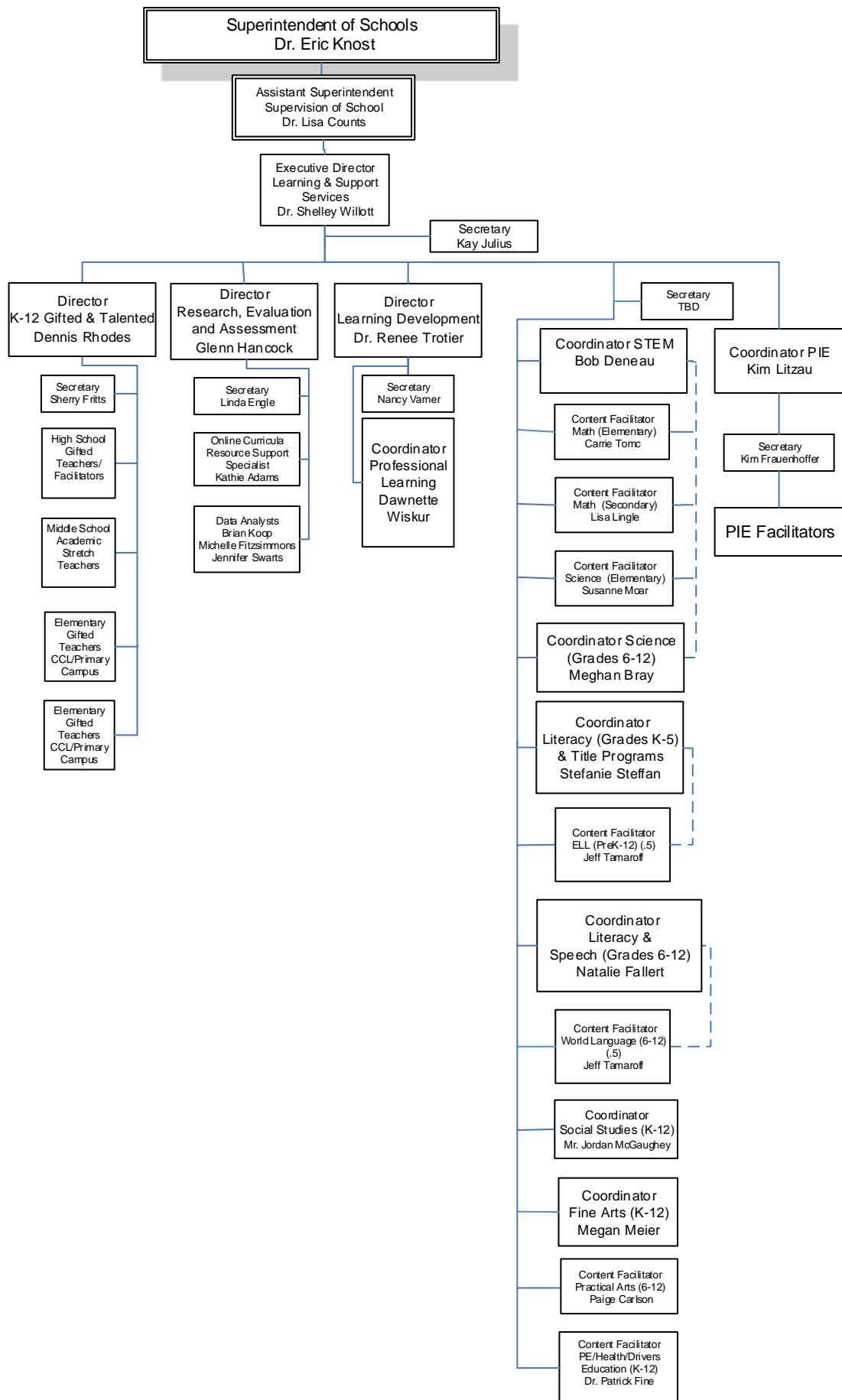
Dr. Tracy Edwards	Director Human Resources
Ms. Carmen Fischer	Director Child Nutrition Services
Mr. Chris Freund	Director Facilities Services, Warehouse
Mr. Glenn Hancock	Director of Research, Evaluation & Assessment
Mr. Michael Heyman	Director Transportation
Mr. Dennis Rhodes	Director of Gifted Education
Mr. Michael Seppi	Director Community Education
Ms. Bretta Slagle	Director Technology Support Services
Mr. Dan Steinbruegge	Director Finance
Dr. Renee Trotier	Director of Learning Development

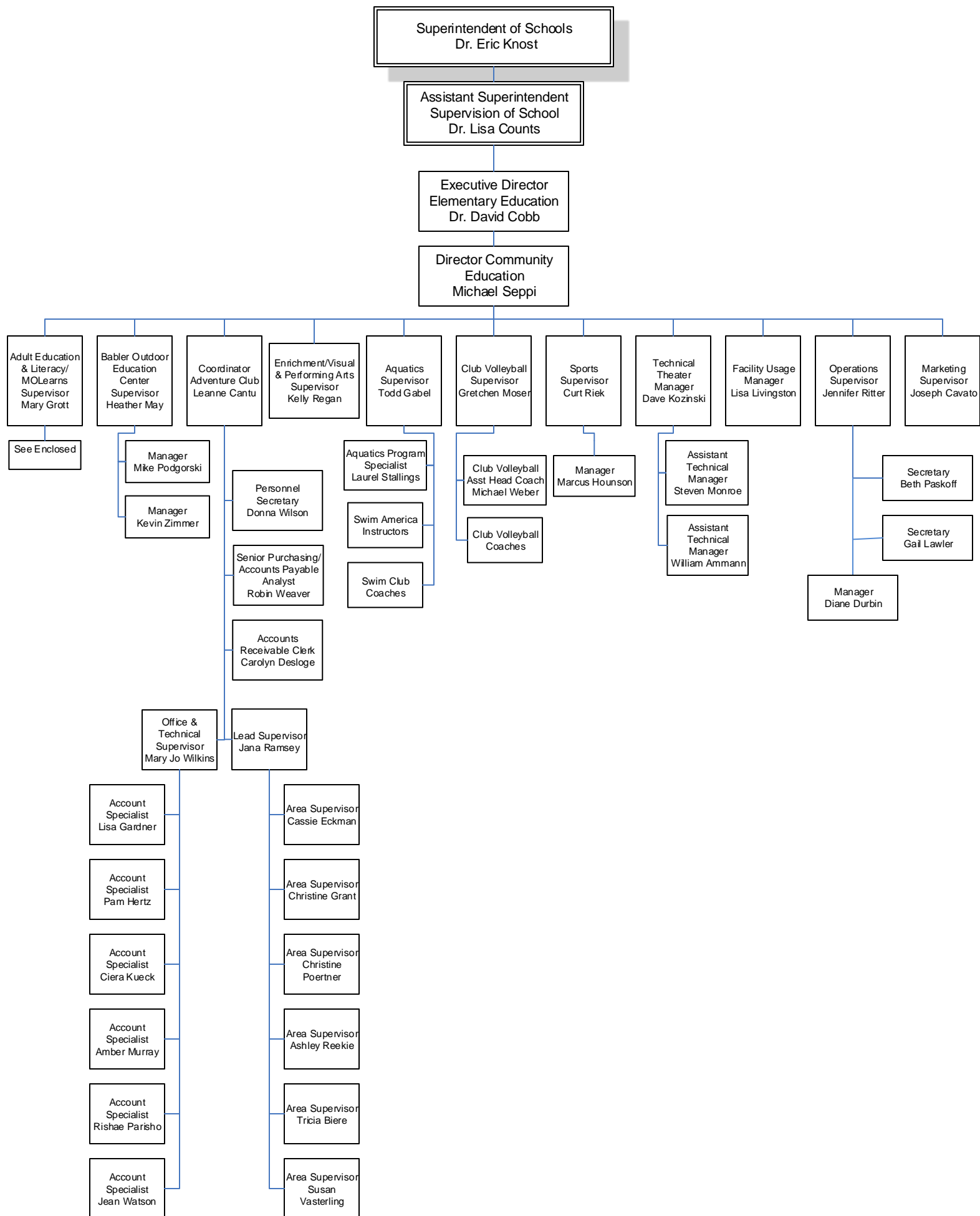


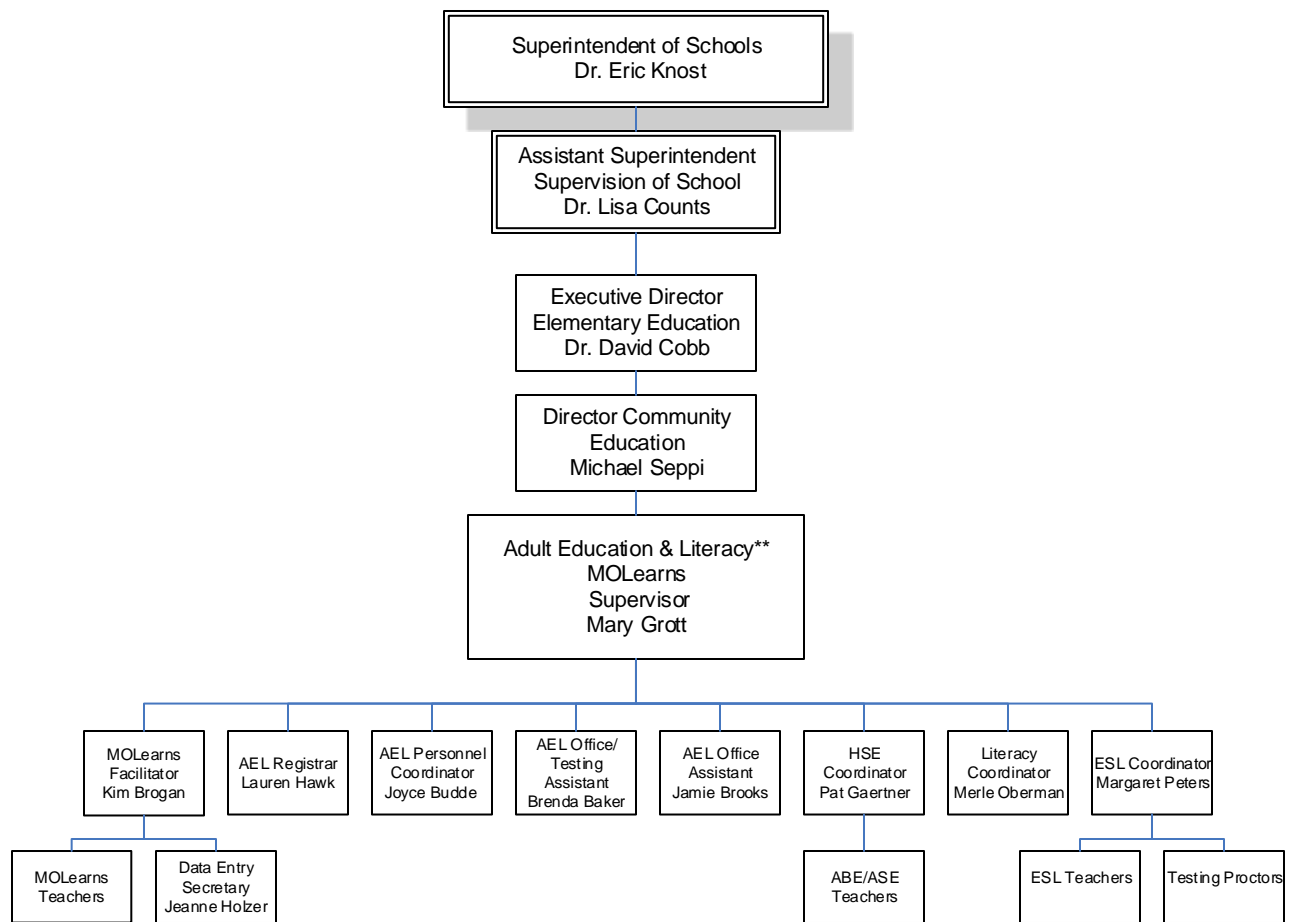




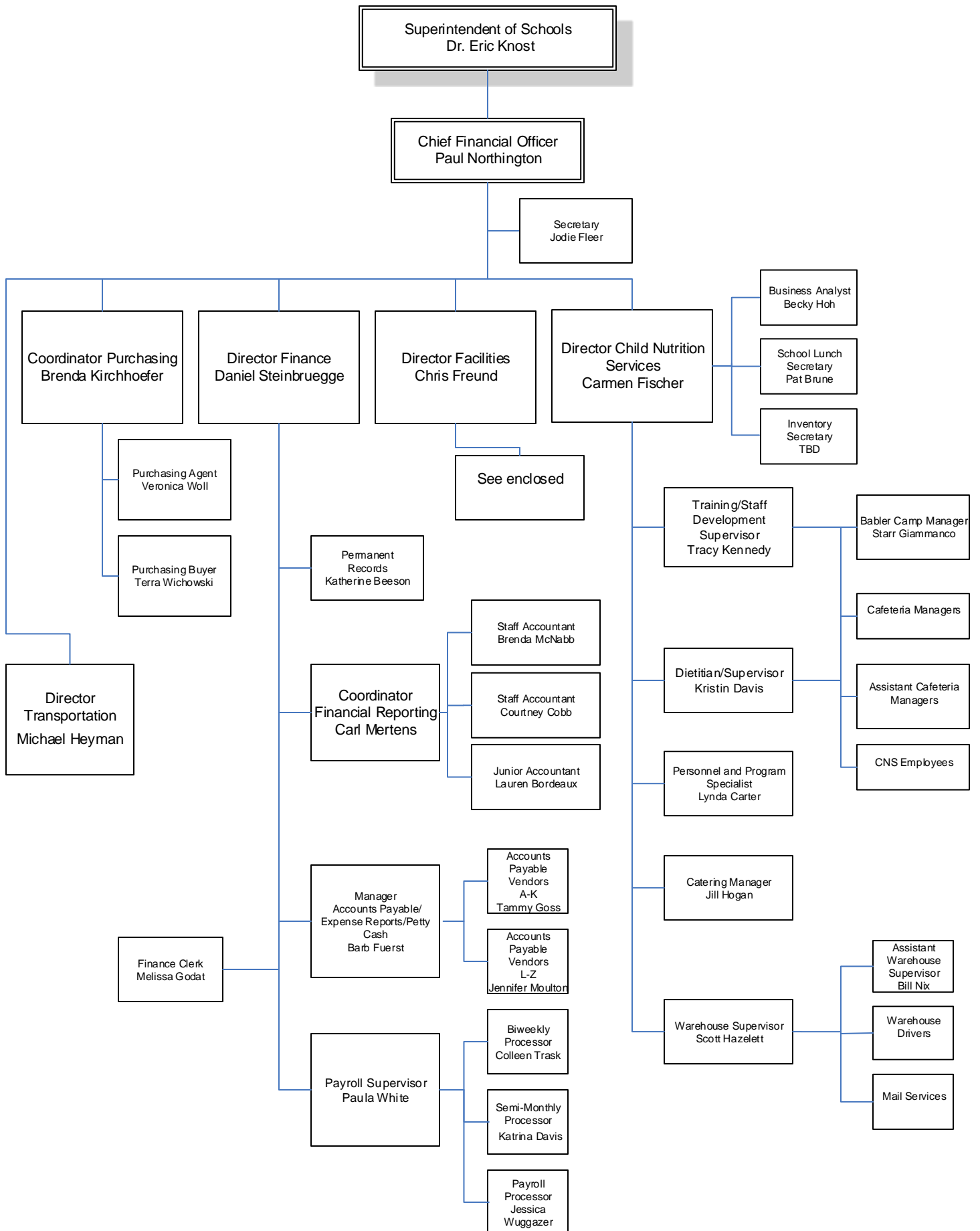


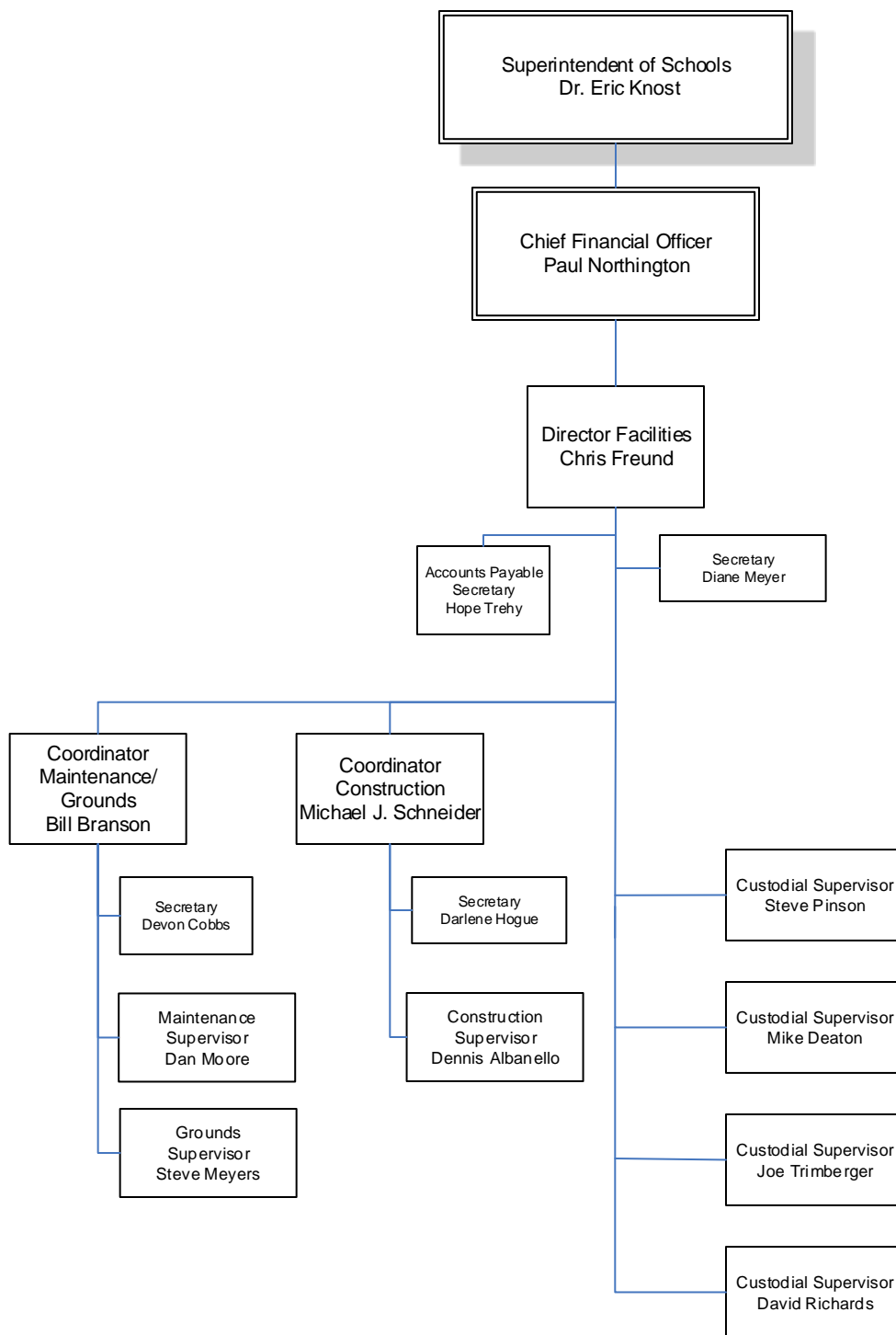


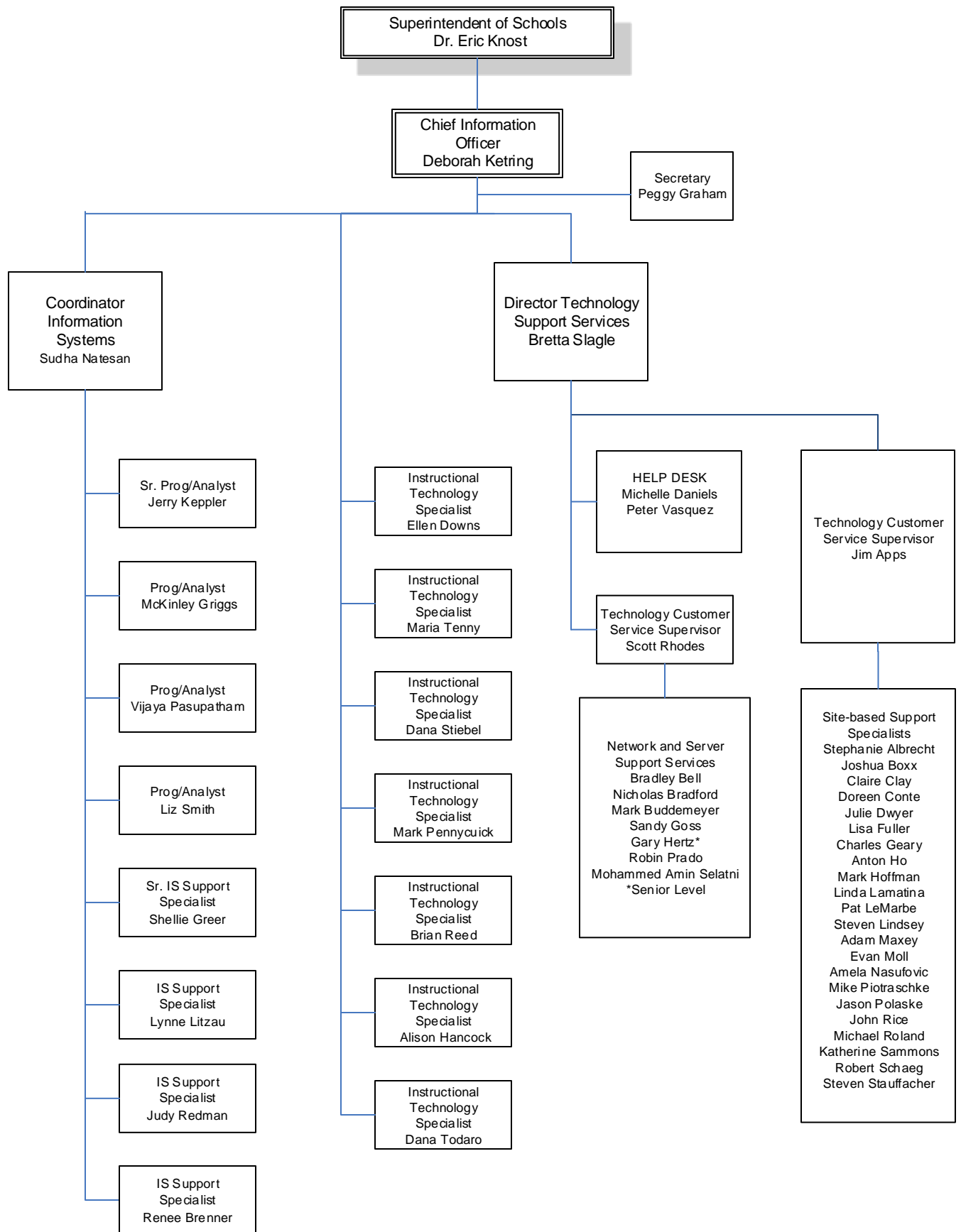




**AEL staff are employed through the Parkway School District







Information Systems

Instructional Technology

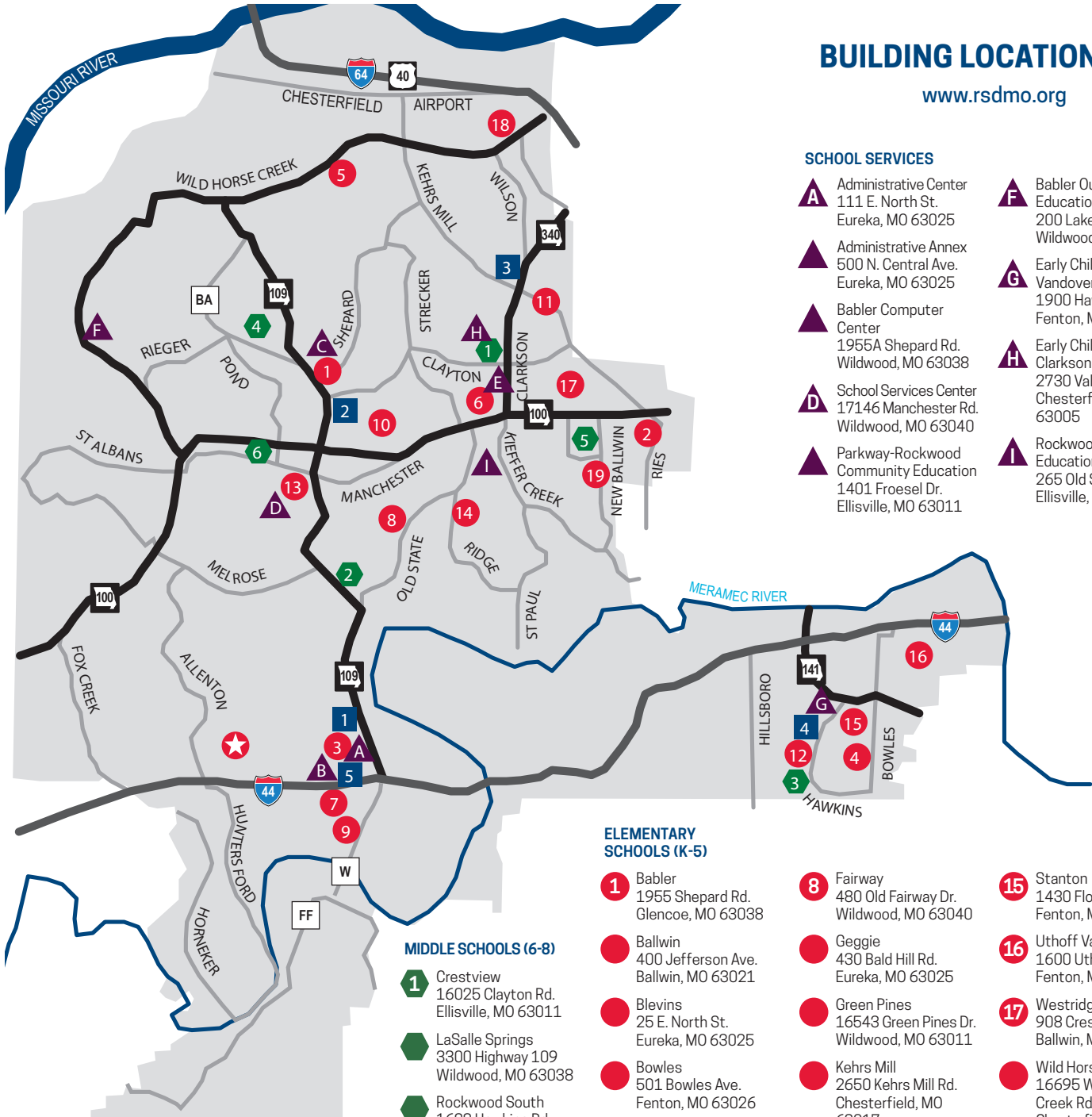
Technical Support



ROCKWOOD SCHOOL DISTRICT

BUILDING LOCATION MAP

www.rsdmo.org



SCHOOL SERVICES

- | | |
|---|---|
| A Administrative Center
111 E. North St.
Eureka, MO 63025 | F Babler Outdoor Education Center
200 Lake Rd.
Wildwood, MO 63005 |
| B Administrative Annex
500 N. Central Ave.
Eureka, MO 63025 | G Early Childhood - Vandover Campus
1900 Hawkins Rd.
Fenton, MO 63026 |
| C Babler Computer Center
1955A Shepard Rd.
Wildwood, MO 63038 | H Early Childhood - Clarkson Valley
2730 Valley Rd.
Chesterfield, MO 63005 |
| D School Services Center
17146 Manchester Rd.
Wildwood, MO 63040 | I Rockwood Gifted Education
265 Old State Rd.
Ellisville, MO 63021 |
| E Parkway-Rockwood Community Education
1401 Froesel Dr.
Ellisville, MO 63011 | |

ELEMENTARY SCHOOLS (K-5)

- | | | |
|---|---|--|
| 1 Babler
1955 Shepard Rd.
Glencoe, MO 63038 | 8 Fairway
480 Old Fairway Dr.
Wildwood, MO 63040 | 15 Stanton
1430 Flora Del Dr.
Fenton, MO 63026 |
| 2 Ballwin
400 Jefferson Ave.
Ballwin, MO 63021 | 9 Geggie
430 Bald Hill Rd.
Eureka, MO 63025 | 16 Uthoff Valley
1600 Uthoff Dr.
Fenton, MO 63026 |
| 3 Blevins
25 E. North St.
Eureka, MO 63025 | 10 Green Pines
16543 Green Pines Dr.
Wildwood, MO 63011 | 17 Westridge
908 Crestland Dr.
Ballwin, MO 63011 |
| 4 Bowles
501 Bowles Ave.
Fenton, MO 63026 | 11 Kehrs Mill
2650 Kehrs Mill Rd.
Chesterfield, MO 63017 | 18 Wild Horse
16695 Wild Horse Creek Rd.
Chesterfield, MO 63005 |
| 5 Chesterfield
17700 Wild Horse Creek Rd.
Chesterfield, MO 63005 | 12 Kellison
1626 Hawkins Rd.
Fenton, MO 63026 | 19 Woerther
314 New Ballwin Rd.
Ballwin, MO 63021 |
| 6 Ellisville
1425 Froesel Dr.
Ellisville, MO 63011 | 13 Pond
17200 Manchester Rd.
Wildwood, MO 63040 | ★ New Eureka Elementary
Fall 2019 |
| 7 Eureka
442 W. Fourth St.
Eureka, MO 63025 | 14 Ridge Meadows
777 Ridge Rd.
Ellisville, MO 63021 | |

MIDDLE SCHOOLS (6-8)

- 1** Crestview
16025 Clayton Rd.
Ellisville, MO 63011
- 2** LaSalle Springs
3300 Highway 109
Wildwood, MO 63038
- 3** Rockwood South
1628 Hawkins Rd.
Fenton, MO 63026
- 4** Rockwood Valley
1220 Babler Park Dr.
Wildwood, MO 63038
- 5** Selvidge
235 New Ballwin Rd.
Ballwin, MO 63021
- 6** Wildwood
17401 Manchester Rd.
Wildwood, MO 63038

HIGH SCHOOLS (9-12)

- | | |
|---|--|
| 1 Eureka
4525 Highway 109
Eureka, MO 63025 | 4 Rockwood Summit
1780 Hawkins Rd.
Fenton, MO 63026 |
| 2 Lafayette
17050 Clayton Rd.
Wildwood, MO 63011 | 5 Individualized Learning Center
500 N. Central Ave.
Eureka, MO 63025 |
| 3 Marquette
2351 Clarkson Rd.
Chesterfield, MO 63017 | |

REVISED MAY 2017



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, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.'.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

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, 2017

Christopher P. Morill

Executive Director/CEO

Comprehensive
Annual
Financial
Report

2018

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, 2018, 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, 2018, 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.

Change in Accounting Principle

As described in Note XIII to the financial statements, in 2018, the District adopted new accounting guidance GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rockwood R-VI School District's basic financial statements. The introductory section, supplementary information, the statistical information and the schedule of selected statistics are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards as listed in the table of contents 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 supplementary 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 December 11, 2018, 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 the effectiveness of Rockwood R-VI School District's 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
December 11, 2018

MD & A



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

636.733.2058
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, 2018
(UNAUDITED)

The Management's Discussion and Analysis (MD&A) of Rockwood School District (District) provides a comprehensive overview of the District's financial activities and the results of operations for the fiscal year ended June 30, 2018. 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 2017-18 are as follows:

- At the government-wide level, the total net position was \$75.3 million compared to a restated total net position of \$87.6 million at the end of fiscal year 2016-17 for a decrease of \$12.3 million. As described in footnote XIII, the net position as of July 1, 2017 has been restated as the District implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Of the total net position, \$218.2 million is the District's net investment in capital assets. At June 30, 2018, \$40.5 million of net position is restricted by Missouri Statute for debt service (\$21.5 million) and certified employees' compensation and benefits (\$19.0 million). Net position restricted for debt service increased \$3.9 million and net position restricted for certificated employee's compensation and benefits decreased \$0.5 million. The District does reflect an unrestricted net position of (\$183.4) million as a result of the net pension and other post-retirement liability.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

Total assets and deferred outflows increased \$28.5 million and total liabilities and deferred inflows increased \$90.5 million from fiscal year 2016-17. The major changes in total assets and deferred outflows and total liabilities and deferred inflows were due to the following:

- Cash and temporary investments increased \$36.9 million in fiscal year 2017-18 compared to fiscal year 2016-17. The District's cash balance decreased \$4.3 million in the operating funds and increased \$1.3 million in the debt service fund. The District issued the first installment of the 2017 bond authorization in which \$68.7 million of bond proceeds and premium was deposited in the capital projects fund. The District disbursed \$30.0 million from the 2015 and 2017 bond authorizations cash accounts. The 2015 bond authorization has \$7.9 million cash on hand as of June 30, 2018, that will fund approved projects through the fiscal year 2018-19 school year. We expect the 2015 authorization to be fully spent in the 2018-19 school year. In April 2017, the Community supported Prop T, authorizing the District to sell \$95.5 million in bonds. The District sold the first installment of this authorization during the 2017-18 school year. The 2017 authorization has \$63.7 million cash on hand as of June 30, 2018, that will fund approved projects during fiscal year 2018-19 and beyond. In December 2017, the District also authorized the crossover refunding of the Series 2010B bonds resulting in a \$30.3 million increase in restricted cash.
- Taxes receivable increased \$1.5 million due to the amount owed to the District from uncollected taxes.
- Capital assets decreased \$1.7 million as the District spent \$11.0 million on construction in progress, building improvements, bus purchases and machinery and equipment. This is offset by \$12.7 million in depreciation on District capital assets. A significant portion of the capital asset purchases were funded by bond issue funds.
- Accounts payable and other current liabilities decreased \$6.1 million and is directly related to less bond issue projects during the 2017-18 school year compared to the 2016-17 school year.
- Deferred outflows of resources related to pensions decreased \$39.0 million. These changes are referenced in footnote VII.
- The increase in bonds payable and related accrued interest was \$77.8 million which relates to the District's authorizations of bond sales less payments of principal and interest on outstanding general obligation bonds. These changes are referenced in footnote V.
- The decrease in capital leases was \$1.2 million which was related to the principal payments on the bus lease purchases.
- Pension liability decreased \$3.3 million primarily due to the net difference between the projected and actual investment earnings on the Plan investments.
- Deferred inflows of resources decreased \$26.7 million and is related to pensions and the adoption of GASB Statement No. 75 for other post-employment benefits. These changes are referenced in footnote VII and IX, respectively.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

General revenues accounted for \$240.7 million or 86% of the District's \$281.2 million total revenue. Of this general revenue, \$202.3 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 \$40.5 million or 14% of the total revenue.

The dependence upon local tax revenues is apparent. Approximately 74% 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, 2018, which was a reassessment tax year, increased \$304,466,112 to \$3,729,844,190 from the prior year. The District's tax rate decreased \$0.166 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 2017-18, this process had a net increase of \$0.0043 towards the tax rate as compared to fiscal year 2016-17. Overall tax revenues increased \$8.7 million for fiscal year 2017-18 compared to fiscal year 2016-17. Local property tax revenues increased \$7.6 million and revenue from other local sources increased \$1.7 million in fiscal year 2017-18 compared to fiscal year 2016-17. The District's revenue from the State decreased \$0.6 million in fiscal year 2017-18 compared to fiscal year 2016-17.

At the government-wide level, the District had \$293.5 million in expenses. Of these expenses approximately \$40.5 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 2017-18.

Enrollment

The District served a student body of 20,861 students which included 19,133 resident students, 1,407 Voluntary Transfer Students (VTS) and 321 Special School District (263 resident and 58 VTS) students as of the September 2017 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.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

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 and the Statement of Activities 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.

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.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

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.

The District as a Whole

Table 1 provides a summary of the District's net position as of June 30, 2018 compared to June 30, 2017:

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

	<u>2018</u>	<u>2017 - Restated</u>	<u>Increase (decrease)</u>
ASSETS			
Current assets	\$ 204,390,777	\$ 135,199,445	\$ 69,191,332
Capital assets - net	388,618,449	390,315,880	(1,697,431)
Total assets	593,009,226	525,515,325	67,493,901
DEFERRED OUTFLOWS OR RESOURCES			
Deferred pension contributions	73,047,558	112,076,020	(39,028,462)
LIABILITIES			
Current liabilities	295,306,579	29,353,831	265,952,748
Noncurrent liabilities	277,461,218	475,957,368	(72,871,568)
Total liabilities	572,767,797	505,311,199	193,081,180
DEFERRED INFLOWS OR RESOURCES	17,957,653	44,697,671	(26,740,018)
NET POSITION			
Net investment in capital assets	218,164,705	225,193,534	(7,028,829)
Restricted	40,584,627	37,051,538	3,533,089
Unrestricted	(183,417,998)	(174,662,597)	(8,755,401)
Total net position	\$ 75,331,334	\$ 87,582,475	\$ (12,251,141)

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

Table 2 shows the sources of the changes in net position for the year ended June 30, 2018 compared to the year ended June 30, 2017.

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

	2018	2017 - Restated	Increase (decrease)	%
Revenues				
Program revenues:				
Charges for services	\$ 26,986,589	\$ 25,650,319	\$ 1,336,270	5.2%
Operating grants and contributions	13,529,334	14,203,394	(674,060)	-4.7%
General revenue - taxes	202,253,545	193,534,461	8,719,084	4.5%
Federal, State and County Aid				
Not restricted to programs	35,259,515	35,177,175	82,340	0.2%
Other	3,214,503	2,274,976	939,527	41.3%
Total revenue	281,243,486	270,840,325	10,403,161	2.1%
Program expenses				
Instruction	157,905,159	154,499,049	3,406,110	2.2%
Pupil and instructional staff	24,938,894	25,427,899	(489,005)	-1.9%
Board and executive administration services	22,915,805	24,283,867	(1,368,062)	-5.6%
Operation of plant	40,892,702	37,658,856	3,233,846	8.6%
Pupil transportation	10,942,571	11,069,069	(126,498)	-1.1%
Central services	3,656,611	3,408,243	248,368	7.3%
Food service	8,992,419	8,286,684	705,735	8.5%
Community education	15,959,056	14,454,014	1,505,042	10.4%
Interest and fiscal charges	7,291,410	6,301,264	990,146	15.7%
Total expenses	293,494,627	285,388,945	8,105,682	2.8%
Change in net position	(12,251,141)	(14,548,620)	\$ 2,297,479	
Cumulative effect of change in accounting principle	-	(49,829,664)		
Beginning net position	87,582,475	151,960,759		
Ending net position	<u>\$ 75,331,334</u>	<u>\$ 87,582,475</u>		

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(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,

	2018		2017	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Instruction	\$ 157,905,159	\$ 144,936,340	\$154,499,049	\$ 140,680,333
Pupil and instructional staff	24,938,894	24,695,263	25,427,899	25,118,200
Board and executive administration services	22,915,805	22,914,869	24,283,867	24,282,917
Operation of plant	40,892,702	40,886,951	37,658,856	37,629,182
Pupil transportation	10,942,571	8,249,751	11,069,069	8,606,069
Central services	3,656,611	3,171,678	3,408,243	2,850,437
Food service	8,992,419	(99,471)	8,286,684	(29,100)
Community education	15,959,056	931,913	14,454,014	95,930
Interest and fiscal charges	7,291,410	7,291,410	6,301,264	6,301,264
Total	\$ 293,494,627	\$ 252,978,704	\$285,388,945	\$ 245,535,232

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

Capital Assets

At June 30, 2018, the District had \$615,742,902 invested in gross capital assets with \$388,618,449 net of depreciation. Table 4 shows June 30, 2018 compared to June 30, 2017.

Table 4
Capital Assets
June 30,

	2018	2017	Increase (decrease)
Land and land improvements	\$ 28,947,476	\$ 28,947,476	\$ -
Buildings and building improvements	549,090,599	528,607,359	20,483,240
Machinery and equipment	18,862,315	18,090,592	771,723
Automotives and other vehicles	14,543,362	14,426,055	117,307
Construction in progress	4,299,150	14,850,054	(10,550,904)
Totals	\$ 615,742,902	\$ 604,921,536	\$ 10,821,366

Overall capital assets increased \$10.8 million from June 30, 2017. The increase in capital assets is related to \$20.5 million of buildings and building improvements placed into service during the 2017-18 school year. Those projects included the completion of the STEM labs and locker room additions at the high schools. The \$20.5 million increase in building and building improvements includes a \$10.6 million transfer from construction in progress. The District also had machinery and equipment purchases of \$0.7 million and vehicles of \$0.1 million during the current year.

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

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

Debt Administration

At June 30, 2018, the District had general obligation bonds outstanding of \$236.2 million and capital leases of \$10.2 million. The District has made major additions and renovations on its campuses in recent years including classrooms, athletic fields and STEM labs.

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. The District expects to spend the remaining portion of these funds in the 2018-19 school year. 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. In March 2018, the Board approved the first authorization of \$62.8 million in bonds sold. Proceeds of this sale will fund the construction of the new Eureka elementary school, classroom additions at Geggie Elementary, Innovation Labs in all elementary schools as well as the STEM lab at Eureka High School. The District is currently monitoring cash flow and market conditions to determine when the sale of the second installment from the April 2017 authorization will take place.

In December 2017, the District authorized the crossover refunding of the outstanding Series 2010B bonds to refund \$28.5 million in outstanding bonds. The refunding is expected to provide an economic gain of \$1.0 million.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

Table 5 shows outstanding obligations at June 30, 2018 compared to June 30, 2017.

	2018	2017	Increase (decrease)
Bonds Issued			
2008	\$ -	\$ 4,125,000	\$ (4,125,000)
2009	9,515,000	16,950,000	(7,435,000)
2010	41,200,000	43,655,000	(2,455,000)
2015	29,125,000	29,125,000	-
2016	67,525,000	72,525,000	(5,000,000)
2017	26,010,000	-	26,010,000
2018	62,800,000	-	62,800,000
Total bonded debt	236,175,000	166,380,000	69,795,000
Other financing			
Transportation	10,160,038	11,336,774	(1,176,736)
Energy Financing	-	70,267	(70,267)
Total other financing	10,160,038	11,407,041	(1,247,003)
Total all obligations	\$246,335,038	\$177,787,041	\$ 68,547,997

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 \$559.5 million at June 30, 2018, 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 2017-18 was \$0.68 on each \$100 of assessed valuation. The Debt Service Fund balance at June 30, 2018, was \$51.7 million. The District maintains an AAA bond rating, which was reaffirmed during a rating call with Standard & Poors' during the 2017-18 school year.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

Reporting the District's Most Significant Funds

The District's Funds

The District had actual revenues of \$279.9 million, actual expenditures of \$305.8 million and other financing sources of \$99.1 million which resulted in an overall fund balance increase of \$73.2 million from \$102.1 million in fiscal year 2016-17 to \$175.3 million in fiscal year 2017-18. The major changes in fund balances were:

- The General Fund balance decreased \$2.3 million.
- The Teachers Fund decreased \$1.1 million
- The Debt Service Fund increased \$31.8 million as a result of the 2017 crossover refunding on the Series 2010B bonds.
- The Capital Projects Fund increased \$44.9 million as the issued \$62.8 million in bonds from the April 2017 authorization offset by the spending of general obligation bond proceeds received in prior years on projects approved in the April 2015 authorization.

The decreases in the general and teachers fund noted above are primarily a result of the uncollected tax collections and settlements to taxpayers increasing during fiscal year 2017-18 compared to fiscal year 2016-17.

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 \$98.4 million were \$0.4 million higher than final budgeted revenues of \$98.0 million. The General Fund actual expenditures of \$99.5 million were \$0.2 million less than the final budgeted expenditures of \$99.7 million. The General Fund had \$1.2 million in transfers to the Capital Projects Fund. The result is a decrease in fund balance of \$2.3 million to \$36.6 million.

The Teacher's (Special Revenue) Fund had actual revenues of \$149.6 million and \$150.7 million of expenditures resulting in a decrease in fund balance of \$1.1 million to \$16.6 million.

ROCKWOOD SCHOOL DISTRICT
St. Louis County, Missouri
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
(UNAUDITED)
(continued)

The Debt Service Fund had revenues of \$28.2 million, \$26.9 million of expenditures and \$30.4 million of other financing sources to increase the fund balance by \$31.8 million to \$51.7 million.

The Capital Projects Fund revenue was \$3.6 million, expenditures of \$28.7 million and other financing sources of \$70.0 million for a net increase of fund balance by \$44.9 million. Total fund balance for the Capital Projects Fund at June 30, 2018 is \$70.5 million. In fiscal year 2017-18 the District continued to fund projects from the sale of the general obligation bonds that was approved by the Community in April 2015 and April 2017. During fiscal year 2017-18, the District had \$24.7 million of bond related expenditures in the Capital Projects Fund. Included in the other financing sources were fund transfers from the General Fund to meet state accounting requirements as well as the proceeds from the March 2018 bond issuance.

For the Future

Rockwood School District continues to be in excellent financial health and is committed to wise financial management. The local economy continues to trend in a positive manner. The transition to District operated transportation system continues to save the taxpayers money. Long-term planning also is in place to transition to a pay-as-you-go method of funding school maintenance and technology projects. Fund balances are maintained and monitored to ensure short-term borrowing needs are not necessary saving our local community in interest costs.

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 2018-19 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, 2018
(UNAUDITED)
(continued)

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, 2018

	Governmental activities
ASSETS	
Cash and temporary investments	\$ 163,213,394
Restricted cash and investments	30,324,328
Taxes receivable - net of allowance for uncollectibles	6,661,948
Other receivables	1,007,982
Inventory	1,131,088
Prepaid items	2,052,037
Land	14,525,508
Construction in progress	4,299,150
Depreciated capital assets	596,918,244
Less accumulated depreciation	(227,124,453)
Total assets	593,009,226
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension contributions	73,047,558
LIABILITIES	
Accounts payable and other current liabilities	16,308,230
Medical and dental benefits payable	7,074,560
Unearned revenue	556,071
Net pension liability	209,133,885
OPEB liability	62,233,833
Noncurrent liabilities	
Due within one year	27,066,867
Due in more than one year	250,394,351
Total liabilities	572,767,797
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	13,277,646
OPEB related inflows	4,680,007
Total deferred inflows of resources	17,957,653
NET POSITION	
Net investment in capital assets	218,164,705
Restricted for	
Debt service	21,535,605
Certified employees compensation and benefits	19,049,022
Unrestricted	(183,417,998)
Total net position	\$ 75,331,334

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, 2018**

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	\$ 54,242,868	\$ -	\$ 253,119	\$ (53,989,749)
Middle	32,626,211	9,242	-	(32,616,969)
High	46,333,265	169,637	132,061	(46,031,567)
TAG/title/special	8,058,259	-	706,219	(7,352,040)
Early childhood special education	6,683,547	-	6,518,213	(165,334)
Student ath/athl act/spons act	9,256,803	5,028,797	379	(4,227,627)
Other instruction	704,206	-	151,152	(553,054)
Total instruction	157,905,159	5,207,676	7,761,143	(144,936,340)
Support services				
Attendance	1,819,989	-	109,502	(1,710,487)
Guidance	5,463,491	-	82,335	(5,381,156)
Health, psych, speech and audio	2,533,238	-	-	(2,533,238)
Improvement of instruction	9,693,326	13,462	38,332	(9,641,532)
Professional development	431,408	-	-	(431,408)
Media services (library)	4,997,442	-	-	(4,997,442)
Board of education services	544,953	-	-	(544,953)
Executive administration	4,179,777	-	283	(4,179,494)
Building level administration	16,041,828	-	-	(16,041,828)
Business central service	2,149,247	-	653	(2,148,594)
Operation of plant	40,214,361	-	5,751	(40,208,610)
Security services	678,341	-	-	(678,341)
Pupil transportation	10,942,571	193,150	2,499,670	(8,249,751)
Food services	8,992,419	6,583,381	2,508,509	99,471
Central office support services	3,656,611	460,095	24,838	(3,171,678)
Adult education	301	-	48,799	48,498
Community services	15,958,755	14,528,825	449,519	(980,411)
Debt service				
Interest and fiscal charges	7,291,410	-	-	(7,291,410)
Total support services	135,589,468	21,778,913	5,768,191	(108,042,364)
Total governmental activities	\$ 293,494,627	\$ 26,986,589	\$ 13,529,334	(252,978,704)
General revenues				
Taxes				
Property taxes, levied for general purposes				137,220,526
Property taxes, levied for debt service				24,159,544
Sales tax				17,845,793
M & M surtax				12,833,791
Other taxes				630,658
Voluntary student transfer aid				9,563,233
Federal, State and County aid not restricted to specific pur				35,259,515
Interest and investment earnings				2,988,864
Miscellaneous				225,639
Total general revenues				240,727,563
Change in net position				(12,251,141)
Net position at July 1, 2017, as restated				87,582,475
Net position at June 30, 2018				\$ 75,331,334

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, 2018

	General Fund	Teachers' Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and temporary investments	\$ 38,354,546	\$ 22,741,693	\$ 21,167,025	\$ 73,875,570	\$ 156,138,834
Restricted cash and investments	-	-	30,324,328	-	30,324,328
Property taxes receivable					
less allowance for uncollectibles	1,947,410	2,614,381	826,874	85,119	5,473,784
Sales tax receivable	-	1,188,164	-	-	1,188,164
Accrued interest	25,208	33,841	117,713	171,913	348,675
Other receivables	423,279	214,928	-	21,100	659,307
Inventory	1,131,088	-	-	-	1,131,088
Prepaid items	1,594,617	230,470	-	226,950	2,052,037
Total assets	\$ 43,476,148	\$ 27,023,477	\$ 52,435,940	\$ 74,380,652	\$ 197,316,217
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 4,493,947	\$ 7,974,455	\$ 212	\$ 3,839,616	\$ 16,308,230
Unearned revenue	556,071	-	-	-	556,071
Total liabilities	5,050,018	7,974,455	212	3,839,616	16,864,301
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	1,828,272	2,454,440	776,288	79,911	5,138,911
FUND BALANCES					
Nonspendable					
Prepaid items	1,594,617	230,470	-	226,950	2,052,037
Inventory	1,131,088	-	-	-	1,131,088
Restricted					
Teacher salaries and benefits	-	16,364,112	-	-	16,364,112
Retirement of debt	-	-	51,659,440	-	51,659,440
Capital projects	-	-	-	68,570,005	68,570,005
Assigned					
Other capital projects	-	-	-	1,664,170	1,664,170
Unassigned	33,872,153	-	-	-	33,872,153
Total fund balances	36,597,858	16,594,582	51,659,440	70,461,125	175,313,005
Total liabilities, deferred inflows of resources and fund balances	\$ 43,476,148	\$ 27,023,477	\$ 52,435,940	\$ 74,380,652	\$ 197,316,217

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, 2018

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

Total fund balance - governmental funds		\$ 175,313,005
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	\$ 615,742,902	
Accumulated depreciation is	<u>(227,124,453)</u>	388,618,449
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.		5,138,911
Certain deferred outflows and inflows represent a consumption or acquisition of net position in a future period and, therefore, are not reported in the governmental funds.		
Deferred pension contributions		73,047,558
Pension deferrals		(13,277,646)
OPEB related inflows		(4,680,007)
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	(209,133,885)	
OPEB liability	(62,233,833)	
Bonds payable	(236,175,000)	
Accrued interest payable	(4,210,123)	
Capital leases	(10,160,038)	
Compensated absences	(7,537,346)	
Bond premium - unamortized	(20,027,785)	
Bond discount - unamortized	<u>649,074</u>	<u>(548,828,936)</u>
Total net position - governmental activities		<u>\$ 75,331,334</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, 2018**

	General Fund	Teachers' Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Fund	Total Governmental Funds
Revenues						
Property taxes	\$ 56,899,278	\$ 76,386,792	\$ 24,159,544	\$ 2,487,012	\$ -	\$ 159,932,626
Other local sources	32,108,203	34,607,018	3,413,285	984,334	-	71,112,840
Intermediate sources	1,279,105	1,908,473	635,591	60,535	-	3,883,704
State sources	4,778,210	34,313,126	-	-	-	39,091,336
Federal sources	2,842,440	2,382,081	-	68,620	-	5,293,141
Other sources	452,716	-	-	29,677	73,091	555,484
Total revenues	98,359,952	149,597,490	28,208,420	3,630,178	73,091	279,869,131
Expenditures						
Instruction						
Elementary	2,271,514	47,172,365	-	47,676	-	49,491,555
Middle	2,611,788	26,776,410	-	12,538	-	29,400,736
High	2,421,666	37,030,531	-	387,256	-	39,839,453
TAG/title/special	469,514	7,192,103	-	70,309	-	7,731,926
Early childhood special education	2,374,715	3,987,833	-	-	-	6,362,548
Student act/athl/act/spons act	5,667,430	3,351,839	-	156,552	-	9,175,821
Other instruction	58,138	646,069	-	-	-	704,207
Total instruction	15,874,765	126,157,150	-	674,331	-	142,706,246
Support services						
Attendance	1,743,435	-	-	-	-	1,743,435
Guidance	570,900	4,730,514	-	-	-	5,301,414
Health, psych, speech and audio	2,421,677	5,152	-	-	-	2,426,829
Improvement of instruction	5,465,573	3,716,737	-	376,151	-	9,558,461
Professional development	299,637	127,387	-	-	-	427,024
Media services (library)	1,694,581	3,148,727	-	48,658	-	4,891,966
Board of Education services	283,474	-	-	-	-	283,474
Executive administration	1,569,001	2,781,305	-	9,345	-	4,359,651
Building level administration	5,541,459	9,964,384	-	-	-	15,505,843
Business central services	2,001,103	-	-	99,231	-	2,100,334
Operation of plant	25,585,079	-	-	98,150	-	25,683,229
Security services	677,285	1,056	-	-	-	678,341
Pupil transportation	9,162,116	-	-	355,904	-	9,518,020
Food services	8,227,338	-	-	348,057	-	8,575,395
Central office support services	3,548,620	153	-	2,800	-	3,551,573
Adult education	301	-	-	-	-	301
Community services	14,840,364	105,237	-	554,483	-	15,500,084
Facilities acquisition and construction	-	-	-	24,503,720	-	24,503,720
Debt service						
Principal retirement	-	-	19,695,000	1,176,736	70,267	20,942,003
Interest and fiscal charges	-	-	7,162,371	438,081	2,824	7,603,276
Total support services	83,631,943	24,580,652	26,857,371	28,011,316	73,091	163,154,373
Total expenditures	99,506,708	150,737,802	26,857,371	28,685,647	73,091	305,860,619
Excess of revenues over (under) expenditures	(1,146,756)	(1,140,312)	1,351,049	(25,055,469)	-	(25,991,488)
Other financing sources (uses)						
Transfers	(1,172,270)	-	-	1,172,270	-	-
Proceeds from issuance of refunding bonds	-	-	26,690,000	-	-	26,690,000
Proceeds from issuance of bonds	-	-	-	62,800,000	-	62,800,000
Premium on issuance of bonds	-	-	3,715,566	5,944,780	-	9,660,346
Total other financing sources	(1,172,270)	-	30,405,566	69,917,050	-	99,150,346
NET CHANGE IN FUND BALANCE	(2,319,026)	(1,140,312)	31,756,615	44,861,581	-	73,158,858
Fund balance at July 1, 2017	38,916,884	17,734,894	19,902,825	25,599,544	-	102,154,147
Fund balance at June 30, 2018	<u><u>\$ 36,597,858</u></u>	<u><u>\$ 16,594,582</u></u>	<u><u>\$ 51,659,440</u></u>	<u><u>\$ 70,461,125</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 175,313,005</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, 2018**

Total net change in fund balances - total governmental funds	\$ 73,158,858
<p>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.</p>	
Capital asset purchases	\$ 11,029,151
Depreciation expense	<u>(12,726,582)</u> (1,697,431)
<p>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.</p>	
	1,447,444
<p>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. The net effect of these differences in the treatment of long-term obligations is as follows:</p>	
Proceeds from bond issue and bond refunding	\$ (89,490,000)
Repayment of bond principal	19,695,000
Repayment of capital lease obligation	<u>1,247,003</u>
	(68,547,997)
<p>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.</p>	
	179,875
<p>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.</p>	
	(1,341,271)
<p>Other post employment benefit (OPEB) expense in the Statement of Activities differs from the amount reported in the governmental funds because OPEB 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, OPEB expense is recognized based on the present value of the projected benefit payments for current and past employees.</p>	
	(3,124,574)
<p>The fund statements do not recognize the establishment or amortization of premium or discount on the general obligation bonds or other debt outstanding.</p>	
	(8,007,211)
<p>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.</p>	
	<u>(4,318,834)</u>
Change in net position of governmental activities	<u>\$ (12,251,141)</u>

ROCKWOOD R-VI SCHOOL DISTRICT

**STATEMENT OF NET POSITION - PROPRIETARY FUND
JUNE 30, 2018**

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Cash and cash equivalents	\$ 7,074,560
LIABILITIES	
Medical and dental benefits payable	<u>7,074,560</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, 2018

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues	
Local and intermediate sources	\$ 26,952,324
Operating expenses	
Claims	24,137,366
Administrative	<u>2,814,958</u>
Total operating expenses	<u>26,952,324</u>
CHANGE IN NET POSITION	-
Net position at July 1, 2017	<u>-</u>
Net position at June 30, 2018	<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, 2018**

	Governmental Activities - Internal Service Fund
Cash flows from operating activities	
Cash received from local and intermediate sources	\$ 26,952,324
Cash payments to suppliers for claims and services	(26,260,402)
NET INCREASE IN CASH	691,922
Cash at July 1, 2017	6,382,638
Cash at June 30, 2018	\$ 7,074,560
Reconciliation of operating income to net cash used in operating activities	
Operating income	\$ -
Change in accounts payable and accrued liabilities	691,922
Net cash provided by operating activities	\$ 691,922

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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, 2018

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 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 \$1,131,088. An expenditure is recorded at the time the inventory is used. Prepaid items of \$2,052,037 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, technology, 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 acquisition value 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, 2018

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 and changes in assumptions for the OPEB plan. These deferred inflows of resources are attributed to pension and OPEB 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, 2018

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, 2018

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, 2018

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, 2018, these transfers amounted to \$1,172,270.

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 2017-18 school year requires the payment of salaries over a twelve month period. Consequently, the final three teacher payrolls related to the 2017-18 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, 2018

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 cash deposits and temporary investments are summarized and presented in the financial statements at fair value as follows as of June 30, 2018:

Cash deposits	\$ 8,152,491
Cash on hand	10,697
Investments	<u>185,374,534</u>
Total	<u><u>\$ 193,537,722</u></u>
Cash and investments - governmental funds	
Restricted cash and investments - governmental funds	\$ 1,088,628
	185,374,534
Cash and investments - proprietary funds	<u>7,074,560</u>
Total reporting entity	<u><u>\$ 193,537,722</u></u>

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

II. CASH AND TEMPORARY INVESTMENTS (CONTINUED)

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2018, the carrying amount of the deposits under District control was \$8,152,491 and the bank balance was \$17,725,935, 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.

Investments

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. As of June 30, 2018, the District had the following investments and maturities.

Type	Fair Value	Investment Maturities 0 to 1 year
External investment pools - MOSIP	\$ 155,050,206	\$ 155,050,206
U.S. Government and agency securities	30,324,328	30,324,328
Portfolio weighted average maturity	<u>\$ 185,374,534</u>	<u>\$ 185,374,534</u>

Investments in external investment pools are stated at amortized cost, which approximates fair value. 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 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The fair market value of U.S. Government and agency securities is valued using level 1 inputs.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

II. CASH AND TEMPORARY INVESTMENTS (CONTINUED)

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.

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. The District's investments in U.S. Government agency securities were rated AAA by Moody's Investors Services.

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, 2018

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, 2018

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 2017 for purposes of local taxation was:

Real estate	
Residential	\$ 2,471,360,570
Agricultural	2,814,330
Commercial including locally assessed railroad and utility	792,961,790
Personal property including locally assessed railroad and utility	<u>490,691,090</u>
	3,757,827,780
Less tax increment financing	<u>27,983,590</u>
	<u><u>\$ 3,729,844,190</u></u>

Accounts receivable-property taxes at June 30, 2018, were \$6,081,982 (less an allowance for uncollectible taxes of \$608,198).

The tax levy per \$100 of the assessed valuation of tangible taxable property for the fiscal year ending June 30, 2018 for purposes of local taxation was:

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 1.6015	\$ 1.6015
Special Revenue Fund	2.1500	2.1500
Debt Service Fund	0.6800	0.6800
Capital Projects Fund	<u>0.0700</u>	<u>0.0700</u>
	<u><u>\$ 4.5015</u></u>	<u><u>\$ 4.5015</u></u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2018, aggregated approximately 96.5% 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, 2018

IV. CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Transfers	Additions	Deletions	Balance June 30, 2018
Governmental activities					
Capital assets that are not depreciated					
Land	\$ 14,525,508	\$ -	\$ -	\$ -	\$ 14,525,508
Construction in progress	14,850,054	(14,850,054)	4,299,150	-	4,299,150
Capital assets that are depreciated					
Land improvements	14,421,968	-	-	-	14,421,968
Buildings	528,607,359	14,850,054	5,633,186	-	549,090,599
Machinery and equipment	18,090,592	-	784,860	(13,137)	18,862,315
Automobiles and other vehicles	14,426,055	-	311,955	(194,648)	14,543,362
Totals at estimated historical cost	604,921,536	-	11,029,151	(207,785)	615,742,902
Accumulated depreciation					
Land improvements	8,444,766	-	339,272	-	8,784,038
Buildings	188,709,535	-	10,479,581	-	199,189,116
Machinery and equipment	14,198,312	-	511,925	(13,137)	14,697,100
Automobiles and other vehicles	3,253,043	-	1,395,804	(194,648)	4,454,199
Total accumulated depreciation	214,605,656	-	12,726,582	(207,785)	227,124,453
Governmental activities capital assets, net	\$ 390,315,880	\$ -	\$ (1,697,431)	\$ -	\$ 388,618,449

Depreciation was charged to functions of the District as follows:

Instruction	
Elementary	\$ 3,089,286
Middle	2,285,855
High school	5,176,647
Talented and Gifted	154,840
Board of Education services	202,937
Transportation	1,179,914
Operation of plant	199,935
Food service	377,775
Community services	59,393
	<u>\$ 12,726,582</u>

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS **June 30, 2018**

V. CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Amounts due within one year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 166,380,000	\$ 89,490,000	\$ (19,695,000)	\$ 236,175,000	\$ 20,195,000
Deferred amounts for issuance discounts	(729,101)	-	80,027	(649,074)	-
Deferred amounts on issuance premiums	12,100,621	9,660,346	(1,733,182)	20,027,785	-
Total bonds payable, net	177,751,520	99,150,346	(21,348,155)	255,553,711	20,195,000
Capital leases	11,407,041	-	(1,247,003)	10,160,038	1,196,655
Interest	2,868,830	4,210,123	(2,868,830)	4,210,123	4,210,123
Compensated absences	7,717,221	7,537,346	(7,717,221)	7,537,346	1,465,089
Total governmental activity long-term obligations	<u>\$ 199,744,612</u>	<u>\$ 110,897,815</u>	<u>\$ (33,181,209)</u>	<u>\$ 277,461,218</u>	<u>\$ 27,066,867</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, 2018

V. CHANGES IN LONG-TERM OBLIGATIONS (CONTINUED)

Bonds payable consist of the following at June 30, 2018:

Date issued	Maturity date	Rate of interest	Original issue amount	Balance at June 30, 2018
12/1/09	2/1/20	3.00% - 4.00%	\$ 24,465,000	\$ 9,515,000
6/29/10	2/1/20	4.00% - 4.75%	33,905,000	33,905,000
9/10/10	2/1/27	4.75%	7,295,000	7,295,000
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	67,525,000
12/21/17	2/1/23	5.00%	26,690,000	26,010,000
3/15/18	2/1/38	2.65% - 5.00%	62,800,000	62,800,000
				<u>\$ 236,175,000</u>

The annual requirements to amortize all general obligation (GO) bonded debt outstanding as of June 30, 2018, including interest payments are as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 20,195,000	\$ 9,772,410	\$ 29,967,410
2020	19,005,000	9,343,956	28,348,956
2021	24,000,000	8,575,751	32,575,751
2022	28,960,000	7,405,359	36,365,359
2023	23,435,000	5,996,184	29,431,184
2024-2028	67,610,000	16,134,713	83,744,713
2029-2033	22,595,000	7,069,820	29,664,820
2034-2038	30,375,000	3,124,089	33,499,089
	<u>\$ 236,175,000</u>	<u>\$ 67,422,282</u>	<u>\$ 303,597,282</u>

ROCKWOOD R-VI SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

V. CHANGES IN LONG-TERM OBLIGATIONS (CONTINUED)

Cross Over Refunding

On December 21, 2017, the District issued general obligation refunding bonds in the amount of \$26,690,000. The proceeds of the bond issue will be used to refund the remaining principal outstanding of the District's Series 2010B Build America Bonds. The District will refund \$28,530,000 on February 1, 2020. The new bond issue will decrease debt service payments by approximately \$1,320,523 over the next six years. This results in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$974,638.

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, 2017, assessed valuation and excluding state-assessed railroad and utilities was as follows at June 30, 2018.

Constitutional debt limit	\$ 559,476,629
General obligation bonds payable	(236,175,000)
Amount available in Debt Service Fund	<u>51,659,440</u>
Available bonding capacity	<u><u>\$ 374,961,069</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 was paid in full during the year ended June 30, 2018.

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, 2018, was \$10,160,038.

ROCKWOOD R-VI SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

V. CHANGES IN LONG-TERM OBLIGATIONS (CONCLUDED)

Other Financing

The annual requirement to amortize the capital leases as of June 30, 2018, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
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	1,279,762	78,374	1,358,136
2024-2026	<u>3,970,740</u>	<u>103,668</u>	<u>4,074,408</u>
	<u><u>\$ 10,160,038</u></u>	<u><u>\$ 705,050</u></u>	<u><u>\$ 10,865,088</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 2017 was \$76,896. These tax abatements are considered immaterial to the overall financial statements.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

VII. PENSION PLANS

Public School and Education Employee 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 the Systems, 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 "two-thirds 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 non-certified public school district employees (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 PSRS must contribute to PEERS. Employees of the Systems 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 PSRS.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

VII. PENSION PLANS (CONTINUED)

Public School and Education Employee 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 was used to calculate benefits for members who had 31 or more years of service at retirement. 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 retirement, disability, and death 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 benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available 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.

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, 2018

VII. PENSION PLANS (CONTINUED)

Public School and Education Employee Retirement System of Missouri (Continued)

Cost-of-Living Adjustments ("COLA")

The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- 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 2016, 2017 and 2018. 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.

ROCKWOOD R-VI SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

VII. PENSION PLANS (CONTINUED)

Public School and Education Employee Retirement System of Missouri (Concluded)

Contributions (Concluded)

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2016, 2017 and 2018. 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 \$18,261,763 and \$3,045,857, respectively, for the year ended June 30, 2018.

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

At June 30, 2018, the District recorded a liability of \$189,066,752 for its proportionate share of the PSRS net pension liability and \$20,067,133 for its proportionate share of the PEERS net pension liability. In total, the District recorded net pension liabilities of \$209,133,885. The net pension liability for the plans in total was measured as of June 30, 2017 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 \$17,912,866 and \$2,896,314, respectively, for the year ended June 30, 2017, relative to the total contributions of \$684,085,861 for PSRS and \$110,244,418 for PEERS from all participating employers. At June 30, 2017, the District's proportionate share was 2.6181% for PSRS and 2.6302% for PEERS.

For the year ended June 30, 2018, the District recognized pension expense of \$21,088,239 for PSRS and \$4,538,616 for PEERS, its proportionate share of the total pension expense.

ROCKWOOD R-VI SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

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, 2018, 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	\$ 11,230,250	\$ 319,968	\$ 11,550,218
Changes of assumptions	29,831,515	3,454,786	33,286,301
Net difference between projected and actual earnings on pension plan investments	3,911,128	431,773	4,342,901
Changes in proportion and differences between Employer contributions and proportionate share of contributions	998,690	1,561,828	2,560,518
Employer contributions subsequent to the measurement date	18,261,763	3,045,857	21,307,620
Total	<u>\$ 64,233,346</u>	<u>\$ 8,814,212</u>	<u>\$ 73,047,558</u>

At June 30, 2018, 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	\$ 12,038,275	\$ 812,916	\$ 12,851,191
Changes in proportion and differences between Employer contributions and proportionate share of contributions	366,579	59,876	426,455
Total	<u>\$ 12,404,854</u>	<u>\$ 872,792</u>	<u>\$ 13,277,646</u>

Amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date of June 30, 2017, will be recognized as a reduction to the net pension liability in the year ended June 30, 2019.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

VII. PENSION PLANS (CONTINUED)

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

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

Year Ending June 30:	PSRS	PEERS	District Total
2019	\$ 4,103,902	\$ 1,643,038	\$ 5,746,940
2020	17,017,985	2,838,798	19,856,783
2021	9,843,028	1,339,471	11,182,499
2022	(3,267,120)	(925,746)	(4,192,866)
2023	5,077,525	-	5,077,525
Thereafter	791,409	-	791,409
	<u>\$ 33,566,729</u>	<u>\$ 4,895,561</u>	<u>\$ 38,462,290</u>

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. 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 and from Board policies concerning investments and COLAs. 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 studies and effective with the June 30, 2016 valuation. For the June 30, 2017 valuations, the investment rate of return was reduced from 7.75% to 7.60% and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. Significant actuarial assumption and methods, including changes from the prior year resulting from changes in Board policy, are detailed below. For additional information please refer to the Systems' CAFR. The next experience studies are scheduled for 2021.

ROCKWOOD R-VI SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

VII. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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

Measurement Date – June 30, 2017

Valuation Date – June 30, 2017

Expected Return on Investments – 7.60%, 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 active health care costs in pensionable 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 active health care costs in pensionable 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, 2018

VII. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Cost-of-Living Increases PSRS & PEERS – The annual COLA assumed in the valuation increases from 1.20% to 1.65% over nine years, beginning January 1, 2019. The COLA reflected for January 1, 2018 is 1.63%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.80% to a normative inflation assumption of 2.25% over nine years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

- If the June to June change in the CPI-U is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- If the CPI decreases, no COLA is provided.

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 receive a COLA on the fourth January after retirement.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

VII. PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

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.
- Non-Disabled Retirees, Beneficiaries and Survivors PSRS: RP-2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
- Non-Disabled Retirees, Beneficiaries and Survivors PEERS: RP-2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
- Disabled Retirees PSRS & PEERS: RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

Changes in Actuarial Assumptions and Methods PSRS & PEERS: The investment return and COLA assumptions were updated by the Board as follows based on changes to the Board's funding policy adopted at the November 3, 2017 meeting:

- The investment return assumption was lowered from 7.75% to 7.60% per year.
- The Board adopted a new COLA policy on November 3, 2017 resulting in a change to the future COLA assumption from an increasing assumption of 1.05%-1.50% over nine years to an increasing assumption of 1.20%-1.65% over nine years, beginning January 1, 2019.

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

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

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 the 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, 2017 are 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>0.74</u>
		Long-term expected geometric return	<u><u>7.60 %</u></u>

ROCKWOOD R-VI SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

VII. PENSION PLANS (CONCLUDED)

Actuarial Assumptions (Concluded)

Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.60% as of June 30, 2017 and is consistent with the long-term expected geometric return on plan 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% effective with the June 30, 2016 valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.60% effective with the June 30, 2017 valuation. 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 actuarial accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's 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 7.60% is presented as well as the net pension liability using a discount rate that is 1.0% lower (6.60%) or 1.0% higher (8.60%) than the current rate.

	1% Decrease 6.60%	Current Rate 7.60%	1% Increase 8.60%
Proportionate Share of the Net Pension Liability			
PSRS	\$ 335,793,033	\$ 189,066,752	\$ 67,083,942
PEERS	\$ 36,966,157	\$ 20,067,133	\$ 5,892,386

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

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 BENEFITS (OPEB)

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. 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. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

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.

Employees covered by benefit terms at July 1, 2016:

	<u>Number</u>	<u>Average Age</u>	<u>Average Service</u>
Actives	2,193	44.0	10.2
Inactive Currently Receiving Benefit Payments	<u>338</u>	64.4	
Total	<u><u>2,531</u></u>		

ROCKWOOD R-VI SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

IX. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Contributions

The District currently pays for the implicit rate subsidy associated with these postemployment health care benefits on a pay-as-you-go basis. The implicit rate is the difference between the calculated claims cost and the premiums paid by retirees. The District determines contribution requirements and they may be amended by the District. For fiscal year 2018, claims paid for retirees totaled \$3,810,081. Retirees contributed \$2,527,441 through premiums, the remaining \$1,282,640 was paid by the District.

Total OPEB Liability

The District's total OPEB liability of \$62,233,833 was measured as of June 30, 2017, and the total liability used to calculate the total OPEB was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation – 2.50% long-term inflation, 1.00% real GDP growth and 1.00% medical technology.

Discount Rate – 3.13% for determining fiscal 2018 disclosure and estimated fiscal 2019 expense, 2.71% for determining fiscal 2017 liability and fiscal 218 expense.

Salary Increase Rate – 3.00%, based on actual and anticipated experience.

Healthcare Cost Trend Rates – 7.35% in 2018 and decreasing to an ultimate rate of 4.50% for 2037 and beyond.

Mortality Rates – RP-2014 Combined Mortality Table backed off to 2006 and projected generationally with Scale MP-2017.

Participation – It is assumed that 50% of participants will continue coverage under the plan upon retirement.

Actuarial Cost Method – Entry Age Normal.

ROCKWOOD R-VI SCHOOL DISTRICT**NOTES TO THE BASIC FINANCIAL STATEMENTS****June 30, 2018****IX. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)****Changes in Total OPEB Liability**

The components of the total OPEB liability of the District at June 30, 2018, are as follows:

	Total OPEB Liability
Balances at June 30, 2017	\$ 63,789,266
Service cost	3,139,508
Interest	1,711,309
Employee contributions	2,527,441
Benefits paid	(3,810,081)
Changes in assumptions	(5,123,610)
	<hr/>
Balances at June 30, 2018	<u>\$ 62,233,833</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.13%) and 1 percentage point higher (4.13%) than the current discount rate.

	1% Decrease 2.13%	Current Rate 3.13%	1% Increase 4.13%
	<hr/>	<hr/>	<hr/>
Total OPEB Liability	\$ 70,152,780	\$ 62,233,833	\$ 55,511,006

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trends

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a health care trend rate that is 1 percentage point lower (6.35%) and 1 percentage point higher (8.35%) than the current health care trend rate.

	1% Decrease 6.35%	Current Rate 7.35%	1% Increase 8.35%
	<hr/>	<hr/>	<hr/>
Total OPEB Liability	\$ 53,866,092	\$ 62,233,833	\$ 72,409,269

ROCKWOOD R-VI SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

IX. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONCLUDED)

OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,124,574. At June 30, 2018, the District reported deferred inflows of resources related to OPEB of \$4,680,007 related to changes in assumptions.

Amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ending June 30,	Annual Net Inflows of Resources
2019	\$ 443,603
2020	443,603
2021	443,603
2022	443,603
2023	443,603
Thereafter	2,461,992
	<u>\$ 4,680,007</u>

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.

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.

ROCKWOOD R-VI SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2018

X. SELF-INSURED MEDICAL BENEFITS (CONCLUDED)

Changes in the balance of claims liabilities are as follows for the years ended June 30, 2018:

	2018	2017
Unpaid claims, at July 1, 2017	\$ 6,382,638	\$ 6,797,520
Incurred claims (including IBNRs)	24,137,366	22,718,598
Claim payments	(23,445,444)	(23,133,480)
Unpaid claims, at June 30, 2018	<u>\$ 7,074,560</u>	<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, 2018.

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.

ROCKWOOD R-VI SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2018

XIII. CHANGE IN ACCOUNTING PRINCIPLE

Net position as of July 1, 2017 has been restated as follows based on the measurement date at June 30, 2017 for the implementation of GASB Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*" and GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*".

Net Position as previously reported at June 30, 2017	\$ 137,412,139
To eliminate the other postemployment benefit obligation prior to GASB Statement No. 75	13,959,602
To record the total liability for other postemployment benefits at the beginning of the year according to GASB No. 75	<u>(63,789,266)</u>
Net position as restated at June 30, 2017	<u><u>\$ 87,582,475</u></u>

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, 2018**

	Budgeted amounts		Actual	Variances-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Property taxes	\$ 58,306,443	\$ 57,797,628	\$ 56,899,278	\$ (508,815)	\$ (898,350)
Other local sources	31,077,264	31,183,901	32,108,203	106,637	924,302
Intermediate sources	1,282,739	1,308,300	1,279,105	25,561	(29,195)
State sources	4,093,064	4,580,614	4,778,210	487,550	197,596
Federal sources	3,135,389	2,491,176	2,842,440	(644,213)	351,264
Other sources	815,063	647,332	452,716	(167,731)	(194,616)
Total revenues	98,709,962	98,008,951	98,359,952	(701,011)	351,001
Expenditures					
Instruction					
District wide	1,197	-	-	1,197	-
Elementary	(709,628)	2,171,878	2,271,514	(2,881,506)	(99,636)
Middle	2,786,093	2,652,557	2,611,788	133,536	40,769
High	3,411,699	2,485,965	2,421,666	925,734	64,299
TAG/title/special	548,711	652,889	469,514	(104,178)	183,375
Early childhood special education	2,469,888	2,399,888	2,374,715	70,000	25,173
Student act/athl/act/spons act	7,181,631	5,733,583	5,667,430	1,448,048	66,153
Other instruction	80,600	66,119	58,138	14,481	7,981
Total instruction	15,770,191	16,162,879	15,874,765	(392,688)	288,114
Support services					
Attendance	2,028,504	1,845,375	1,743,435	183,129	101,940
Guidance	715,045	643,219	570,900	71,826	72,319
Health, psych, speech and audio	2,398,910	2,527,774	2,421,677	(128,864)	106,097
Improvement of instruction	5,584,760	5,505,336	5,465,573	79,424	39,763
Professional development	375,142	355,827	299,637	19,315	56,190
Media services (library)	2,162,735	1,723,288	1,694,581	439,447	28,707
Board of Education services	516,585	327,121	283,474	189,464	43,647
Executive administration	1,456,287	1,613,975	1,569,001	(157,688)	44,974
Building level administration	5,637,249	5,335,301	5,541,459	301,948	(206,158)
Business central services	1,929,586	2,020,481	2,001,103	(90,895)	19,378
Operation of plant	25,125,490	25,101,606	25,585,079	23,884	(483,473)
Security services	725,037	735,962	677,285	(10,925)	58,677
Pupil transportation	7,882,992	9,054,831	9,162,116	(1,171,839)	(107,285)
Food services	8,698,488	8,273,488	8,227,338	425,000	46,150
Central office support services	3,545,742	3,600,130	3,548,620	(54,388)	51,510
Adult education	35,640	22,344	301	13,296	22,043
Community services	15,616,340	14,892,903	14,840,364	723,437	52,539
Total support services	84,434,532	83,578,961	83,631,943	855,571	(52,982)
Total expenditures	100,204,723	99,741,840	99,506,708	462,883	235,132
Excess of revenues over (under) expenditures	(1,494,761)	(1,732,889)	(1,146,756)	(238,128)	586,133
Other financing uses					
Transfers	-	(1,096,354)	(1,172,270)	(1,096,354)	(75,916)
NET CHANGE IN FUND BALANCE	\$ (1,494,761)	\$ (2,829,243)	(2,319,026)	\$ (1,334,482)	\$ 510,217
Fund balance at July 1, 2017			38,916,884		
Fund balance at June 30, 2018			\$ 36,597,858		

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, 2018**

	Budgeted amounts		Actual	Variances-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Property taxes	\$ 75,703,228	\$ 77,592,817	\$ 76,386,792	\$ 1,889,589	\$ (1,206,025)
Other local sources	34,397,781	35,173,668	34,607,018	775,887	(566,650)
Intermediate sources	1,885,017	1,948,551	1,908,473	63,534	(40,078)
State sources	35,807,296	34,482,036	34,313,126	(1,325,260)	(168,910)
Federal sources	1,464,301	2,410,977	2,382,081	946,676	(28,896)
Total revenues	149,257,623	151,608,049	149,597,490	2,350,426	(2,010,559)
Expenditures					
Instruction					
Elementary	45,323,120	47,348,561	47,172,365	(2,025,441)	176,196
Middle	26,622,980	26,927,220	26,776,410	(304,240)	150,810
High	36,932,929	37,266,378	37,030,531	(333,449)	235,847
TAG/title/special	7,003,842	7,024,927	7,192,103	(21,085)	(167,176)
Early childhood special education	4,365,544	4,025,538	3,987,833	340,006	37,705
Student act/athl/act/spons act	3,251,409	3,235,326	3,351,839	16,083	(116,513)
Other instruction	675,000	675,000	646,069	-	28,931
Total instruction	124,174,824	126,502,950	126,157,150	(2,328,126)	345,800
Support services					
Attendance	906	1,008	-	(102)	1,008
Guidance	4,791,561	4,955,442	4,730,514	(163,881)	224,928
Health, psych, speech and audio	11,626	9,499	5,152	2,127	4,347
Improvement of instruction	3,803,439	3,537,378	3,716,737	266,061	(179,359)
Professional development	77,092	132,067	127,387	(54,975)	4,680
Media services (library)	3,380,826	3,416,835	3,148,727	(36,009)	268,108
Executive administration	2,502,814	2,466,686	2,781,305	36,128	(314,619)
Building level administration	9,593,576	9,932,733	9,964,384	(339,157)	(31,651)
Security services	-	-	1,056	-	(1,056)
Central office support services	202	202	153	-	49
Adult education	365,472	-	-	365,472	-
Community services	3,429	102,314	105,237	(98,885)	(2,923)
Total support services	24,530,943	24,554,164	24,580,652	(23,221)	(26,488)
Total expenditures	148,705,767	151,057,114	150,737,802	(2,351,347)	319,312
NET CHANGE IN FUND BALANCE	\$ 551,856	\$ 550,935	(1,140,312)	\$ (921)	\$ (1,691,247)
Fund balance at July 1, 2017			17,734,894		
Fund balance at June 30, 2018			\$ 16,594,582		

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, 2018

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 2017 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 CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS- UNAUDITED

June 30, 2018

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 3,139,508
Interest cost	1,711,309
Changes in assumptions	(5,123,610)
Employee contributions	2,527,441
Benefit payments	<u>(3,810,081)</u>
Net change in total OPEB liability	\$ (1,555,433)
 Total OPEB liability at beginning of year	 63,789,266
 Total OPEB liability at end of year	 <u><u>\$ 62,233,833</u></u>
 Covered payroll (for fiscal year 2017)	 \$ 158,515,901
 Total OPEB liability as a percentage of covered payroll	 39.26%

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

Plan Assets: No assets are accumulated in a trust that meets all of the following criteria of GASB No. 75, paragraph 4, to pay benefits:

Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.

Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.

Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND EMPLOYER CONTRIBUTIONS - UNAUDITED
June 30, 2018**

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

Year Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
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%
6/30/2017	2.6302%	\$20,067,133	\$42,268,169	47.48%	85.35%

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

Year Ended*	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
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%
6/30/2017	2.6181%	189,066,752	124,405,013	151.98%	83.77%

Schedule of Employer Contributions - PEERS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
6/30/2017	2,899,598	2,896,314	(3,284)	42,268,169	6.85%
6/30/2018	3,045,857	3,045,857	-	44,400,248	6.86%

Schedule of Employer Contributions - PSRS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
6/30/2017	17,909,981	17,912,866	2,885	124,405,013	14.40%
6/30/2018	18,261,763	18,261,763	-	126,817,799	14.40%

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

* The data provided in the schedule is based as of the measurement date of the Systems' 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, 2018**

	Budgeted amounts		Actual	Variances-- positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Property taxes	\$ 24,507,591	\$ 24,507,591	\$ 24,159,544	\$ -	\$ (348,047)
Other local sources	3,022,447	3,022,447	3,413,285	-	390,838
Intermediate sources	537,876	537,876	635,591	-	97,715
Total revenues	28,067,914	28,067,914	28,208,420	-	140,506
Expenditures					
Debt service					
Principal retirement	19,015,000	19,695,000	19,695,000	(680,000)	-
Interest and fiscal charges	6,905,500	7,202,800	7,162,371	(297,300)	40,429
Total expenditures	25,920,500	26,897,800	26,857,371	(977,300)	40,429
Excess of revenues over (under) expenditures	2,147,414	1,170,114	1,351,049	(977,300)	180,935
Other financing sources					
Proceeds from issuance of refunding bonds	-	26,690,000	26,690,000	26,690,000	-
Premium on Issuance of Bonds	-	3,715,566	3,715,566	3,715,566	-
Total financing sources	-	30,405,566	30,405,566	30,405,566	-
NET CHANGE IN FUND BALANCE	\$ 2,147,414	\$ 31,575,680	31,756,615	\$ 29,428,266	\$ 180,935
Fund balance at July 1, 2017			19,902,825		
Fund balance at June 30, 2018			\$ 51,659,440		

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, 2018**

	Budgeted amounts			Variances-- positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Property taxes	\$ 2,904,870	\$ 2,526,277	\$ 2,487,012	\$ (378,593)	\$ (39,265)
Other local sources	328,946	696,540	984,334	367,594	287,794
Intermediate sources	62,616	57,185	60,535	(5,431)	3,350
State sources	13,094	-	-	(13,094)	-
Federal sources	8,891	68,620	68,620	59,729	-
Other sources	20,000	22,000	29,677	2,000	7,677
Total revenues	3,338,417	3,370,622	3,630,178	32,205	259,556
Expenditures					
Instruction					
District Wide	28,000,000	37,185,564	-	(9,185,564)	37,185,564
Elementary	-	51,811	47,676	(51,811)	4,135
Middle	26,700	18,537	12,538	8,163	5,999
High	292,611	428,773	387,256	(136,162)	41,517
TAG/title/special	20,663	71,690	70,309	(51,027)	1,381
Student act/athl/act/spons act	-	164,494	156,552	(164,494)	7,942
Total instruction	28,339,974	37,920,869	674,331	(9,580,895)	37,246,538
Support services					
Improvement of instruction	139,922	399,822	376,151	(259,900)	23,671
Media services (library)	-	48,936	48,658	(48,936)	278
Executive administration	-	20,564	9,345	(20,564)	11,219
Business central services	4,000	102,000	99,231	(98,000)	2,769
Operation of plant	7,500	198,530	98,150	(191,030)	100,380
Pupil Transportation	1,539,235	425,222	355,904	1,114,013	69,318
Food services	-	348,057	348,057	(348,057)	-
Central office support services	-	3,169	2,800	(3,169)	369
Community services	1,000	564,785	554,483	(563,785)	10,302
Facilities acquisition and construction	6,250,000	29,084,816	24,503,720	(22,834,816)	4,581,096
Debt service					
Principal retirement	70,268	1,176,736	1,176,736	(1,106,468)	-
Interest and fiscal charges	184,226	442,683	438,081	(258,457)	4,602
Total support services	8,196,151	32,815,320	28,011,316	(24,619,169)	4,804,004
Total expenditures	36,536,125	70,736,189	28,685,647	(34,200,064)	42,050,542
Excess of revenues over (under) expenditures	(33,197,708)	(67,365,567)	(25,055,469)	(34,167,859)	42,310,098
Other financing sources					
Transfers	-	1,096,354	1,172,270	1,096,354	75,916
Proceeds from issuance of bonds	40,000,000	62,800,000	62,800,000	22,800,000	-
Premium on Issuance of Bonds	-	5,944,781	5,944,780	5,944,781	(1)
Total other financing sources	40,000,000	69,841,135	69,917,050	29,841,135	75,915
NET CHANGE IN FUND BALANCE	\$ 6,802,292	\$ 2,475,568	44,861,581	\$ (4,326,724)	\$ 42,386,013
Fund balance at July 1, 2017			25,599,544		
Fund balance at June 30, 2018			\$ 70,461,125		

Comprehensive
Annual
Financial
Report

2018

Statistical Section

ROCKWOOD R-VI SCHOOL DISTRICT
SUMMARY OF STATISTICAL INFORMATION
JUNE 30, 2018

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	2018	2017*	2016	2015	2014	2013	2012	2011	2010	2009
Net investment in capital assets	\$ 218,164,705	\$ 225,193,534	\$ 228,068,652	\$ 232,797,187	\$ 221,357,283	\$ 206,063,602	\$ 202,835,577	\$ 197,510,211	\$ 192,550,322	\$ 192,550,322
Restricted	40,584,627	37,051,538	37,859,402	44,987,495	49,729,488	51,157,404	24,230,606	18,071,770	23,698,379	23,698,379
Unrestricted	(183,417,998)	(174,662,597)	(113,967,295)	(128,685,049)	22,124,829	28,462,859	32,514,462	41,392,047	41,708,899	41,708,899
Total Net Position	\$ 75,331,334	\$ 87,582,475	\$ 151,960,759	\$ 149,099,633	\$ 293,211,600	\$ 285,683,865	\$ 259,580,645	\$ 256,974,028	\$ 257,957,600	\$ 257,957,600

Source: Rockwood School District records

* This reflects the change in accounting principle, GASB 74 and 75.

ROCKWOOD R-VI SCHOOL DISTRICT

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Government Activities:										
Total Instruction	\$ 157,905,159	\$ 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
Support services:										
Attendance	1,819,989	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
Guidance	5,463,491	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
Health, Psych Speech and Audio	2,533,238	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
Improvement of Instruction	9,693,326	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
Professional Development	431,408	365,623	329,276	272,165	226,173	290,004	227,875	343,435	378,315	538,370
Media Services (Library)	4,997,442	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
Board of Education Services	544,953	789,964	631,209	621,306	1,041,997	785,045	707,590	742,056	902,285	518,130
Executive Administration	4,179,777	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
Building Level Administration	16,041,828	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
Business Central Service	2,149,247	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
Operation of Plant	40,214,361	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
Security Services	678,341	739,456	21,700,395	22,328,546	693,517	576,181	625,697	630,884	650,356	657,961
Pupil Transportation	10,942,571	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
Food Services	8,992,419	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
Central Office Support Services	3,656,611	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
Adult Education	301	566,760	476,583	428,198	457,769	467,235	484,798	484,920	350,910	331,702
Community Services	15,958,755	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
Debt Service:										
Interest and Fiscal Charges	7,291,410	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
Total Primary Government Expenses	293,494,627	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
Program Revenues										
Government Activities:										
Charges for services										
Total Instruction	5,207,676	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
Support services:										
Attendance	-	-	-	-	-	-	-	-	-	-
Guidance	-	-	-	-	-	-	-	-	-	-
Health, Psych Speech and Audio	-	-	-	-	-	-	-	-	-	-
Improvement of Instruction	13,462	9,890	8,928	75,383	5,980	4,064	-	13,043	423	55,200
Professional Development	-	-	-	-	-	-	-	-	-	-
Media Services (Library)	-	-	-	-	-	-	-	-	-	-
Board of Education Services	-	-	-	-	-	-	-	-	-	-
Executive Administration	-	-	-	-	-	-	-	-	-	-
Building Level Administration	-	-	-	-	-	-	-	-	-	-
Business Central Service	-	-	-	-	-	-	-	-	-	-
Security Services	-	-	-	-	-	-	-	-	-	-
Operation of Plant	-	-	-	-	-	-	-	-	-	-
Pupil Transportation	193,150	212,150	215,576	207,304	198,628	218,212	193,757	183,930	185,579	173,776
Food Services	6,583,381	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
Central Office Support Services	460,095	535,190	392,462	443,500	297,701	553,311	534,142	403,454	390,617	576
Adult Education	-	3,630	4,180	5,930	5,980	6,480	9,155	19,855	20,708	10,886
Community Services	14,528,825	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
Debt Service:										
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	13,529,334	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
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Primary Government Program Revenue	40,515,923	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
Total Primary Government Net Expense	\$ (252,978,704)	\$ (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)

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)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Primary Government Net Expense	\$ (252,978,704)	\$ (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)
General revenues:										
Taxes:										
Property taxes, levied for general purposes	\$ 137,220,526	\$ 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
Property taxes, levied for debt service	24,159,544	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
Sales tax	17,845,793	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
M&M surcharge	12,833,791	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
Other taxes	630,658	1,117,461	152,307	88,030	126,331	87,193	175,486	119,455	90,995	506,164
Voluntary student transfer aid	9,563,233	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
Federal, State and County aid not restricted to specific purposes	35,259,515	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
Interest and investment earnings	2,988,864	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
Miscellaneous	225,639	190,943	137,336	13,387	22,838	51,985	55,976	42,822	46,988	300,152
Total general revenues	240,727,563	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
Change in Net Position										
Total Primary Government	\$ (12,251,141)	\$ (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

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
\$ 1,054,938
44,609,405
\$ 45,664,343
\$ 25,258,210
10,732,278
43,584,807
79,575,295
\$ 125,239,638

	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund									
Nonspendable									
Prepaid items	\$ 1,594,617	\$ 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	1,131,088	1,103,365	744,018	704,480	793,810	-	-	-	-
Unassigned	33,872,153	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	\$ 36,597,858	\$ 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	\$ 457,420	\$ 286,672	\$ 157,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted									
Federal grants	-	-	-	-	-	-	-	469,331	2,386,610
Teacher salaries and benefits	16,364,112	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	51,659,440	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	68,570,005	24,036,195	53,105,395	35,387,066	-	-	5,738,143	27,999,956	41,067,409
Assigned									
Other capital projects	1,664,170	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	138,715,147	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	\$ 175,313,005	\$ 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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Property Taxes	\$ 159,932,626	\$ 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
Other Local Sources	71,112,840	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
County Sources	3,883,704	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
State Sources	39,091,336	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
Federal Sources	5,293,141	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
Other Sources	555,484	389,904	469,607	652,151	495,968	516,948	1,139,852	2,406,485	715,216	532,605
Total Revenues	\$ 279,869,131	\$ 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

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)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENDITURES										
Total Instruction	\$ 142,706,246	\$ 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
Support Services										
Attendance	1,743,435	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
Guidance	5,301,414	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
Health, Psych Speech and Audio	2,426,829	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
Improvement of Instruction	9,558,461	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
Professional Development	427,024	357,728	340,095	293,403	226,173	290,004	227,875	343,435	378,315	538,370
Media Services (Library)	4,891,966	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
Board of Education Services	283,474	526,053	494,026	521,764	563,861	405,010	298,051	416,440	566,216	415,442
Executive Administration	4,359,651	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
Building Level Administration	15,505,843	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
Business Central Services	2,100,334	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
Operation of Plant	25,683,229	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
Security Services	678,341	739,456	734,778	607,335	693,517	576,181	625,697	630,884	650,355	657,961
Pupil Transportation	9,518,020	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
Food Services	8,575,395	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
Central Office Support Services	3,551,573	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
Adult Education	301	550,401	500,209	493,159	457,770	467,235	484,798	484,920	350,911	331,702
Community Services	15,500,084	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
Capital Outlay										
Capital Outlay	24,503,720	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
Debt Service										
Principal Retirement	20,942,003	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
Interest and Fiscal Charges	7,603,276	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
Total Support Services	163,154,373	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
TOTAL EXPENDITURES	\$ 305,860,619	\$ 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
Debt Service as a % of non-capital expenditures	9.68%	9.64%	9.21%	9.21%	21.43%	10.24%	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)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Excess of revenues over (under) expenditures	\$ (25,991,488)	\$ (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)
Other Financing Sources (Uses):										
Capital lease	-	-	12,500,000	-	-	-	-	-	-	-
Bond issuance	62,800,000	-	33,950,000	35,000,000	-	-	-	21,095,000	33,905,000	-
Refunding bonds issued	26,690,000	-	38,855,000	-	-	-	9,905,000	-	24,465,000	32,945,000
Discount on issuance of bonds	-	-	(217,238)	(275,617)	-	-	(39,620)	-	-	-
Payments to refunding escrow agent	-	-	(43,032,703)	-	-	-	-	-	-	(33,030,000)
Premium on issuance of bonds	9,660,346	-	7,970,237	3,936,158	-	-	1,035,099	801,042	1,980,761	4,083,210
Net change in fund balances	\$ 73,158,858	\$ (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)

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
2018	\$ 3,239,173,100	\$ 17,048,279,474	\$ 490,671,090	\$ 1,486,882,091	\$ 3,729,844,190	\$ 18,535,161,565	\$ 4.502
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

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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Rockwood School District*	\$ 4.502	\$ 4.668	\$ 4.602	\$ 4.724	\$ 4.683	\$ 4.536	\$ 4.463	\$ 4.275	\$ 4.008	\$ 3.923
General Fund	1.602	1.739	1.835	1.763	1.580	1.608	1.405	1.405	1.333	1.277
Special (Teacher's) Fund	2.150	2.206	2.086	2.281	1.916	2.188	2.238	2.050	1.855	1.776
Capital Fund	0.007	0.042	-	-	0.680	0.680	0.140	0.140	0.140	0.190
Debt Fund	0.680	0.680	0.680	0.680	0.507	0.060	0.680	0.680	0.680	0.680
Overlapping										
St. Louis County	0.523	0.523	0.523	0.523	0.523	0.523	0.523	0.523	0.523	0.558
Municipalities										
City of Chesterfield	-	-	-	0.030	0.030	0.030	0.030	0.030	0.030	0.003
City of Clarkson Valley*	0.153	0.153	0.153	0.151	0.130	0.124	0.121	0.119	0.117	0.111
City of Ellisville	0.142	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
City of Eureka*	0.387	0.409	0.388	0.403	0.391	0.505	0.505	0.371	0.371	0.373
City of Winchester*	0.261	0.261	0.216	0.215	0.215	0.201	0.201	0.181	0.181	0.176
Fire Districts										
Eureka	1.614	1.211	1.211	1.242	1.230	1.209	0.390	1.154	1.141	1.078
Fenton*	1.366	1.006	0.958	1.025	0.913	0.851	0.851	0.840	0.800	0.761
Metro West*	1.148	1.137	1.137	1.130	1.136	1.053	1.051	0.103	0.999	0.860
Monarch (Chesterfield)*	1.008	1.008	1.008	0.898	0.898	0.886	0.899	0.923	0.876	0.871
Special School District	1.191	1.241	1.235	1.261	1.240	1.012	1.013	0.995	0.938	0.918
Sewer District										
Metropolitan Sewer District	0.116	0.120	0.088	0.088	0.874	0.064	0.082	0.079	-	-

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	2017			2008		
	Taxable Value	Rank	% of Total Taxable Value	Taxable Value	Rank	% of Total Taxable Value
THF DEVELOPMENT LLC	\$ 30,820,980	1	21.36%	\$ 46,399,690	2	1.41%
MARITZ INC	26,833,520	2	18.59%	25,546,360	3	0.71%
SAINT LOUIS PREMIUM OUTLETS	17,992,640	3	12.47%	N/A	N/A	N/A
TAUBMAN PRESTIGE OUTLETS	12,838,520	4	8.90%	N/A	N/A	N/A
BAXTER CROSSING APARTMENTS ASSOCIATES	10,063,350	5	6.97%	N/A	N/A	0.42%
UNIGROUP INC	9,514,530	6	6.59%	13,028,150	4	N/A
MISSOURI AMERICAN WATER	9,354,000	7	6.48%	8,804,460	9	0.39%
LACLEDE GAS COMPANY	9,310,670	8	6.45%	11,501,930	5	0.25%
MIMG XCIII SEVEN TRAILS LLC	8,843,090	9	6.13%	N/A	N/A	N/A
ST JOHNS MERCY HOSPITAL	8,755,390	10	6.07%	N/A	N/A	N/A
HITZERT PROPERTIES	N/A	N/A	N/A	9,270,400	8	0.25%
SIX FLAST ST. LOUIS	N/A	N/A	N/A	10,910,180	6	N/A
DAIMLER CHRYSLER	N/A	N/A	N/A	115,010,730	1	4.39%
ALTUS CORPORATE 44 PARTNERS	N/A	N/A	N/A	8,500,160	10	0.29%
OLD TOWNE IMPROVEMENTS	N/A	N/A	N/A	9,641,180	7	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
2018	\$ 2,470,802,770	\$ 765,433,800	\$ 2,936,530	\$ 490,671,090	\$ 3,729,844,190	\$ 4.502	\$ 18,535,161,565
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

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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Assessed Valuations	3,729,844,190	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
Tax Rate	\$ 4.502	\$ 4.668	\$ 4.602	\$ 4.724	\$ 4.683	\$ 4.536	\$ 4.463	\$ 4.275	\$ 4.008	\$ 3.923
Taxes Levied for the Fiscal Year	\$ 167,898,936	\$ 159,896,649	\$ 156,517,841	\$ 152,614,202	\$ 144,972,494	\$ 148,464,178	\$ 144,946,505	\$ 144,714,488	\$ 140,906,704	\$ 144,546,494
Collected within Fiscal Year of Levy										
Amount	\$ 162,058,749	\$ 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
% of Levy	96.5%	96.8%	97.3%	98.2%	100.9%	97.6%	96.4%	93.5%	97.6%	96.6%
Collected (paid) in Subsequent Years	\$ (2,126,123)	\$ (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
Total Collections to Date										
Amount	\$ 159,932,626	\$ 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
% of Levy	95.3%	95.3%	96.1%	98.1%	100.7%	98.5%	97.6%	95.1%	98.6%	98.4%

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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Obligation Bonds, Net	\$ 255,553,711	\$ 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
Capital Leases	10,160,038	11,407,041	12,637,819	202,761	265,194	355,215	441,917	1,045,388	2,738,848	3,523,054
Total Primary	\$ 265,713,749	\$ 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
Personal Income (County data)	N/A	\$ 66,809,113,000	\$ 64,417,978,000	\$ 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
% of Personal Income	N/A	0.28%	0.33%	0.28%	0.26%	0.37%	0.41%	0.44%	0.45%	0.37%

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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Obligation Bonds, Net	\$ 184,515,560	\$ 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
Estimated Actual Value of Taxable Property	18,535,161,565	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
% of General Bonded Debt to Estimated Actual Value Of Taxable Property	1.00%	0.86%	0.98%	0.94%	0.85%	0.92%	0.97%	1.20%	1.14%	0.99%
Population(County data)	N/A	998,726	998,581	1,003,362	1,001,876	1,001,444	1,000,438	998,692	998,954	992,408
General Obligation Debt Per Capita	N/A	\$ 178	\$ 198	\$ 176	\$ 157	\$ 212	\$ 223	\$ 232	\$ 229	\$ 191

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, 2018

Taxing Body	Long-Term Instruments as of 6/30/18	Approx. Percent of Applicable Overlap	Estimated Share of Direct and Overlapping Debt
<u>Direct</u>			
Rockwood School District	\$ 265,713,752	100.00%	\$ 265,713,752
Subtotal Direct Debt	265,713,752	100.00%	265,713,752
<u>Overlapping</u>			
St. Louis County	96,850,000	15.03%	14,556,555
City of Ballwin	-	65.39%	-
City of Chesterfield	3,805,000	37.18%	1,414,699
City of Clarkson Valley	-	100.00%	-
City of Ellisville	-	100.00%	-
City of Eureka	-	99.54%	-
City of Fenton	-	66.55%	-
City of Wildwood	1,200,000	99.94%	1,199,280
City of Winchester	-	19.78%	-
Eureka Fire PD	4,840,000	98.83%	4,783,372
Fenton FPD	-	68.53%	-
Metro West FPD	3,520,000	81.97%	2,885,344
Monarch (Chesterfield) FPD	-	43.20%	-
Valley Park FPD	-	5.00%	-
Special School District	-	10.00%	-
MSD	-	0.00%	-
Subtotal Overlapping Debt	110,215,000		24,839,250
Total	\$ 375,928,752		\$ 290,553,002

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 2018

Assessed Value	\$3,729,844,190
Debt Limit (15% of Assessed Value)	559,476,629
Debt Applicable to Limit	(236,175,000)
Amount Available in Debt Service Fund	<u>51,659,440</u>

Legal Debt Margin \$374,961,069

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limitation	\$ 559,476,629	\$ 513,806,712	\$ 488,834,728	\$ 479,406,396	\$ 493,981,107	\$ 489,991,042	\$ 507,770,133	\$ 527,345,448	\$ 552,688,607	\$ 527,345,448
General Obligation Bonds Payable	(236,175,000)	(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)
Avail. Debt Service Fund Balance	51,659,440	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
Net Debt Applicable	(184,515,560)	(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)
Legal Debt Margin	374,961,069	367,329,537	323,785,556	328,139,480	359,434,498	339,944,124	351,072,855	343,751,146	374,107,957	362,923,657
Legal Debt Margin as a % of Debt Limit	67.02%	71.49%	66.24%	68.45%	72.76%	69.38%	69.14%	65.19%	67.69%	68.82%

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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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
2018	N/A	N/A	N/A	N/A
2017	996,726	\$ 66,809,113,000	\$ 67,029	3.7%
2016	998,581	64,417,978,000	64,510	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%

Note: N/A-Not available; Information is for St. Louis County; 2018 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**

	2018			2009		
Employer	# of Employees	%	Rank	# of Employees	%	Rank
Rockwood School District	3,610	28.4%	1	3,358	25.9%	1
Six Flags	3,091	24.3%	2	3,163	24.4%	2
Maritz	1,700	13.4%	3	2,100	16.2%	3
St. Clare Health Center	1,100	8.7%	4	975	7.5%	6
Unigroup/Vanliner/Mayflower	843	6.6%	5	1,100	8.5%	4
Fabick CAT Company	560	4.4%	6	301	2.3%	8
Rotometrics	465	3.7%	7	400	3.1%	7
Mark Andy, Inc.	477	3.8%	8	275	2.1%	10
Pfizer	500	3.9%	9	1,000	7.7%	5
Eaton's Bussman Business	365	2.9%	10	N/A	N/A	N/A
Cooper Bussman	N/A	N/A	N/A	300	2.3%	9
Total	12,711	100%		12,972	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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
SUPT.DEPUTY/ASST SUPT	7	7	7	7	5	6	7	6	7	7
DIRECTORS	15	14	14	14	15	15	15	16	17	17
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	23	44	45	45
ASST PRIN, ELE & MS	19	19	19	19	18	18	29	17	19	21
COORDINATORS	18	18	18	18	15	14	13	N/A	N/A	N/A
SUB TOTAL	111	110	110	110	105	105	116	112	117	119
TEACHERS (INCLUDES COUNSELORS, LIBRARIANS AND COLLEGE ADMISSION SPEC.)										
ELEMENTARY	604	596	592	590	585	582	586	612	610	622
MIDDLE SCHOOL	339	339	339	335	337	355	342	355	374	378
HIGH SCHOOL	453	453	453	458	466	507	477	502	509	509
CERT. PRESCHOOL TEA	16	16	16	16	16	16	16	15	17	16
EARLY CHLDHED SPEC ED TEA, SPCH	42	42	42	42	39	42	40	44	45	43
RESOURCE	4	4	4	4	N/A	N/A	N/A	99	94	90
(Includes TAG, Interns and Psychometrists)										
CONTENT FAC, DATA ANLSTS, A+ COOR,										
INSTR TECH	89	89	89	89	84	79	86	N/A	N/A	N/A
SUB TOTAL	1,547	1,539	1,535	1,534	1,527	1,581	1,547	1,627	1,649	1,658
SUPPORT STAFF										
SECRETARIES (ALL)	181	181	181	181	185	188	178	191	192	193
SECRETARIAL ASSTS.	25	25	25	25	29	31	33	33	34	35
ACCT/PR/FINANCE	13	13	13	13	12	13	12	11	13	13
H.R. SPECIALIST	5	5	5	5	5	5	5	7	7	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	N/A	12	10	9
COMMUNICATIONS	5	5	5	5	6	6	5	6	5	7
COMPUTER TECH.	41	41	41	41	43	45	40	28	26	24
ROTC	4	4	4	4	4	4	4	4	4	4
HOMEBOUND TEACHERS	N/A	N/A	N/A	N/A	N/A	N/A	13	17	20	32
STUDY HALL/ISS	12	12	12	12	15	8	14	14	17	16
HALL MONITORS	22	22	22	22	27	11	9	14	20	17
SRP ASSISTANT	3	3	3	3	N/A	N/A	N/A	N/A	N/A	N/A
SEC RESOURCE	1	1	1	1	1	1	1	2	4	3
ECSE AUTISM ANALYST	2	2	2	2	2	2	2	2	2	1
ECSE OCCUP THERAPIST	7	7	7	7	7	7	7	7	6	6
ECSE PHYSICAL THERAPIST	3	3	3	3	3	3	3	3	3	2
ECSE APPLIED BEHAVIOR	0	0	0	0	0	3	3	4	4	8
ECSE PARA I AND PARA II	55	53	53	50	52	42	61	44	48	35
CLSRM ASSTS/READ I/IT/ESOL	144	141	141	137	163	132	113	168	157	156
LIBRARY ASSTS	4	4	4	4	4	5	4	4	5	5
COMPUTER SUPPORT SPEC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	5	7
NURSES and NURSE SUPV.	45	44	44	44	43	43	41	42	42	42
SOCIAL WORKERS/STUDENT SRVS.	21	19	19	19	14	13	14	14	15	15
PREVENTION SPEC. (GRANT)	1	1	1	1	1	1	1	1	-	1
CHILD NUTRITION (ALL)	223	223	223	223	236	229	217	220	221	219
WAREHOUSE (ALL)	10	10	10	10	10	13	10	10	11	10
PARKING LOT ATTEND	210	4	4	4	4	4	4	7	7	7
TRANSPORTATION	4	210	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ADVENTURE CLUB	291	277	277	249	193	187	184	171	182	171
PARTNERS IN ED	17	17	15	15	14	14	14	14	14	14
PRESCHL/PAT	71	71	71	71	61	69	55	74	84	81
SPECIAL PROJECTS	N/A	N/A	N/A	N/A	N/A	0	-	-	-	N/A
COE	3	3	3	3	0	0	0	5	7	5
SUB TOTAL	1,424	1,402	1,190	1,155	1,135	1,080	1,048	1,134	1,166	1,145
FACILITIES										
COORDINATORS	2	2	2	2	2	4	4	4	4	3
SUPERVISORS	7	7	7	7	7	6	6	7	6	7
GROUPS MAINT	20	20	20	20	20	20	20	20	19	19
GENERAL MAINT	45	45	45	45	46	46	45	46	45	45
CUSTODIAL	196	192	185	185	228	241	172	175	175	170
SUB TOTAL	270	266	259	259	303	317	247	252	249	244
SUB TOTAL W/O COMM. ED.	3,352	3,317	3,094	3,058	3,070	3,083	2,958	3,125	3,181	3,166
COMMUNITY EDUCATION										
(AEL) ADULT BASIC ED	0	17	17	17	14	16	17	17	15	15
AQUATICS	124	124	124	124	126	133	139	147	130	115
COMM ED SUPERVISORS	6	6	6	6	7	8	8	10	5	5
COMM ED THEATRE/AV	7	7	7	7	18	17	5	5	3	3
COMM ED (EVENINGS, SEAS. & MISC)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	64	68	54
CLUB VOLLEYBALL	89	89	89	89	35	43	4	N/A	N/A	N/A
COMM ED OFFICE	2	2	2	2	2	2	N/A	N/A	N/A	N/A
COMM ED INSTRUCTORS	17	17	17	17	14	13	N/A	N/A	N/A	N/A
ECOMM ED OUTDOOR	13	13	13	13	3	3	N/A	N/A	N/A	N/A
SUB TOTAL	258	275	275	275	219	217	169	243	221	192
GRAND TOTAL	3,610	3,592	3,369	3,333	3,289	3,300	3,127	3,368	3,402	3,358

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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Enrolled Pupils (September)	20,861	20,853	21,026	21,312	21,498	21,916	22,157	22,436	22,254	22,159
Operating Expenditures	\$ 227,775,467	\$ 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
Cost Per Enrolled Pupil	\$ 10,919	\$ 10,699	\$ 10,815	\$ 10,368	\$ 9,963	\$ 9,230	\$ 9,020	\$ 9,123	\$ 9,246	\$ 9,235
% chg	2.05%	-1.07%	4.31%	4.07%	7.95%	2.32%	7.97%	9.30%	16.83%	6.90%
Teaching Staff	1,547	1,539	1,535	1,534	1,527	1,581	1,547	1,627	1,649	1,658
Enrolled Pupils/Teacher Ratio	17:1	17:1	17:1	17:1	18:1	18:1	14:1	14:1	13:1	13:1
# of Free & Reduced	2,904	2,912	3,055	3,083	3,127	3,199	3,251	3,190	3,111	2,715
% of Enrolled Pupils Qualify for Free/Reduced	13.9%	14.0%	14.5%	14.5%	14.5%	14.6%	14.7%	14.2%	14.0%	12.3%

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Rockwood School District (RSD)										
Minimum Salary	\$ 41,429	\$ 41,124	\$ 40,746	\$40,423	\$ 39,826	\$ 39,237	\$ 39,097	\$ 38,794	\$ 38,250	\$ 36,600
Maximum Salary	96,041	95,334	100,204	97,855	95,097	92,623	90,670	88,596	86,325	83,125
RSD Average Salary	62,284	61,303	60,139	59,368	58,336	57,405	56,701	55,461	53,984	52,272
County Average Salary	N/A	60,903	60,392	59,040	58,420	58,376	58,833	57,025	56,839	55,014
Statewide Average Salary	N/A	\$ 48,616	\$ 47,955	\$47,399	\$ 46,754	\$ 46,213	\$ 45,723	\$ 45,315	\$ 45,097	\$ 46,099

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

Source: Statewide and County data from DESE (N/A - Information was not available at publishing). District data from Rockwood School District

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

Location	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Elementary										
BABLER-1957										
Square Feet	100,473	100,473	100,473	100,473	100,473	100,473	100,473	100,473	100,473	97,400
Capacity	540	540	540	599	599	660	660	639	639	660
Enrollment	538	544	562	524	532	541	557	573	569	595
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	497	576	576	593	593	591	591	591
Enrollment	499	506	511	517	495	550	566	558	524	517
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	432	455	455	570	570	570	570	570
Enrollment	426	405	401	401	437	440	470	497	494	510
BOWLES-1972										
Square Feet	54,335	54,335	54,335	54,335	54,335	54,335	54,335	54,335	53,450	53,450
Capacity	324	324	324	357	357	442	442	438	438	438
Enrollment	318	313	286	301	284	315	291	327	341	344
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	410	501	501	572	572	616	616	616
Enrollment	391	375	401	386	416	438	453	540	512	523
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	605	812	812	639	639	639	639	639
Enrollment	577	554	543	535	552	583	597	570	575	549
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	346	403	403	394	394	371	371	371
Enrollment	365	334	346	324	309	317	298	308	275	280
FAIRWAY-2004										
Square Feet	67,851	67,851	67,851	67,851	67,851	67,851	67,851	67,851	67,851	64,400
Capacity	518	518	518	524	524	660	660	744	744	598
Enrollment	446	459	483	463	496	516	528	556	539	557
GEGGIE-1972										
Square Feet	62,380	62,380	62,380	62,380	62,380	62,380	62,380	62,380	62,380	56,000
Capacity	605	605	605	622	622	572	572	591	591	549
Enrollment	594	591	573	611	612	590	569	555	521	515
GREEN PINES-1988										
Square Feet	57,025	57,025	57,025	57,025	57,025	57,025	58,465	58,465	58,465	58,465
Capacity	410	410	410	645	645	549	549	549	549	459
Enrollment	432	384	396	403	424	435	459	472	500	507
KEHRS MILL-1992										
Square Feet	66,276	66,276	66,276	66,276	66,276	66,276	66,276	66,276	59,800	59,800
Capacity	583	583	583	645	645	660	660	658	658	637
Enrollment	551	535	583	570	572	592	607	622	629	626
KELLISON-1973										
Square Feet	59,907	59,907	59,907	59,907	58,700	58,700	60,140	60,140	60,140	60,140
Capacity	454	454	454	501	501	524	524	528	528	528
Enrollment	418	410	394	380	409	433	438	461	456	464

ROCKWOOD R-VI SCHOOL DISTRICT

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

Location	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Elementary Concluded										
POND-1959										
Square Feet	58,247	58,247	58,247	58,247	58,247	58,247	58,247	58,247	57,300	57,300
Capacity	410	410	410	432	432	576	576	591	591	591
Enrollment	388	364	350	364	358	407	413	449	456	487
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	475	455	455	574	574	570	570	570
Enrollment	355	358	385	410	419	439	469	503	424	532
STANTON-1984										
Square Feet	57,920	57,920	57,920	57,270	57,270	57,270	57,270	57,270	50,570	50,570
Capacity	540	540	540	524	524	591	591	612	612	505
Enrollment	460	491	513	548	543	525	544	539	518	469
UTHOFF VALLEY-1992										
Square Feet	62,573	62,573	62,573	60,010	60,010	60,010	60,010	60,010	60,010	60,010
Capacity	540	540	540	576	576	572	572	570	570	570
Enrollment	506	488	465	464	481	484	497	531	503	488
WESTRIDGE-1961										
Square Feet	65,079	65,079	65,079	65,079	65,079	65,079	65,079	65,079	66,519	61,130
Capacity	475	475	475	455	455	530	530	610	610	459
Enrollment	433	439	451	447	436	435	438	421	391	409
WILD HORSE-1999										
Square Feet	70,380	70,380	70,380	70,380	70,380	70,380	70,380	70,380	70,380	65,500
Capacity	562	562	562	622	622	660	660	746	746	570
Enrollment	558	538	550	567	547	558	565	573	568	543
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	475	547	547	618	618	658	658	658
Enrollment	464	448	447	443	459	485	536	565	555	554
Middle School										
CRESTVIEW-1964										
Square Feet	227,950	227,950	227,950	227,950	227,950	227,950	216,000	216,000	216,000	216,000
Capacity	1,275	1,275	1,275	1,275	1,275	1,460	1,460	1,442	1,442	1,442
Enrollment	1,244	1,228	1,204	1,185	1,215	1,228	1,205	1,211	1,167	1,197
LASALLE SPRINGS-1996										
Square Feet	123,688	123,688	123,688	122,533	122,533	122,533	115,000	115,000	115,000	115,000
Capacity	975	975	975	1,063	1,063	1,053	1,053	1,028	1,028	1,028
Enrollment	881	904	887	909	910	926	942	929	903	936
ROCKWOOD SOUTH-1982										
Square Feet	144,592	144,592	144,592	144,592	144,592	144,592	139,935	139,935	139,935	139,935
Capacity	1,254	1,254	1,254	1,254	1,254	1,192	1,192	1,192	1,192	1,192
Enrollment	854	970	973	945	978	982	1,016	1,006	954	946
ROCKWOOD VALLEY-1994										
Square Feet	129,683	129,683	129,683	129,683	129,683	129,683	122,300	122,300	122,300	122,300
Capacity	1,041	1,041	1,041	1,041	1,041	1,037	1,037	1,012	1,012	1,012
Enrollment	633	671	697	716	753	724	794	768	801	796
SELVIDGE-1970										
Square Feet	132,285	132,285	132,285	132,285	132,285	132,285	132,285	132,285	125,500	125,500
Capacity	1,126	1,126	1,126	1,126	1,126	1,032	1,032	1,032	1,032	1,014
Enrollment	681	694	722	702	711	696	714	691	692	687
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	1,063	1,001	1,001	1,001	1,001	1,001
Enrollment	628	672	689	735	754	762	755	764	772	786

ROCKWOOD R-VI SCHOOL DISTRICT

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

Location	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
High School										
EUREKA-1970										
Square Feet	348,251	348,251	348,251	329,511	329,511	329,511	328,063	317,206	315,030	281,730
Capacity	1,928	1,928	1,928	2,125	2,125	2,053	2,053	1,942	1,942	1,656
Enrollment	1,779	1,812	1,861	1,928	1,906	1,996	1,956	1,918	1,882	1,756
LAFAYETTE-1992										
Square Feet	347,467	347,467	347,467	347,467	347,467	347,467	347,467	347,467	339,425	309,725
Capacity	2,316	2,316	2,316	2,316	2,316	2,352	2,352	2,013	2,352	2,158
Enrollment	1,814	1,852	1,860	1,929	1,949	1,992	2,018	2,065	2,065	2,011
MARQUETTE-1995										
Square Feet	346,859	346,859	346,859	330,805	330,805	330,805	314,968	309,988	304,060	293,440
Capacity	2,444	2,444	2,444	2,444	2,444	2,385	2,385	2,296	2,296	2,101
Enrollment	2,252	2,228	2,190	2,254	2,235	2,209	2,168	2,215	2,274	2,225
ROCKWOOD SUMMIT-1994										
Square Feet	305,006	305,006	305,006	305,006	305,006	305,006	305,006	303,221	289,026	262,080
Capacity	1,679	1,679	1,679	1,679	1,679	1,694	1,694	1,694	1,694	1,519
Enrollment	1,269	1,286	1,299	1,351	1,306	1,278	1,294	1,301	1,375	1,351
Other Structures										
ANNEX-1934										
Square Feet	85,736	85,736	85,736	85,736	84,200	84,200	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	10,008	7,300	7,300	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	45,200	46,640	46,640	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	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
K	1,357	1,260	1,330	1,263	1,168	1,241	1,275	1,410	1,363	1,342
1	1,348	1,396	1,348	1,271	1,344	1,384	1,483	1,486	1,462	1,486
2	1,462	1,390	1,352	1,387	1,404	1,540	1,551	1,557	1,551	1,478
3	1,475	1,410	1,430	1,454	1,563	1,557	1,545	1,621	1,534	1,671
4	1,473	1,469	1,479	1,591	1,588	1,580	1,678	1,638	1,724	1,652
5	1,520	1,518	1,616	1,601	1,612	1,719	1,650	1,785	1,669	1,696
SSD	84	93	89	91	102	102	113	123	147	143
Subtotal K-5	8,719	8,536	8,644	8,658	8,781	9,123	9,295	9,620	9,450	9,468
6	1,578	1,680	1,658	1,679	1,738	1,638	1,775	1,730	1,734	1,745
7	1,700	1,670	1,659	1,752	1,652	1,794	1,738	1,781	1,742	1,701
8	1,681	1,708	1,752	1,644	1,805	1,754	1,788	1,775	1,733	1,801
SSD	69	81	103	117	126	132	125	83	80	101
Subtotal 6-8	5,028	5,139	5,172	5,192	5,321	5,318	5,426	5,369	5,289	5,348
9	1,798	1,834	1,747	1,916	1,899	1,939	1,904	1,932	2,004	1,879
10	1,787	1,728	1,818	1,850	1,815	1,817	1,836	1,884	1,801	1,860
11	1,674	1,752	1,804	1,747	1,785	1,810	1,835	1,754	1,788	1,832
12	1,745	1,764	1,702	1,777	1,749	1,775	1,723	1,734	1,779	1,623
SSD	110	100	139	172	148	134	138	143	143	149
Subtotal 9-12	7,114	7,178	7,210	7,462	7,396	7,475	7,436	7,447	7,515	7,343
Grand Total	20,861	20,853	21,026	21,312	21,498	21,916	22,157	22,436	22,254	22,159

ROCKWOOD R-VI SCHOOL DISTRICT CAPACITY SCHEDULES INFORMATION

June 30, 2018

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.

Elementary Enrollment vs. Capacities by Fiscal Year

School	Year Built	Capacity				Actual Enroll	Projected Enrollment				
		DESE Standard	Rockwood High	Rockwood Low	DESE Desirable	2018	2019	2020	2021	2022	2023
BABLER	1957	596	540	484	424	538	558	534	535	541	555
BALLWIN	1963	549	497	445	390	499	493	486	460	464	459
BLEVINS	2001	477	432	387	339	426	434	451	463	451	447
BOWLES	1972	358	324	290	254	318	313	332	341	333	322
CHESTERFIELD	1959	453	410	368	322	391	418	435	429	442	443
ELLISVILLE	1940	668	605	542	475	577	585	588	613	623	646
EUREKA	1962	382	346	310	271	365	399	415	439	466	483
FAIRWAY	2004	572	518	464	407	446	458	450	434	420	430
GEGGIE	1972	668	605	542	475	594	590	613	649	679	691
GREEN PINES	1988	453	410	368	322	432	421	439	444	465	468
KEHRS MILL	1992	644	583	522	458	551	527	523	528	525	532
KELLISON	1973	501	454	406	356	418	420	428	447	446	438
POND	1959	453	410	368	322	388	386	401	420	439	453
RIDGE MEADOWS	1991	525	475	426	373	355	341	364	359	341	370
STANTON	1984	596	540	484	424	460	439	416	390	370	346
UTHOFF VALLEY	1992	596	540	484	424	506	514	518	513	521	518
WESTRIDGE	1961	525	475	426	373	433	446	453	466	463	469
WILD HORSE	1999	620	562	503	441	558	554	564	546	547	550
WOERTHER	1972	525	475	426	373	464	483	486	500	492	502
Total		10,161	9,201	8,245	7,223	8,719	8,779	8,896	8,977	9,027	9,124

Middle School Enrollment vs. Capacities by Fiscal Year

School	Year Built	Capacity		Actual Enroll	Projected Enrollment				
		Low	High	2018	2019	2020	2021	2022	2023
CRESTVIEW	1964	1,200	1,275	1,244	1,212	1,165	1,137	1,153	1,141
LASALLE*	1996	720	975	881	873	865	859	893	950
ROCKWOOD SOUTH	1982	1,180	1,254	961	943	921	935	931	974
ROCKWOOD VALLEY	1994	980	1,041	633	656	670	704	684	659
SELVIDGE	1970	1,060	1,126	681	635	627	643	674	663
WILDWOOD	2002	1,000	1,063	628	645	612	632	651	658
Total		6,140	6,734	5,028	4,964	4,860	4,909	4,985	5,045

*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.

High School Enrollment vs. Capacities by Fiscal Year

School	Year Built	Capacity		Actual Enroll	Projected Enrollment				
		Low	High	2018	2019	2020	2021	2022	2023
EUREKA*	1970	1,430	1,928	1,779	1,678	1,724	1,756	1,722	1,765
LAFAYETTE	1992	2,180	2,316	1,814	1,791	1,821	1,765	1,781	1,746
MARQUETTE	1995	2,300	2,444	2,252	2,296	2,363	2,366	2,341	2,280
ROCKWOOD SUMMIT	1994	1,580	1,679	1,269	1,286	1,294	1,273	1,287	1,247
Total		7,490	8,367	7,114	7,051	7,202	7,159	7,131	7,038

*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, 2018. 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 specific 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, 2018.

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
December 11, 2018

ROCKWOOD R-VI SCHOOL DISTRICT

SCHEDULE OF SELECTED STATISTICS - UNAUDITED FOR THE YEAR ENDED JUNE 30, 2018

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	6.3167	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	180	1,101.61
Lafayette Sr. High	180	1,101.61
Marquette Sr. High	180	1,101.61
Rockwood Summit Sr. High	180	1,101.51
Rockwood Valley Middle	180	1,130.67
Crestview Middle	180	1,130.67
LaSalle Springs Middle	180	1,130.67
Wildwood Middle	180	1,130.67
Rockwood South Middle	180	1,130.67
Selvidge Middle	180	1,130.67
Ballwin Elementary	180	1,139.17
Bowles Elementary	180	1,139.33
Chesterfield Elementary	180	1,139.33
Ellisville Elementary	180	1,139.33
Ridge Meadows Elementary	180	1,139.33
Eureka Elementary	180	1,139.33
Green Pines Elementary	180	1,139.17
Geggie Elementary	180	1,139.33
Kellison Elementary	180	1,139.17
Pond Elementary	180	1,139.33
Stanton Elementary	180	1,139.17
Westridge Elementary	180	1,139.17
Babler Elementary	180	1,139.33
Kehrs Mill Elementary	180	1,139.33
Uthoff Valley Elementary	180	1,139.33
Woerther Elementary	180	1,139.33
Wild Horse Elementary	180	1,139.17
Blevins Elementary	180	1,139.33
Fairway Elementary	180	1,139.33

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2018**

2. Average Daily Attendance (ADA)

Regular term

	<u>Full-Time & Part-Time</u>	<u>Deseg In</u>	<u>Total</u>
Grades K - 5	7,879.15	502.07	8,381.22
Grades 6 - 8	4,412.31	376.86	4,789.17
Grades 9 - 12	<u>6,016.90</u>	<u>476.34</u>	<u>6,493.24</u>
Subtotal regular term	18,308.36	1,355.27	19,663.63
Summer school	<u>72.74</u>	<u>21.87</u>	<u>94.61</u>
Total average daily attendance	<u>18,381.10</u>	<u>1,377.13</u>	<u>19,758.24</u>

3. September Membership

	<u>Full-Time & Part-Time</u>	<u>Deseg In</u>	<u>Total</u>
September membership FTE count	<u>19,307.92</u>	<u>1,469.33</u>	<u>20,777.25</u>

4. Free and Reduced Priced Lunch FTE Count

	<u>Full-Time & Part-Time</u>	<u>Deseg In</u>	<u>Total</u>
Free	1,261.96	1,175.99	2,437.95
Reduced	<u>332.36</u>	<u>134.10</u>	<u>466.46</u>
Total	<u>1,594.32</u>	<u>1,310.09</u>	<u>2,904.41</u>

ROCKWOOD R-VI SCHOOL DISTRICT

**SCHEDULE OF SELECTED STATISTICS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2018**

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>\$427,024</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, 2018**

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>10,395</u> |
| ▪ Ineligible ADT | <u>2,512</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: 1,965,501
- 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>1,734,489</u> |
| ▪ Ineligible Miles (Non-Route/Disapproved) | <u>231,012</u> |
- F. Number of days the district operated the school transportation system during the regular school year: 180
- 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, 2018, 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 December 11, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the Rockwood R-VI School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 the 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.

Keiser, Eck & Braeckel LLP

St. Louis, Missouri
December 11, 2018

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, 2018. 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 the 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 the 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, 2018.

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 a 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
December 11, 2018

ROCKWOOD R-VI SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor / Pass-Through Grantor / Program Cluster or Title	Federal CFDA Number	Pass- Through Identification Number	Expenditures
U.S. Department of Education			
Passed-through Missouri Department of Elementary and Secondary Education:			
Special Education Grants to States	84.027	096-091	\$ 706,335
Special Education Preschool Grants	84.173	096-091	200,540
			<hr/>
Special Education Cluster			906,875
Career and Technical Education - Basic Grants to States	84.048	096-091	144,538
Title I Grants to Local Educational Agencies	84.010	096-091	1,128,794
Improving Teacher Quality State Grants	84.367	096-091	291,451
English Language Acquisition State Grants	84.365	096-091	52,437
Student Support and Academic Enrichment Program	84.424	096-091	12,507
Grants for State Assessments and Related Activities	84.369	096-091	409
Total U.S. Department of Education			<hr/> 2,537,011
U.S. Department of Health and Human Services			
Passed-through Missouri Department of Social Services			
Drug-Free Communities Support Program Grants	93.276	N/A	109,502
Total U.S. Department of Health and Human Services			<hr/> 109,502
U.S. Department of Air Force			
Passed-through Missouri Department of Elementary and Secondary Education:			
Buffer Zone Protection Program	97.078	096-091	120,061
Total U.S. Department of Air Force			<hr/> 120,061
U.S. Department of Agriculture			
Passed-through Missouri Department of Elementary and Secondary Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	096-091	402,028
National School Lunch Program	10.555	096-091	
Cash assistance			1,705,298
Non-cash assistance (food distribution)			487,605
Total National School Lunch Program			<hr/> 2,192,903
Total U.S. Department of Agriculture and Child Nutrition Cluster			<hr/> 2,594,931
TOTAL EXPENDITURES OF FEDERAL AWARDS			<hr/> \$ 5,361,505 <hr/>

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, 2018

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, 2018. 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, 2018

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>
Child Nutrition Cluster	10.553, 10.555

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, 2018

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.