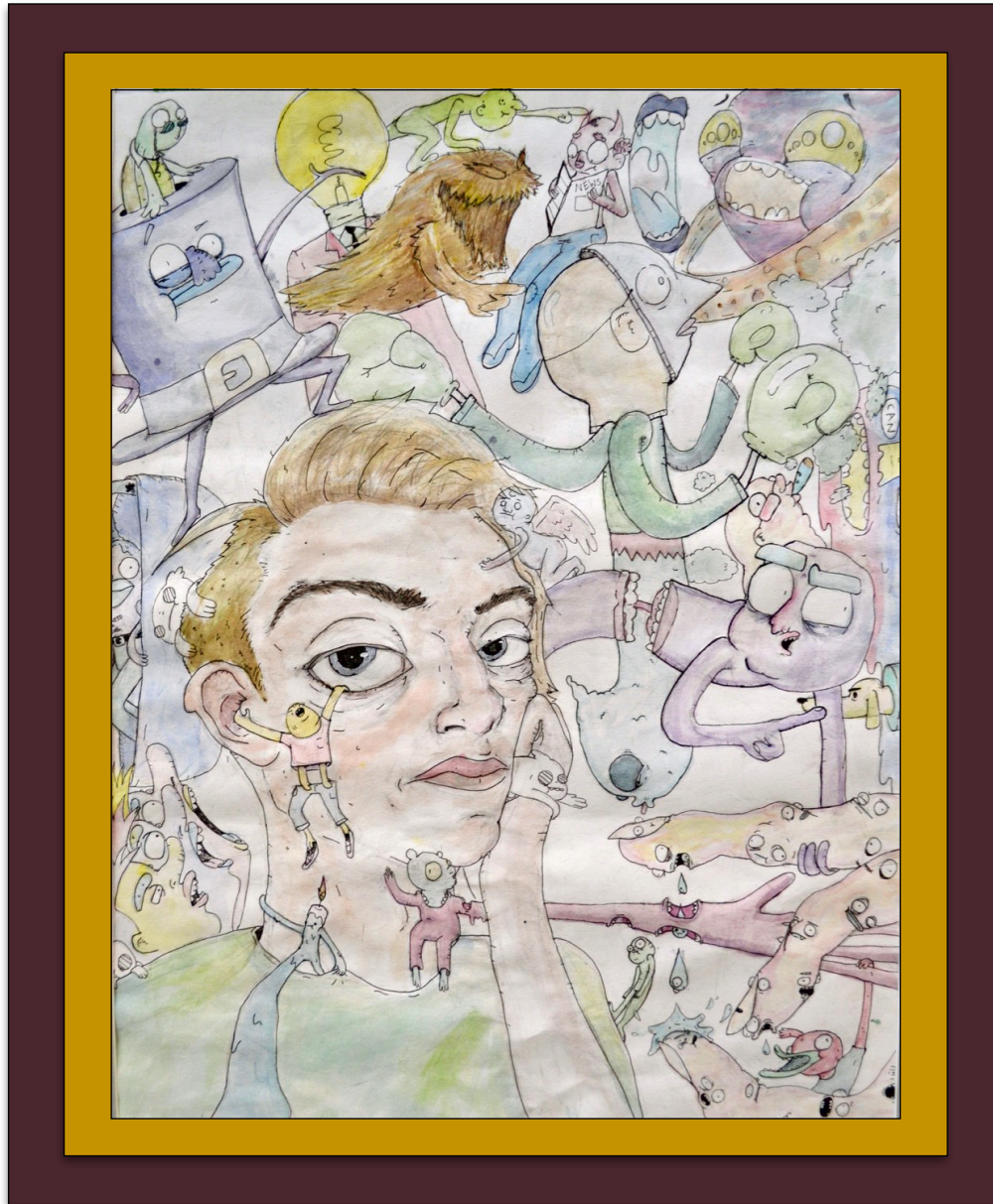


# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2017



*Ben Krampitz*  
Grade 11

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



*Julia Riveiro*  
Grade 1

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

# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2017

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



*World Premier of  
"A Kensington Story"*

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





**Rocky River City School District**  
*Comprehensive Annual Financial Report*  
*For the Fiscal Year Ended June 30, 2017*  
*Table of Contents*

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<b>Title Page</b>	Page
Table of Contents .....	i - iv
 <b>I. Introductory Section</b>	
Letter of Transmittal .....	1
List of Principal Officials .....	11
Organizational Chart.....	12
GFOA Certificate of Achievement.....	13
 <b>II. Financial Section</b>	
Independent Auditors' Report .....	15
Management's Discussion and Analysis .....	19
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	43
Statement of Activities.....	44
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	45
Reconciliation of Total Governmental Fund Balances to Net Position - Governmental Activities .....	46
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	47
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities.....	48
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) - General Fund .....	50
Statement of Net Position - Proprietary Fund.....	51
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund.....	52
Statement of Cash Flows - Proprietary Fund.....	53
Statement of Fiduciary Net Position - Fiduciary Funds.....	54

Statement of Changes in Fiduciary Net Position - Fiduciary Fund.....	55
Notes to the Basic Financial Statements.....	57
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability:	
School Employees Retirement System (SERS) of Ohio.....	104
State Teachers Retirement System (STRS) of Ohio.....	105
Schedule of District Contributions:	
School Employees Retirement System (SERS) of Ohio.....	106
State Teachers Retirement System (STRS) of Ohio.....	108
Notes to Required Supplementary.....	110
Combining Statements and Individual Fund Schedules:	
Major Funds:	
Fund Descriptions - Major Governmental Funds.....	112
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	113
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - Bond Retirement Fund.....	117
Combining Statements - Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Governmental Funds.....	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	119
Combining Statements and Individual Fund Schedules - Nonmajor Special Revenue Funds:	
Fund Descriptions - Nonmajor Special Revenue Funds.....	120
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	126
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Nonmajor Special Revenue Funds:	
Food Service Fund.....	129
Special Trust Fund.....	130
Other Grants Fund.....	131
District Managed Activity Fund.....	132
Auxiliary Services Fund.....	133
Data Communications Fund.....	134
Miscellaneous State Grants Fund.....	135

Nonmajor Special Revenue Funds (continued):	
Title VI-B Fund .....	136
Title III Fund .....	137
Title I Fund .....	138
Preschool Disability Fund .....	139
Title II-A Fund .....	140
Miscellaneous Federal Grants Fund .....	141
Unclaimed Monies Fund .....	142
Uniform School Supplies Fund .....	143
Building Rotary Fund .....	144
Public School Support Fund .....	145

Combining Statements and Individual Fund Schedules - Nonmajor Capital Projects Fund:

Fund Description - Nonmajor Capital Projects Fund.....	146
Combining Balance Sheet - Nonmajor Capital Projects Funds .....	147
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds .....	148
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Nonmajor Capital Project Fund:	
Permanent Improvements Fund.....	149
Building Fund.....	150

Individual Fund Schedules - Nonmajor Internal Service Fund:

Fund Description - Nonmajor Internal Service Fund .....	152
Schedule of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis):	
Employee 125 Plan/Wellness Fund.....	153

Combining Statement and Individual Fund Schedules - Fiduciary Funds:

Fund Descriptions - Fiduciary Funds .....	154
Schedule of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Non-GAAP Budgetary Basis) - Private-Purpose Trust Fund:	
Special Trust Fund .....	155
Combining Statement of Changes in Assets and Liabilities - Agency Funds .....	156

**III. Statistical Section**

Table of Contents .....	157
Net Position by Component - Last Ten Fiscal Years (Accrual Basis of Accounting) .....	158

Changes in Net Position - Last Ten Fiscal Years (Accrual Basis of Accounting) .....	160
Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) .....	166
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) .....	168
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	170
Direct and Overlapping Property Tax Rates - Last Ten Years .....	172
Principal Taxpayers, Real Estate Tax - December 31, 2016 and December 31, 2007 .....	173
Principal Taxpayers, Tangible Personal Property and Public Utility Property Tax - December 31, 2016 and December 31, 2007.....	174
Property Tax Levies and Collections - Last Ten Fiscal Years .....	176
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years .....	178
Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years .....	179
Direct and Overlapping Governmental Activities Debt - June 30, 2017.....	180
Legal Debt Margin Information - Last Ten Fiscal Years .....	181
Demographic and Economic Statistics - Last Ten Fiscal Years .....	182
Principal Employers - Current Year and Ten Years Ago .....	183
Staffing Statistics, Full Time Equivalents (FTE) by Type and Function - Last Ten Fiscal Years .....	184
Operating Indicators by Function - Last Ten Fiscal Years .....	186
Capital Asset Statistics - Last Ten Fiscal Years .....	188
School Building Information - Last Ten Fiscal Years .....	190
Operating Statistics - Last Ten Fiscal Years .....	192
Certificated Teaching Staff Education, Experience and Average Salary Information - Last Ten Fiscal Years .....	194



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

# Introductory Section



*Ralph the Mouse Roars Into Goldwood Primary School*

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





December 29, 2017

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Rocky River City School District (the “District”) for the fiscal year ended June 30, 2017. This CAFR, which includes financial statements and other financial and statistical data, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

## **The District**

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

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

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

### *Current Organization*

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

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

The District is located in a suburban area west of Cleveland, Ohio and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. The property tax base is primarily residential with a significant amount of retail commercial property. The District serves 2,693 students ranging from Kindergarten through Twelfth Grade. In addition, a wide range of services are provided for preschool-aged children and adults.

## **The Reporting Entity**

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

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

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

The 2010 U.S. Census data reports a population of 20,213 (2016 estimate is 20,265) in the City of Rocky River with 9,762 housing units. The 2007 business census reports a total of 1,987 businesses within the City. The median household income is \$55,322, while the mean household income is \$77,866 (year 2016 data) and the per capita income is \$29,829 (year 2016 data). The median home value is \$215,500 (year 2016 data). In 2012, the median sale price for a home was \$212,500. As of August 2017, the median sale price of a home was \$262,000. Market trends as of August 2017 indicate an increase of \$38,050 (+18%) in median home sales price over the past year.

Per the 2012-2016 American Community Survey 5-Year Estimates, the median age in Rocky River was 37.7 years of age. Per the 2010 U.S. Census, the median age for residents of Rocky River was 43.5 and families (non-single residences) represented 56.5% of the population. Per the 2012-2016 American Community Survey 5-Year Estimates, the racial makeup of the city was 96.1% White, 1.8% African American, 0.7% Asian, 0.2% from other races, and 1.2% multi-racial. Hispanic or Latino of any race was 2.8% of the population.

Per the updated 2010 Demographic Profile Data, there were 9,329 households of which 24.2% had their own children under the age of 18 living with them, 45.8% were married couples living together, 7.7% had a female householder with no husband present, and 43.7% were single/non-family households. 25% of the households were made up of at least one individual under 18 years of age and 36% was made up of at least one individual 65 years of age or older. The average household size was 2.16 and the average family size was 2.95. In the city, the population was spread amongst age groupings with 23.4% under the age of 20, 3.2% from 20 to 24, 9.5% from 25 to 34, 13.1% from 35 to 44, 15.3% from 45 to 54, 13.2% from 55 – 64 and 22.5% who were 65 years of age or older.

<sup>2</sup>Primary sources of data used for this section are [https://www.trulia.com/real\\_estate/44116-Rocky\\_River/market-trends/](https://www.trulia.com/real_estate/44116-Rocky_River/market-trends/) and [http://factfinder2.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](http://factfinder2.census.gov/faces/nav/jsf/pages/community_facts.xhtml) (for zip code 44116)



Additionally, the City had an employed civilian population ages 16 years and over of 9,982 with the occupational makeup being 59.4% management, business, science, and arts occupations, 13.1% Service occupations, 20.7% Sales and office occupations, 2.8% Natural resources, construction, and maintenance occupations, and 4.0% Production, transportation, and material moving occupations. 55.1% of the population has at least a bachelor's degree. Businesses within the community are predominantly retail and service oriented.

The District receives over 72% of its governmental fund revenues from local property tax collections. Therefore, the long-term financial health of the District is very dependent on its tax base. The total assessed valuation of the District's tax duplicate has risen 6.1% over the last ten years. The increased value in the tax duplicate is due primarily to revisions in property values made by the County Auditor every three years as well as some new construction, although assessed values had decreased in more recent years due to the elimination of tangible personal property values from the tax duplicate as well as an overall reduction based on the triennial property update that took effect for collection year 2010 due to the generally depressed market for property values. However, the most recent triennial property update effective January of 2016 helped produce an overall increase of 8% for tax year 2015/collection year 2016 as compared to the January 2015 values.

The City of Rocky River is almost completely developed, so future assessed valuation increases will come primarily from property value changes. There may also be some growth from the demolition of existing commercial and residential building stock and the subsequent redevelopment of such property, as this is becoming increasingly common in fully-developed suburban areas like Rocky River. There are no major manufacturing plants located within the District's boundaries. In terms of assessed dollar value, the largest real property taxpayer owns approximately 2.96% of the total assessed valuation within the District.

## **Major Initiatives - Fiscal Year 2017**

During fiscal year 2017, the District continued working towards the goals as outlined in the District's Strategic Plan that was adopted in fiscal 2009. This strategic plan outlines actions designed to achieve desired outcomes. It is a statement of the Rocky River City School District's mission, beliefs, and goals. It defines what we as a community envision for the future of our schools, and details objectives and strategies to guide us on our journey. Approved by the Board of Education on June 25, 2009, this Plan is meant to serve as the compass by which the District will chart its course for the next ten years. As the 2014-15 school year was the mid-point of the ten year strategic plan lifecycle, the District undertook a comprehensive update process to realign and adjust the functional strategic area results that will be achieved by 2019. The Strategic Plan, as adopted and amended, is as follows:

### **BELIEFS**

We believe ...

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

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

## **STRATEGIC OBJECTIVES**

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

## **COMMUNICATIONS**

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

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

## **CURRICULUM and CO-CURRICULUM**

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

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

## **FACILITIES**

Continue to improve and maintain facilities that meet our mission.

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

## **FINANCE**

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

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

## **HUMAN RESOURCES**

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

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

## **TECHNOLOGY**

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

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

## **Goals for 2018**

One of the primary goals for 2018 is to continue the implementation components of the aforementioned Strategic Plan to address the realigned and updated results for the functional strategic areas.

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

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



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

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

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

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

Effective January 1, 2014, the Board of Education made a policy decision to move ½-mill of inside property tax millage to the permanent improvement fund from the general fund. Permanent improvement fund expenditures are generally restricted to significant capital improvements and equipment purchases with an estimated useful life of five years or longer. This inside millage is expected to generate approximately \$392,000 annually based on the District's expected valuation for collection year 2018.

## **Long-Term Financial Planning**

As part of the District's long-term planning, the Treasurer/CFO prepares a five-year financial forecast. This document provides a snapshot of historical and projected revenues and expense over the next five years and is accompanied by financial assumption notes. The Board of Education reviews this document on a semi-annual basis for changes that might impact their financial decisions. Further, the Treasurer/CFO meets at least semi-annually with a citizens finance committee comprised of residents that have a financial, business, legal and/or governmental background. This committee reviews the five-year forecast and other financial issues confronting the District and may offer suggestions and recommendations for the Treasurer/CFO to present to the Board of Education.

The Treasurer/CFO also prepares and updates a five year capital/permanent improvement forecast that is periodically reviewed and updated by the Board of Education and Administration to aid in long-term capital planning.

A formal policy was adopted by the Board of Education during fiscal year 2014 to reserve and restrict a minimum level of operating cash in order to mitigate the risk of a funding shortfall and to comply with best practices as established by the Government Finance Officers Association and other reputable sources as they related to sound fiscal management of an organization. The current intent is to reserve a minimum of \$175,000 per year until an amount equal to 2 mills of property valuation is reached (approximately \$1.57 million based on the expected property valuation for collection year 2018). Further, the Board policy requires a majority vote to release any reserved funds upon recommendation of the Superintendent. The Board and Administration will also look at opportunities to accelerate the funding of this reserve amount based on significant and unexpected one-time revenue sources or significant unanticipated savings from various budget areas, or by other means, as this acceleration is specifically called for as part of the realigned and updated strategic plan results mentioned previously.

## **Financial Information**

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

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

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

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

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

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

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

### ***Financial Reporting***

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

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

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

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

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion is presented in the financial section of this report and provides an assessment of the District finances for fiscal year 2017. This transmittal letter is intended to be read in conjunction with the District's MD&A.

### **Independent Audit**

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the District's accounting and budgetary controls. The Auditor of State of Ohio rendered an opinion on the District's financial statements as of and for the year ended June 30, 2017. The opinion appears at the beginning of the financial section of this report.

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

## Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting to the Rocky River City School District for its comprehensive annual financial report (CAFR) for the year ended June 30, 2016.

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

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

## Acknowledgments

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

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

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

Respectfully Submitted,



Greg R. Markus, CPA  
Treasurer/CFO



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

**Rocky River City School District**

*Principal Officials*

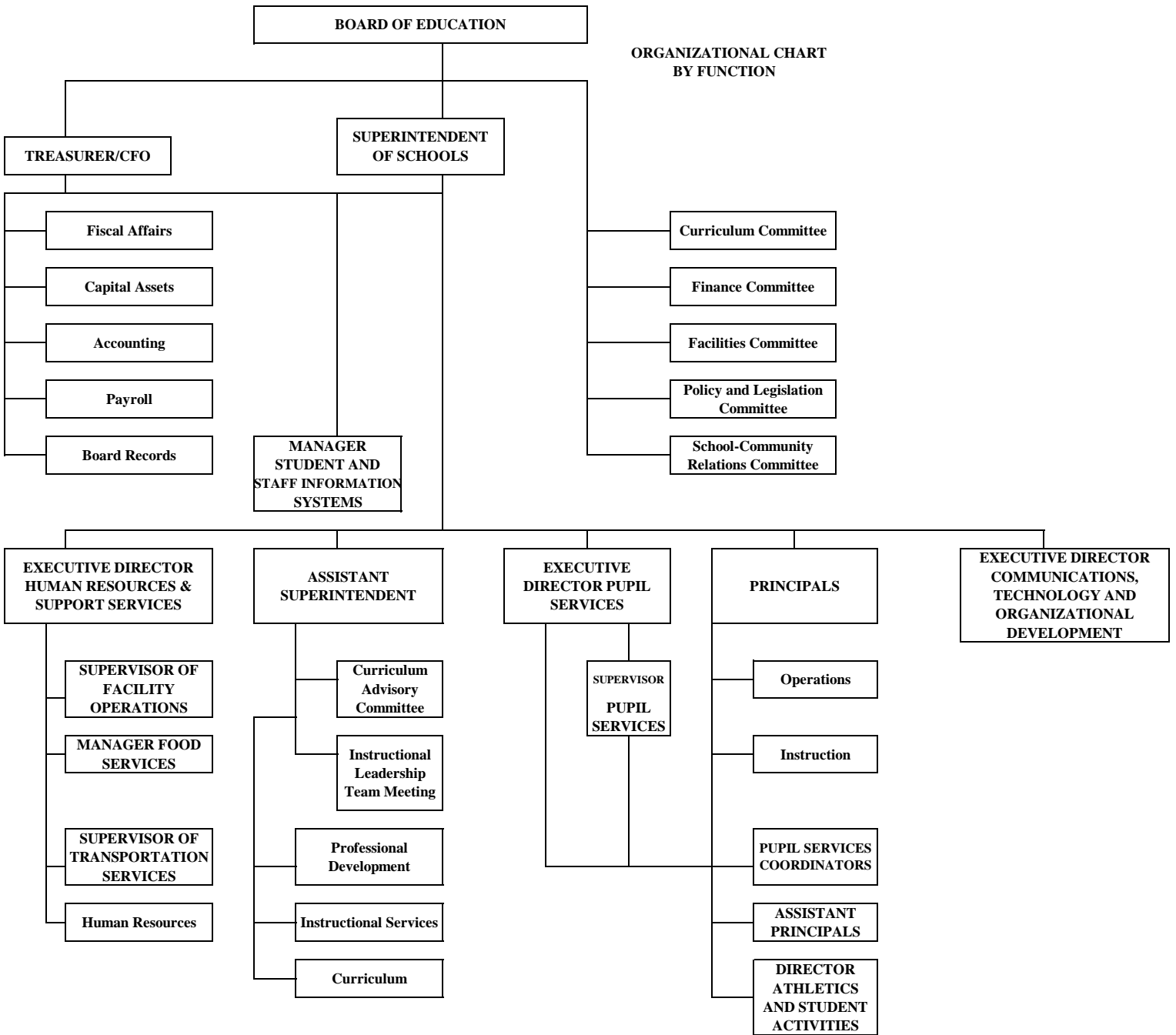
*June 30, 2017*

***Board of Education***

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

***Administration***

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





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**Rocky River City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



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

# Financial Section



**RRHS Drama Department's**  
*Legally Blonde*

**Winner of 2017 Dazzle Awards**  
*Best Musical (Tier 1)*

***Best Actor - Brandon Schumacker***

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





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Rocky River City School District  
Cuyahoga County  
1101 Morewood Parkway  
Rocky River, Ohio 44116

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rocky River City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

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

*Supplementary and Other Information*

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 29, 2017

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

The discussion and analysis of Rocky River City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2017 are as follows:

In total, net position of the governmental activities decreased \$5.7 million from a deficit balance of \$27.9 million at June 30, 2016 to a deficit of \$33.6 million at June 30, 2017.

Total governmental activities revenues decreased \$5.2 million and total governmental activities expenses increased \$4.5 million for fiscal year 2017.

Program revenue, revenue from specific fees and grants, increased to 11.18 percent of all revenue from 9.47 percent in 2016. Over 88 percent of governmental activities revenues come from general revenues, primarily property taxes.

Total capital assets, net decreased from \$54.4 million at June 30, 2016 to \$52.7 million at June 30, 2017.

The District's outstanding long-term obligations increased to \$117.7 million at June 30, 2017 from \$102.8 million at June 30, 2016.

The District's major governmental funds are the general fund and bond retirement fund. The general fund had \$33.2 million in revenues and other financing sources and \$36.8 million in expenditures and other financing uses. During fiscal 2017, the general fund's fund balance decreased \$3.6 million, from a balance of \$11.0 million to a balance of \$7.4 million.

The bond retirement fund had \$12.9 million in revenues and other financing sources and \$13.1 million expenditures and other financing uses. During fiscal 2017, the bond retirement fund's fund balance decreased \$0.2 million from \$5.0 million to \$4.8 million.

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

**Reporting the District as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

*Fund Financial Statements*

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

*Governmental Funds*

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

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* is reconciled in the financial statements. The basic governmental fund financial statements can be found on pages 45-50 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

*Proprietary Funds*

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for employee benefit programs. The basic proprietary fund financial statements can be found on pages 51-53 of this report.

*Fiduciary Funds*

The District is a trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position on pages 54 and 55. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 57-101 of this report.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability. The required supplementary information can be found on pages 104-110 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. Table 1 below provides a summary of the District's net position for 2017, 2016 and 2015.

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

	Governmental Activities 2017	Governmental Activities 2016	Governmental Activities 2015
<b><u>Assets</u></b>			
Current and other assets	\$ 48.8	\$ 45.9	\$ 44.6
Capital assets, net	52.7	54.4	56.3
Total assets	<u>101.5</u>	<u>100.3</u>	<u>100.9</u>
<b><u>Deferred outflows of resources</u></b>			
Unamortized deferred charges	1.2	0.3	0.3
Pension	14.5	5.6	3.3
Total deferred outflows of resources	<u>15.7</u>	<u>5.9</u>	<u>3.6</u>
<b><u>Liabilities</u></b>			
Current liabilities	5.0	5.0	4.8
Long-term liabilities:			
Due within one year	4.7	3.4	3.3
Due in more than one year:			
Net pension liability	66.1	51.0	44.8
Other amounts	46.9	48.4	51.0
Total liabilities	<u>122.7</u>	<u>107.8</u>	<u>103.9</u>
<b><u>Deferred inflows of resources</u></b>			
Property taxes and PILOTS	28.0	22.8	24.4
Pensions	0.1	3.5	8.1
Total deferred inflows of resources	<u>28.1</u>	<u>26.3</u>	<u>32.5</u>
<b><u>Net Position</u></b>			
Net investment in capital assets	7.4	8.0	7.0
Restricted	6.3	5.4	4.5
Unrestricted (deficit)	(47.3)	(41.3)	(43.4)
Total net position (deficit)	<u>\$ (33.6)</u>	<u>\$ (27.9)</u>	<u>\$ (31.9)</u>

*Net Pension Liability*

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2017, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB 27." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

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

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

In conclusion, the adoption of GASB Statement No. 68 requires the reader to perform additional calculations to determine the District's total net position at June 30, 2017 without the implementation of GASB Statement No. 68. This is an important exercise, as the State Pension Systems (STRS & SERS) collect, hold and distributes pensions to our employees, not the Rocky River City School District. These calculations are as follows (amounts in millions):

Table 1: Total Net Position (with GASB 68)	\$	(33.6)
GASB 68 Calculations:		
Add Deferred Inflows related to Pension		0.1
Add Net Pension Liability		66.1
Less Deferred Outflows related to Pension		<u>(14.5)</u>
Total Net Position (without GASB 68)	<u>\$</u>	<u>18.1</u>

*Total Assets and Deferred Outflows of Resources* increased by \$11.0 million. Current assets increased \$2.9 million primarily due to an increase in equity in pooled cash and investments of \$2.0 million. Capital assets decreased by \$1.7 million as depreciation expense exceeded capital additions. The District acquired \$1.5 million in capital assets in fiscal 2017 but the related depreciation expenses related to the capital assets was \$3.2 million for fiscal 2017. Deferred outflows related the District's net pension liability increased \$8.9 million from fiscal 2016.

*Total Liabilities and Deferred Inflows of Resources* increased by \$16.7 million. Long-term liabilities increased \$14.9 million as the District's net pension liability increased \$15.0 million in fiscal year 2017. This increase was offset by \$3.0 million in principal payments on long-term debt. Current liabilities stayed the same as June 30, 2016. Deferred inflows related the District's net pension liability decreased \$3.4 million from fiscal 2016. Long-term liabilities increased as a result of an increase in the net pension liability discussed above. In relation to its effect on net position, the impact of the increase in the net pension liability is partially offset by an increase in deferred outflows of resources related to pension and a decrease in deferred inflows of resources related to pension. These factors are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions to District employees, not the District.

The restricted portion of net position of \$6.3 million at June 30, 2017 was an increase of \$0.8 million from June 30, 2016.



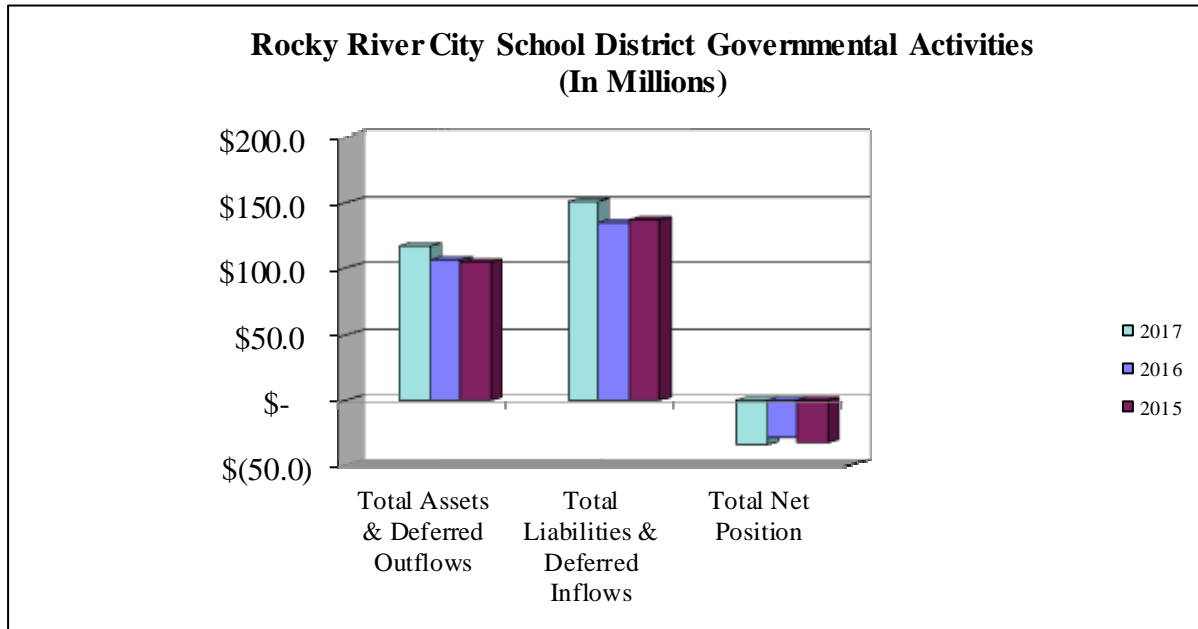
**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

Graph 1 below shows the District's governmental activities assets, liabilities, deferred inflows and net position for fiscal year 2017, 2016 and 2015.

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

	2017	2016	2015
Total Assets & deferred outflows	\$117.2	\$106.2	\$104.5
Total Liabilities & deferred inflows	150.8	134.1	136.4
Total Net Position	(\$33.6)	(\$27.9)	(\$31.9)



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

Table 2 below shows the change in net position for fiscal years 2017, 2016 and 2015.

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

	Governmental Activities		
	2017	2016	2015
<b><u>Revenues</u></b>			
Program revenues:			
Charges for Services and Sales	\$ 1.4	\$ 1.4	\$ 1.6
Operating Grants and Contributions	3.3	3.1	3.1
Capital Grants and Contributions	-	-	0.1
General revenues:			
Property Taxes	30.8	36.3	34.0
Grants and Entitlements	6.5	6.4	6.7
Other	0.3	0.3	0.3
Total revenues	<u>42.3</u>	<u>47.5</u>	<u>45.8</u>
<b><u>Expenses</u></b>			
Program expenses:			
Instruction	27.1	23.7	22.8
Support Services:			
Pupils and Instructional staff	3.8	3.2	3.2
Board of Education, Administration, Fiscal and Business	4.4	4.2	4.1
Operations and Maintenance of Plant	3.8	3.9	3.9
Pupil Transportation	1.8	1.7	1.9
Central	1.2	1.1	1.1
Operation of Non-Instructional Services:			
Food Service Operations	0.5	0.5	0.4
Other Non-Instructional Services	1.7	1.5	1.7
Extracurricular Activities	1.8	1.7	1.9
Interest and Fiscal Charges	1.9	2.0	2.6
Total expenses	<u>48.0</u>	<u>43.5</u>	<u>43.6</u>
Change in Net Position	(5.7)	4.0	2.2
Net Position, at beginning of year	<u>(27.9)</u>	<u>(31.9)</u>	<u>(34.1)</u>
Net Position, at end of year	<u><u>(33.6)</u></u>	<u><u>(27.9)</u></u>	<u><u>(31.9)</u></u>

**Governmental Activities**

During fiscal year 2017, change in net position decreased \$5.7 million compared to a \$4.0 million increase in fiscal year 2016.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

Total revenue for *governmental activities* decreased \$5.2 million primarily due to a decrease in property tax revenue. The District's property taxes decreased \$5.5 million in 2017 due primarily to fluctuations in taxes collected by the Cuyahoga County fiscal officer and available as advance at year-end. The amount collected and available as advance for the fiscal year end June 30, 2017 and June 30, 2016 was \$5.7 million and \$10.2 million, respectively. This amount is recorded as revenue in the respective fiscal year. The amount collected and available for advance can vary depending upon when tax bills are sent.

Total expenses for *governmental activities* increased \$4.5 million. Pension expense was the primary reason for the increase in expenses. Pension expense for fiscal year 2017 was \$5.9 million compared to \$2.4 million for fiscal year 2016. Pension expense is reported as a program expense of the program benefitting from the employee's service.

Instruction expenses increased \$3.5 million primarily due increased expenses related to the instruction of students with special needs. This area accounts for 56.47 percent of the District's governmental activities expenses for 2017.

Support services expenses increased \$0.9 million primarily due to an increase in pupil and instructional staff expenses. The increase is due to more pupil support services in 2017. Support services account for 31.30 percent of District's governmental activities expenses for 2017.

Interest expenses decreased \$0.1 million as the District realized interest savings from refunding bond transactions which occurred in fiscal 2017. These refunding transactions replaced higher interest rate bonds with lower interest rate bonds.

Program revenue support for governmental activities increased from 2016. The percent of program revenue support increased to 11.18 percent from 9.53 percent in 2016. The vast majority of revenue supporting governmental activities, almost 88.82 percent, continues to be general revenue. 72.85 percent of total revenue, \$30.8 million for 2017, was property taxes paid by the residents in the District. Only \$6.5 million (15.30 percent of total revenue) came from unrestricted state or federal sources (general revenue source).

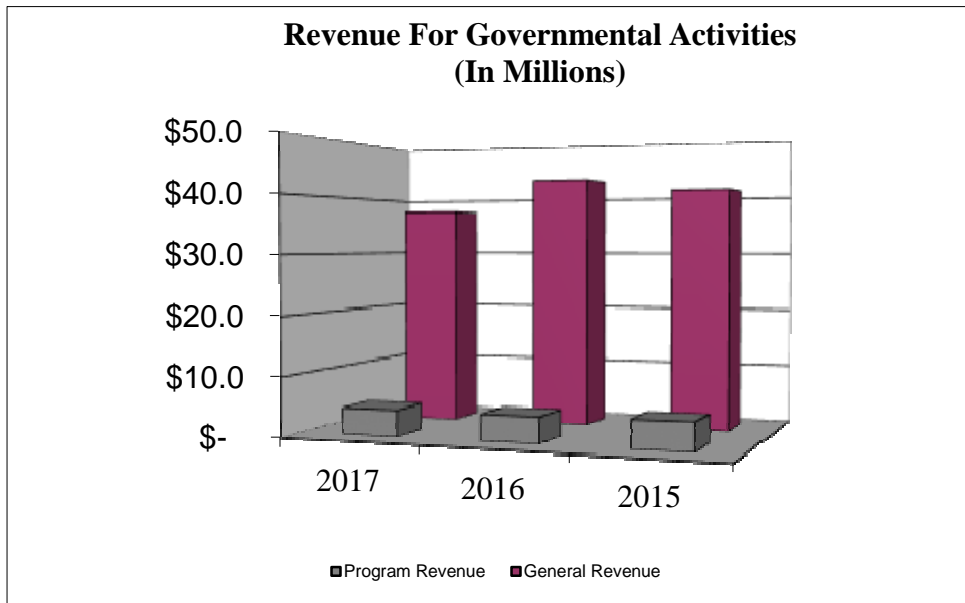
**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

Graph 2 below shows a comparison of program revenues versus general revenue for the governmental activities for fiscal year 2017, 2016 and 2015.

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

	2017	2016	2015
Program Revenue	\$4.7	\$4.5	\$4.8
General Revenue	37.6	43.0	41.0



The District’s property taxes decreased \$5.5 million in 2017 due to fluctuations in taxes collected by the Cuyahoga County fiscal officer and available as advance at year-end. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become 0.5 mills and the owner would still pay \$35.00. Thus, Districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 72.85 percent of revenues for governmental activities for District in fiscal year 2017.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

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

Table 3 below shows the governmental activities total cost of services and net cost of services for fiscal year 2017, 2016 and 2015.

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

	2017		2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 27.1	\$ 25.7	\$ 23.7	\$ 22.5	\$ 22.8	\$ 21.5
Support Services:						
Pupils and Instructional Staff	3.8	3.4	3.2	2.8	3.2	2.8
Board of Education, Administration, Fiscal and Business	4.4	4.3	4.2	4.2	4.1	4.1
Operation and Maintenance	3.8	3.7	3.9	3.7	3.9	3.5
Pupil Transportation	1.8	1.5	1.7	1.5	1.9	1.7
Central	1.2	1.2	1.1	1.1	1.1	1.1
Operation of Non-Instructional Services:						
Food Service Operations	0.5	0.0	0.5	0.0	0.4	0.0
Other Non-Instructional Services	1.7	0.1	1.5	0.0	1.7	0.1
Extracurricular Activities	1.8	1.5	1.7	1.2	1.9	1.4
Interest and Fiscal Charges	1.9	1.9	2.0	2.0	2.6	2.6
<b>Total</b>	<b>\$ 48.0</b>	<b>\$ 43.3</b>	<b>\$ 43.5</b>	<b>\$ 39.0</b>	<b>\$ 43.6</b>	<b>\$ 38.8</b>

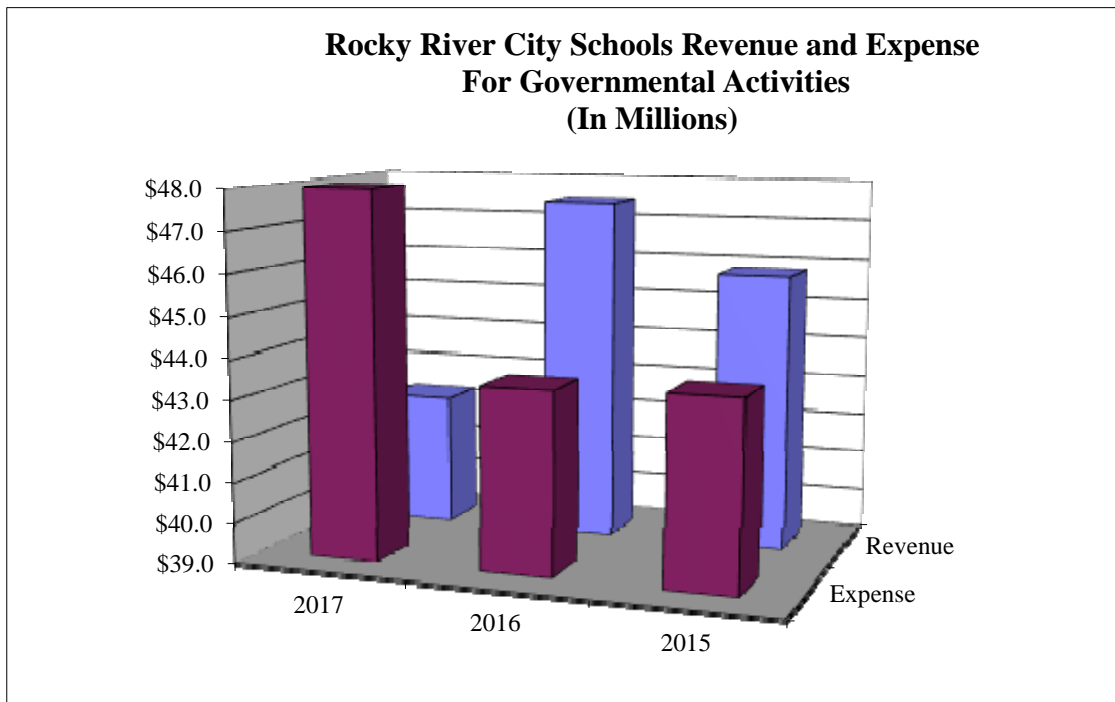
**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

Graph 3 below shows the governmental activities revenues and expenses for fiscal year 2017, 2016 and 2015.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenue	\$42.3	\$47.5	\$45.8
Expense	48.0	43.5	43.6



Program revenue for governmental activities in 2016 was \$4.5 million, or 9.55 percent of all revenue. For 2017, program revenue was \$4.7 million, or 11.18 percent of all revenue. The largest expense area was instruction, comprising \$27.1 million, 56.47 percent of all governmental activity expenses.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

**The District's Governmental Funds**

The District's major governmental funds are reported on pages 45 and 47. All governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$52.7 million and expenditures and other financing uses of \$55.0 million. The net change in fund balance for the year was most significant in the general fund. In addition, the general fund balance decreased \$3.6 million as revenues did not exceed expenditures. Expenses increased \$0.9 million from 2016. The only significant expenditure increase in the general fund was in the area of special instruction which increased 8.34% due to increased costs associated to the education of special needs students. The fund balance of the bond retirement fund decreased \$204,981. Principal retirement in the bond retirement changed as the District's principle payments on debt increased in fiscal year 2017.

*General Fund Budgeting Highlights*

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

During the course of fiscal 2017, the District amended its general fund budget numerous times, none significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was \$0.4 million higher than the original budget estimates of \$36.5 million. Final budgeted revenues were \$36.9 million which was the same as actual budget basis revenues of \$36.9 million.

Total expenditures on the budget basis (cash outlays plus encumbrances) were \$37.1 million. Actual expenditures were less than original budgeted expenditures of \$37.4 million and \$0.4 million less than final budgeted expenditures of \$37.5 million. The actual expenditures were less than the final budgeted amounts primarily due to less than anticipated spending on support services.

The general fund budgetary statement can be found on page 50.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

**Capital Assets and Debt Administration**

*Capital Assets*

Table 4 below reports the District's capital assets, net of accumulated depreciation, for fiscal year 2017, 2016 and 2015.

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

	Governmental Activities		
	2017	2016	2015
Land	\$0.8	\$0.8	\$0.8
Construction in progress	0.6	0.0	0.0
Land Improvements	3.5	3.7	3.8
Building/Improvements	45.0	47.3	49.3
Furniture/Equipment	1.8	1.8	1.7
Vehicles	1.0	0.8	0.7
<i>Total</i>	\$52.7	\$54.4	\$56.3

At the end of fiscal 2017, the District had \$52.7 million in total capital assets. This is the value of land, construction in progress, land improvements, building/improvements, furniture/equipment and vehicles after depreciation is taken off their value. The largest component of these capital assets is building/improvements.

Total capital assets decreased from \$54.4 million in 2016 to \$52.7 million for 2017. This decrease was the result of depreciation expense exceeding capital acquisitions. The District acquired \$1.5 million in capital assets in fiscal 2017. For additional information on capital assets, see Note 10 to the basic financial statements.



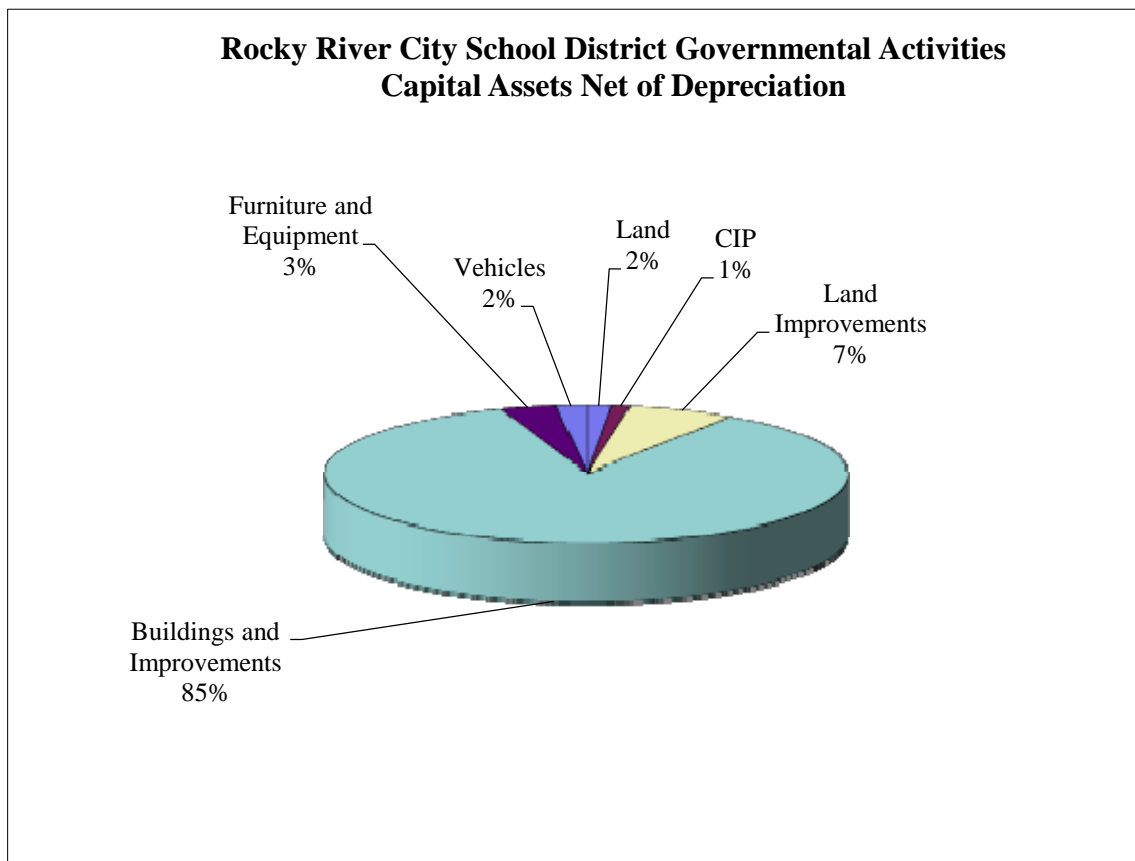
**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

Graph 4 below shows the governmental activities capital assets by category and the percentage to total assets for each category for capital assets, net at June 30, 2017.

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

	June 30, 2017
Land	\$0.8
Construction in Progress	0.6
Land Improvements	3.5
Building/Improvements	45.0
Furniture/Equipment	1.8
Vehicles	1.0
	1.0
Total	\$52.7



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

**Debt**

At June 30, 2017, the District had \$42.6 million in bonds outstanding. Table 5 below summarizes the District's bonds outstanding at June 30, 2017, 2016 and 2015.

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

**Rounded**

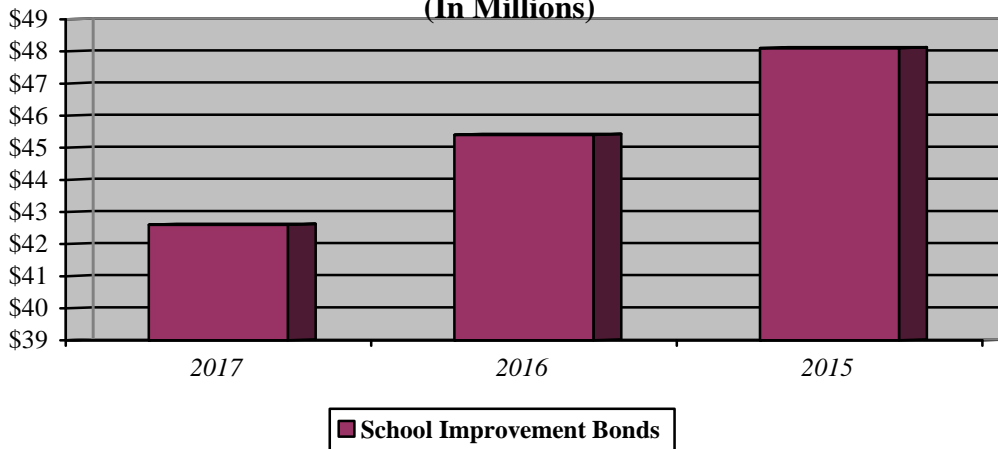
	Governmental Activities		
	2017	2016	2015
School Building General Obligation Bonds	\$42.6	\$45.4	\$48.1

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

The School Building Improvement Bonds were issued following passage of the bond issue in May 2010. The bonds were issued in September 2010 in the amount of \$42.9 million. The proceeds of the issue is funding the construction project in the District. During 2015 the District refunded a portion of the Series 2010 bonds with the Series 2014 School Improvement bonds in the amount of \$28.3 million. During 2017 the District refunded a portion of the Series 2014 bonds with the Series 2017 School Improvement bonds in the amount of \$7.4 million.

For additional information on debt, see Note 12 to the basic financial statements. Graph 5 below shows the District's outstanding bonded debt at June 30, 2017, 2016 and 2015.

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



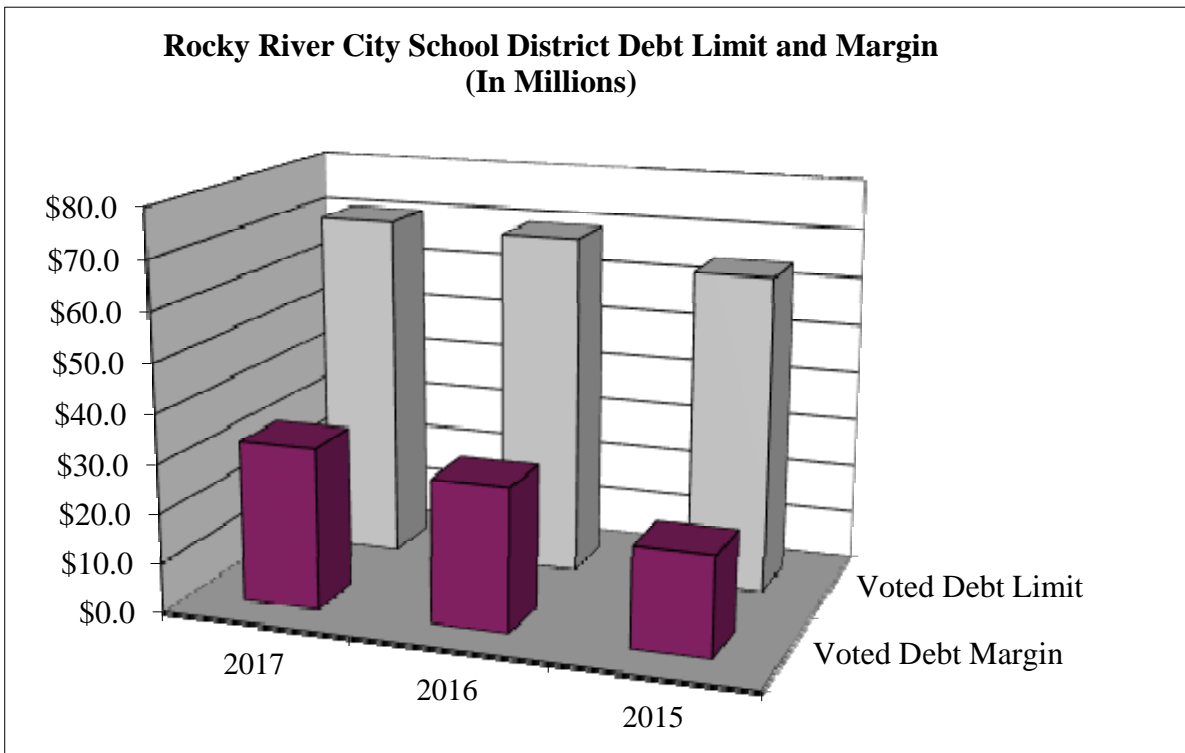
**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

Graph 6 below shows the District's legal debt limit and debt margin at June 30, 2017, 2016 and 2015.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Voted Debt Limit	\$70.5	\$69.4	\$64.3
Voted Debt Margin	32.9	29.2	20.4



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

**District Outlook**

After several years of navigating financial challenges based on the current state of the economy and the continued erosion of state funding support, the Rocky River City School District is back on solid financial footing for the foreseeable future. As the preceding information shows, the District heavily depends on its property taxpayers. An operating levy of 4.9 mills was passed back in November of 2012 for a continuing period of time that has sustained the District's programming and operations through fiscal year 2017. This levy was planned to enable the District to continue its currently excellent education program level for a three-year levy cycle. However, with the continued emphasis on controlling costs and becoming more efficient with available resources, the District was able to stretch the planned three-year levy cycle to five years. This was in spite of a loss of over \$800,000 in State of Ohio funding starting in July of 2012.

Due to the need for additional operating funds for programming and ongoing capital needs, the Board of Education placed a combined 4.4 mill operating/0.5 mill permanent improvement levy on the May 2017 primary ballot that ultimately passed by a wide margin. This levy is projected to produce an estimated \$3.44 million annually to fund the Districts educational programs and operations for the next 3 – 4 years, as well as produce approximately \$390,000 for permanent improvement/capital needs.

In looking forward to major expenditure areas, the District's personnel contracts and policies would be the main drivers. In March 2014, the District and both bargaining units agreed to a three-year contract for fiscal years 2015 through 2017 that included a base salary increase of 1.75% annually and retained step/experience increments. These agreements also called for significant, additional concessions in health care. Then in April and May of 2016, the District agreed to a two-year contract extension with both the teacher's bargaining unit and classified OAPSE bargaining unit, respectively, to become effective on July 1, 2017. These extensions include base salary increases of 2% annually and retained step/experience increments from the prior contract. These provisions have been applied to all non-bargaining employees as well. These extensions provide labor certainty going forward and will allow the District to plan its finances accordingly.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

The District also reduced projected salary costs by hiring in certificated staff replacements at a lower placement on the teacher salary schedule wherever possible. This was significant going into fiscal year 2012 as the District had 23 employees (17 teachers, one administrator and five support staff) retire as of the end of fiscal year 2011, producing over \$700,000 in first-year savings for the District. The District continues to look for cost savings measures as we move forward to FY 18 through re-calibration of personnel levels based on student enrollment and programmatic needs as well as other operational efficiencies.

Some of the District's facilities were in need of significant repairs and remodeling/redesign in order to be brought up to acceptable standards. Since the District did not, at the time, have a dedicated revenue stream or other resources to address these issues, the Board of Education placed a \$42.9 million bond levy before the voters in May of 2010 that passed by a significant margin. The plan for the use of these funds was a comprehensive one that covered the upgrade of virtually all buildings in the District (physical plant upgrades for the primary, intermediate and high schools and technology upgrades for the middle school) with the main emphasis being placed on the renovation and expansion of Rocky River High School to meet the needs of our students in order to provide them a 21st Century education. The construction phase for the renovated Board of Education administrative offices was substantially completed by July 15, 2011. The construction phases for Goldwood Primary School and Kensington Intermediate School were substantially completed by April, 2013 and December, 2012, respectively. The High School was substantially completed for the beginning of the 2013-14 school year in late August of 2013.

The bonds were subsequently issued in September of 2010 and included near zero-interest Qualified School Construction Bonds (QSCB's) and 35% rebateable Build America Bonds (BAB's) as authorized by the federal ARRA as well as traditional tax-exempt bonds. The BAB portion of the 2010 bond issue was refunded in December 2014, yielding a net present value savings to the District of just over \$1.1 million over the life of the bonds. A portion of these bonds (\$7.44MM) were then advanced refunded in March of 2017 for a net present value savings to the District of \$632,000. This most recent refunding was made possible by the upcoming payoff of the District's 1998 bond issue in December 2017, the District's strong credit rating and favorable market conditions.

As mentioned previously, the District passed new millage in May of 2017 that included a portion (0.5 mill) dedicated for permanent improvements. The District also receives funding from 0.5 mill of inside millage that was moved to permanent improvement purposes back in 2014 as well as net lease revenue from the long-term lease of a district facility currently not needed for educational purposes. The District continues to work on smaller scale capital projects and major equipment replacements that were not addressed with the aforementioned bond issue and plans to pay for these from available cash in the permanent improvement fund produced by the inside millage and net lease revenue along with resources to be generated from the new 0.5 mill permanent improvement levy. This may include possible borrowing against this revenue stream in the form of tax anticipation notes or lease/purchase arrangements to address energy conservation and other needed improvements.

Educationally, the District continues to perform at the highest level as determined by the State of Ohio, which is measured by an objectively defined set of criteria. The District's Performance Index Score (a weighted average of State "report card" performance levels across subject areas and each tested grade) was 108.1 in 2009-10, 110.9 in 2010-11, 110.8 in 2011-12, 111.5 in 2012-13, 111.3 in 2013-14, 106.5 in 2014-15, 107.1 in 2015-16 and 109.4 in 2016-17. The 109.4 earned for 2016-17 ranked second overall in the State of Ohio and second in Cuyahoga County. The four-year graduation rate for academic year 2015-16 was 99.1%, resulting in a grade of A from the State of Ohio.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

In its assessments for academic year 2012-13, the State began implementing a number of changes in the way in which the performance of its school districts and their individual schools is to be measured and reported. The former designations, such as "Excellent" as described above, have been replaced with letter grades on performance indicators and several new measures. This new reporting is being phased in over several years. The four components initially included on the new report card are Achievement (measuring absolute academic achievement compared to national standards of success), Progress (measuring the average annual improvement for each student), Gap Closing (measuring how well a school district or school is doing in narrowing gaps in reading, math and graduation rate among students according to socioeconomic, racial, ethnic or disability status) and Graduation Rate (measuring the percentage of students who entered the 9th grade and graduated in four and five years). Two additional components, K-3 Literacy (measuring the improvement in reading for students in kindergarten through 3rd grade) and Prepared for Success (measuring whether students who graduate are prepared for college or a career), were added for the 2015-16 academic year. The District's overall component grade for achievement for 2016-17 was an A.

The breakdown of the District's final student test results and performance index for the 2016-17 academic year from the Ohio Department of Education is summarized in the following chart:

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)

**2017 Achievement Results for  
Rocky River City  
State Test Indicators Met**

		# Students Took Test	# At Least Proficient	% Proficient	State Standard	State Indicator Met?
<b>3rd Grade</b>	Reading	196	176	89.8%	80.0%	MET 
	Mathematics	196	189	96.4%	80.0%	MET 
<b>4th Grade</b>	Reading	193	184	95.3%	80.0%	MET 
	Mathematics	193	191	99.0%	80.0%	MET 
	Social Studies	193	192	99.5%	80.0%	MET 
<b>5th Grade</b>	Reading	209	202	96.7%	80.0%	MET 
	Mathematics	209	196	93.8%	80.0%	MET 
	Science	208	204	98.1%	80.0%	MET 
<b>6th Grade</b>	Reading	232	210	90.5%	80.0%	MET 
	Mathematics	222	198	89.2%	80.0%	MET 
	Social Studies	232	218	94.0%	80.0%	MET 
<b>7th Grade</b>	Reading	218	198	90.8%	80.0%	MET 
	Mathematics	194	176	90.7%	80.0%	MET 
<b>8th Grade</b>	Reading	209	179	85.6%	80.0%	MET 
	Mathematics	118	104	88.1%	80.0%	MET 
	Science	209	191	91.4%	80.0%	MET 
<b>High School</b>	Government	205	195	95.1%	80.0%	MET 
	History	214	201	93.9%	80.0%	MET 
	English I	224	200	89.3%	80.0%	MET 
	English II	218	196	89.9%	80.0%	MET 
	Algebra I	231	215	93.1%	80.0%	MET 
	Geometry	221	190	86.0%	80.0%	MET 
	Biology	217	197	90.8%	80.0%	MET 

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

The District also continued moving forward in fiscal 2017 with its strategic plan that was adopted in June of 2009. This has been the “roadmap” that the District has used to continue to move ahead in all areas of its operation. This plan was updated as part of a mid-term update in the spring of 2015 through the collaborative efforts of district board members, administration, parents and other interested community members and resulted in updated “action plan results” for the strategic areas of communications, curriculum & co-curriculum, facilities, finance, human resources and technology.

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

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

Amended Substitute House Bill 49, the State of Ohio’s biennial budget bill, covering fiscal years’ 2018 and 2019, was passed into law in June of 2017 to take effect on July 1, 2017. This budget bill allows for funding of public schools for the biennium. The effect on the Rocky River City Schools will be minimal as the base per-student funding amount increases very minimally, and the legislation contains a guarantee of FY 17 funding levels if any student enrollment decrease between FY 2014 and 2016 is less than 5%.

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



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017  
(UNAUDITED)**

**Contacting the District's Financial Management**

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

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

STATEMENT OF NET POSITION  
JUNE 30, 2017

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 13,278,600
Receivables:	
Property taxes . . . . .	35,002,464
Accounts . . . . .	41,089
Accrued interest . . . . .	3,820
Intergovernmental . . . . .	354,474
Prepayments . . . . .	74,583
Materials and supplies inventory. . . . .	53,323
Inventory held for resale. . . . .	10,577
Capital assets:	
Nondepreciable capital assets . . . . .	1,419,871
Depreciable capital assets, net. . . . .	51,268,162
Capital assets, net . . . . .	52,688,033
Total assets. . . . .	101,506,963
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refundings . . . . .	1,173,014
Pension - STRS . . . . .	11,762,499
Pension - SERS . . . . .	2,764,098
Total deferred outflows of resources . . . . .	15,699,611
<b>Liabilities:</b>	
Accounts payable. . . . .	352,444
Retainage payable . . . . .	28,254
Accrued wages and benefits payable . . . . .	3,693,009
Intergovernmental payable . . . . .	206,036
Pension and postemployment benefits payable . . . . .	582,691
Accrued interest payable . . . . .	146,058
Long-term liabilities:	
Due within one year. . . . .	4,713,866
Due in more than one year:	
Net pension liability . . . . .	66,056,849
Other amounts . . . . .	46,919,806
Total liabilities . . . . .	122,699,013
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year. . . . .	28,020,276
Pension - SERS. . . . .	94,810
Total deferred inflows of resources . . . . .	28,115,086
<b>Net position:</b>	
Net investment in capital assets . . . . .	7,436,321
Restricted for:	
Capital projects . . . . .	1,291,670
Debt service. . . . .	4,582,656
Locally funded programs . . . . .	29,945
State funded programs. . . . .	292,379
Federally funded programs . . . . .	1,499
Student activities . . . . .	39,026
Other purposes . . . . .	63,772
Unrestricted (deficit) . . . . .	(47,344,793)
Total net position (deficit). . . . .	\$ (33,607,525)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular . . . . .	\$ 19,307,806	\$ 366,065	\$ 84,299	\$ (18,857,442)
Special . . . . .	6,713,613	13,226	938,068	(5,762,319)
Vocational . . . . .	567,967	-	2,962	(565,005)
Other . . . . .	549,894	-	-	(549,894)
Support services:				
Pupil . . . . .	2,811,087	155,167	198,734	(2,457,186)
Instructional staff . . . . .	953,686	305	30,485	(922,896)
Board of education . . . . .	48,981	-	-	(48,981)
Administration . . . . .	2,690,493	-	-	(2,690,493)
Fiscal . . . . .	1,288,588	7,593	-	(1,280,995)
Business . . . . .	336,886	-	-	(336,886)
Operations and maintenance . . . . .	3,837,449	139,807	2,569	(3,695,073)
Pupil transportation . . . . .	1,825,510	72,333	218,435	(1,534,742)
Central . . . . .	1,249,020	6,254	324	(1,242,442)
Operation of non-instructional services:				
Food service operations . . . . .	515,304	367,643	146,921	(740)
Other non-instructional services . . . . .	1,673,845	25,584	1,582,125	(66,136)
Extracurricular activities . . . . .	1,839,512	248,770	122,744	(1,467,998)
Interest and fiscal charges . . . . .	1,845,834	-	-	(1,845,834)
Total governmental activities . . . . .	\$ 48,055,475	\$ 1,402,747	\$ 3,327,666	(43,325,062)
<b>General revenues:</b>				
Property taxes levied for:				
General purposes . . . . .				26,689,995
Debt service . . . . .				3,835,280
Capital outlay . . . . .				298,684
Grants and entitlements not restricted to specific programs . . . . .				6,474,502
Investment earnings . . . . .				107,115
Miscellaneous . . . . .				177,688
Total general revenues . . . . .				37,583,264
Change in net position . . . . .				(5,741,798)
<b>Net position (deficit) at beginning of year . . . . .</b>				
				(27,865,727)
<b>Net position (deficit) at end of year . .</b>				
				\$ (33,607,525)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 7,028,137	\$ 3,361,170	\$ 2,887,006	\$ 13,276,313
Receivables:				
Property taxes . . . . .	31,107,880	3,540,597	353,987	35,002,464
Accounts . . . . .	41,089	-	-	41,089
Accrued interest . . . . .	3,820	-	-	3,820
Interfund loans . . . . .	164,097	655,797	-	819,894
Intergovernmental . . . . .	239,802	-	114,672	354,474
Prepayments . . . . .	73,138	-	1,445	74,583
Materials and supplies inventory . . . . .	51,808	-	1,515	53,323
Inventory held for resale . . . . .	7,644	-	2,933	10,577
Total assets . . . . .	<u>\$ 38,717,415</u>	<u>\$ 7,557,564</u>	<u>\$ 3,361,558</u>	<u>\$ 49,636,537</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 241,510	\$ -	\$ 110,439	\$ 351,949
Retainage payable . . . . .	-	-	28,254	28,254
Accrued wages and benefits payable . . . . .	3,587,993	-	105,016	3,693,009
Compensated absences payable . . . . .	306,941	-	-	306,941
Intergovernmental payable . . . . .	204,594	-	1,442	206,036
Pension and postemployment benefits payable . . . . .	566,111	-	16,580	582,691
Interfund loans payable . . . . .	-	-	819,894	819,894
Total liabilities . . . . .	<u>4,907,149</u>	<u>-</u>	<u>1,081,625</u>	<u>5,988,774</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	25,127,635	2,613,123	279,518	28,020,276
Delinquent property tax revenue not available . . . . .	1,118,371	127,289	12,726	1,258,386
Intergovernmental revenue not available . . . . .	7,219	-	26,016	33,235
Accrued interest not available . . . . .	3,820	-	-	3,820
Miscellaneous revenue not available . . . . .	166,908	-	-	166,908
Total deferred inflows of resources . . . . .	<u>26,423,953</u>	<u>2,740,412</u>	<u>318,260</u>	<u>29,482,625</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	51,808	-	1,515	53,323
Prepays . . . . .	73,138	-	1,445	74,583
Unclaimed monies . . . . .	1,062	-	-	1,062
Restricted:				
Debt service . . . . .	-	4,817,152	-	4,817,152
Capital improvements . . . . .	-	-	1,278,944	1,278,944
Food service operations . . . . .	-	-	119,503	119,503
Non-public schools . . . . .	-	-	293,496	293,496
Special education . . . . .	-	-	45	45
Targeted academic assistance . . . . .	-	-	153	153
Other purposes . . . . .	-	-	31,131	31,131
Extracurricular . . . . .	-	-	38,999	38,999
Committed:				
Capital improvements . . . . .	-	-	206,813	206,813
Other purposes . . . . .	-	-	12,127	12,127
Assigned:				
Student instruction . . . . .	216,975	-	-	216,975
Student and staff support . . . . .	497,733	-	-	497,733
Extracurricular activities . . . . .	28,941	-	-	28,941
Facilities acquisition and construction . . . . .	7,840	-	-	7,840
School supplies . . . . .	37,834	-	-	37,834
Unassigned . . . . .	6,470,982	-	(22,498)	6,448,484
Total fund balances . . . . .	<u>7,386,313</u>	<u>4,817,152</u>	<u>1,961,673</u>	<u>14,165,138</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 38,717,415</u>	<u>\$ 7,557,564</u>	<u>\$ 3,361,558</u>	<u>\$ 49,636,537</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2017

<b>Total governmental fund balances</b>		\$	14,165,138
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			52,688,033
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Delinquent property taxes receivable	\$	1,258,386	
Accounts receivable		26,908	
Accrued interest receivable		3,820	
Intergovernmental receivable		173,235	
Total		1,462,349	1,462,349
Unamortized premiums on bonds issued are not recognized in the funds.			(1,551,118)
Unamortized deferred charges on debt refundings are not recognized in the funds.			1,173,014
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(146,058)
An internal service fund is used by management to charge the costs of employee benefit programs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.			1,792
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			
Deferred outflows - Pension		14,526,597	
Deferred Inflows - Pension		(94,810)	
Net pension liability		(66,056,849)	
Total		(51,625,062)	(51,625,062)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(42,635,727)	
Lease-purchase obligations		(2,453,608)	
Compensated absences		(4,686,278)	
Total		(49,775,613)	(49,775,613)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>(33,607,525)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 26,667,766	\$ 3,871,416	\$ 298,568	\$ 30,837,750
Tuition . . . . .	193,822	-	-	193,822
Transportation fees . . . . .	74,079	-	-	74,079
Earnings on investments . . . . .	110,358	-	8,101	118,459
Charges for services . . . . .	-	-	367,643	367,643
Extracurricular activities . . . . .	55,836	-	248,275	304,111
Classroom materials and fees . . . . .	212,573	-	-	212,573
Rental income . . . . .	42,968	-	171,891	214,859
Contributions and donations . . . . .	22,397	-	103,245	125,642
Contract services . . . . .	62,319	-	-	62,319
Other local revenues . . . . .	150,788	-	92,738	243,526
Intergovernmental - state . . . . .	5,613,936	597,923	1,564,642	7,776,501
Intergovernmental - federal . . . . .	15,753	512,619	1,263,698	1,792,070
Total revenues . . . . .	<u>33,222,595</u>	<u>4,981,958</u>	<u>4,118,801</u>	<u>42,323,354</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	16,210,281	-	653,731	16,864,012
Special . . . . .	5,123,935	-	831,934	5,955,869
Vocational . . . . .	540,859	-	-	540,859
Other . . . . .	508,617	-	6,424	515,041
Support services:				
Pupil . . . . .	2,311,431	-	200,773	2,512,204
Instructional staff . . . . .	782,585	-	70,753	853,338
Board of education . . . . .	45,599	-	-	45,599
Administration . . . . .	2,273,446	-	5,996	2,279,442
Fiscal . . . . .	1,076,806	70,478	9,179	1,156,463
Business . . . . .	471,259	-	674	471,933
Operations and maintenance . . . . .	3,902,332	-	16,190	3,918,522
Pupil transportation . . . . .	1,514,862	-	378,019	1,892,881
Central . . . . .	720,005	-	6,892	726,897
Operation of non-instructional services:				
Food service operations . . . . .	-	-	458,771	458,771
Other non-instructional services . . . . .	19,141	-	1,597,642	1,616,783
Extracurricular activities . . . . .	1,036,290	-	525,554	1,561,844
Facilities acquisition and construction . . . . .	43,160	-	247,774	290,934
Debt service:				
Principal retirement . . . . .	120,900	2,840,000	-	2,960,900
Interest and fiscal charges . . . . .	10,677	1,781,061	8,627	1,800,365
Bond issuance costs . . . . .	-	65,195	-	65,195
Total expenditures . . . . .	<u>36,712,185</u>	<u>4,756,734</u>	<u>5,018,933</u>	<u>46,487,852</u>
Excess of revenues over (under) expenditures . . . . .	<u>(3,489,590)</u>	<u>225,224</u>	<u>(900,132)</u>	<u>(4,164,498)</u>
<b>Other financing sources (uses):</b>				
Premium on refunding bonds issued . . . . .	-	500,191	-	500,191
Issuance of refunding bonds . . . . .	-	7,440,000	-	7,440,000
Payment to refunded bond escrow agent . . . . .	-	(8,370,396)	-	(8,370,396)
Sale of capital assets . . . . .	19,657	-	87	19,744
Transfers in . . . . .	-	-	125,000	125,000
Transfers (out) . . . . .	(125,000)	-	-	(125,000)
Inception of lease-purchase transaction . . . . .	-	-	2,266,000	2,266,000
Total other financing sources (uses) . . . . .	<u>(105,343)</u>	<u>(430,205)</u>	<u>2,391,087</u>	<u>1,855,539</u>
Net change in fund balances . . . . .	<u>(3,594,933)</u>	<u>(204,981)</u>	<u>1,490,955</u>	<u>(2,308,959)</u>
<b>Fund balances at beginning of year . . . . .</b>	<b>10,981,246</b>	<b>5,022,133</b>	<b>470,718</b>	<b>16,474,097</b>
<b>Fund balances at end of year . . . . .</b>	<b><u>\$ 7,386,313</u></b>	<b><u>\$ 4,817,152</u></b>	<b><u>\$ 1,961,673</u></b>	<b><u>\$ 14,165,138</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<b>Net change in fund balances - total governmental funds</b>	\$	(2,308,959)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 1,523,070	
Current year depreciation	<u>(3,176,271)</u>	
Total		(1,653,201)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(19,744)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property tax revenues	(13,791)	
Earnings on investments	(5,202)	
Rental income	(26,667)	
Other local revenue	26,908	
Intergovernmental	9,075	
Total		<u>(9,677)</u>
Repayment of bond and lease-purchase obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
Bonds	2,840,000	
Lease-purchase obligations	<u>120,900</u>	
Total		2,960,900
Issuances of refunding bonds and lease purchase obligations are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net position.		
Refunding bonds	(7,440,000)	
Lease purchase obligations	<u>(2,266,000)</u>	
Total		(9,706,000)
Payment to refunded bond escrow agent for the retirement of bonds is an other financing use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded	7,445,000	
Deferred charges on debt refundings	<u>925,396</u>	
Total		8,370,396
Premiums on bonds issued are recorded as other financing source in the funds; however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net position.		
		(500,191)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	11,761	
Accreted interest on capital appreciation bonds	(38,266)	
Amortization of bond premiums	70,568	
Amortization of deferred charges on debt refundings	<u>(24,337)</u>	
Total		19,726
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of pension reports these amounts as deferred outflows.		
		3,193,800

(Continued)



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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(5,901,654)
An internal service fund used by management to charge the costs of employee benefit programs is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund allocated among the governmental activities	8,398
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	<u>(195,592)</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ (5,741,798)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 29,818,282	\$ 30,469,213	\$ 30,469,215	\$ 2
Tuition. . . . .	158,000	158,000	148,434	(9,566)
Transportation fees. . . . .	56,000	62,079	72,333	10,254
Earnings on investments . . . . .	90,252	104,173	125,445	21,272
Classroom materials and fees . . . . .	11,000	11,000	-	(11,000)
Rental income . . . . .	25,000	25,000	42,704	17,704
Contributions and donations . . . . .	-	-	1,199	1,199
Contract services. . . . .	126,500	126,500	62,310	(64,190)
Other local revenues . . . . .	5,000	5,000	7,157	2,157
Intergovernmental - state . . . . .	5,856,562	5,552,002	5,540,382	(11,620)
Intergovernmental - federal . . . . .	-	-	15,753	15,753
Total revenues . . . . .	<u>36,146,596</u>	<u>36,512,967</u>	<u>36,484,932</u>	<u>(28,035)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	16,555,301	16,421,050	16,147,662	273,388
Special. . . . .	5,138,801	5,243,429	5,243,429	-
Vocational. . . . .	600,000	540,859	540,859	-
Other. . . . .	435,299	494,704	494,704	-
Support services:				
Pupil. . . . .	2,016,027	2,145,287	2,145,287	-
Instructional staff . . . . .	867,139	820,929	820,929	-
Board of education . . . . .	39,568	43,909	43,909	-
Administration. . . . .	2,470,299	2,324,045	2,324,045	-
Fiscal . . . . .	1,375,701	1,127,527	1,127,527	-
Business . . . . .	529,083	511,170	511,170	-
Operations and maintenance. . . . .	3,739,451	3,961,323	3,911,323	50,000
Pupil transportation . . . . .	1,637,540	1,665,028	1,585,028	80,000
Central. . . . .	505,494	704,735	704,735	-
Operation of non-instructional services:				
Other non-instructional services . . . . .	-	1,960	1,960	-
Extracurricular activities. . . . .	1,164,383	1,127,059	1,127,059	-
Facilities acquisition and construction . . . . .	8,750	51,000	51,000	-
Total expenditures . . . . .	<u>37,082,836</u>	<u>37,184,014</u>	<u>36,780,626</u>	<u>403,388</u>
Excess of expenditures (under) revenues . . . . .	<u>(936,240)</u>	<u>(671,047)</u>	<u>(295,694)</u>	<u>375,353</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	52,837	43,913	42,811	(1,102)
Refund of prior year's receipts. . . . .	(5,000)	(44,825)	(44,825)	-
Transfers in . . . . .	175,000	175,000	175,000	-
Transfers (out). . . . .	(284,000)	(305,913)	(305,913)	-
Advances in. . . . .	145,000	135,478	135,478	-
Sale of capital assets . . . . .	3,500	10,872	61,305	50,433
Total other financing sources (uses) . . . . .	<u>87,337</u>	<u>14,525</u>	<u>63,856</u>	<u>49,331</u>
Net change in fund balance . . . . .	(848,903)	(656,522)	(231,838)	424,684
<b>Fund balance at beginning of year . . . . .</b>	<b>5,947,965</b>	<b>5,947,965</b>	<b>5,947,965</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>419,780</b>	<b>419,780</b>	<b>419,780</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 5,518,842</u></b>	<b><u>\$ 5,711,223</u></b>	<b><u>\$ 6,135,907</u></b>	<b><u>\$ 424,684</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2017

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Assets:</b>	
Equity in pooled cash and investments . . .	\$ 2,287
Total assets. . . . .	<u>2,287</u>
<b>Liabilities:</b>	
Accounts payable. . . . .	<u>495</u>
Total liabilities . . . . .	<u>495</u>
<b>Net position:</b>	
Unrestricted. . . . .	<u>1,792</u>
Total net position. . . . .	<u><u>\$ 1,792</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services. . . . .	\$ 160,806
<b>Operating expenses:</b>	
Personal services. . . . .	25,903
Purchased services. . . . .	126,505
Total operating expenses. . . . .	152,408
Operating income / change in net position . . .	8,398
<b>Net position (deficit) at beginning of year .</b>	<b>(6,606)</b>
<b>Net position at end of year . . . . .</b>	<b>\$ 1,792</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u><b>Governmental Activities - Internal Service Fund</b></u>
<b>Cash flows from operating activities:</b>	
Cash received from charges for services. . . . .	\$ 160,806
Cash payments for personal services. . . . .	(27,295)
Cash payments for contractual services . . . . .	<u>(133,605)</u>
Net cash (used) in operating activities . . . . .	<u>(94)</u>
Net decrease in cash and cash equivalents . . . . .	(94)
<b>Cash and cash equivalents at beginning of year . . .</b>	<u>2,381</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u><u>\$ 2,287</u></u>
 <b>Reconciliation of operating income to net cash (used in) operating activities:</b>	
Operating income . . . . .	\$ 8,398
Changes in assets and liabilities:	
(Decrease) in accounts payable . . . . .	<u>(8,492)</u>
Net cash (used) in operating activities . . . . .	<u><u>\$ (94)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2017

	<b>Private-Purpose Trust</b>	
	<b>Scholarship</b>	<b>Agency</b>
<b>Assets:</b>		
Equity in pooled cash and investments . . .	\$ 12,512	\$ 214,878
Total assets. . . . .	12,512	\$ 214,878
<b>Liabilities:</b>		
Intergovernmental payable . . . . .	-	\$ 85,049
Due to students. . . . .	-	129,829
Total liabilities . . . . .	-	\$ 214,878
<b>Net position:</b>		
Held in trust for scholarships . . . . .	12,512	
Total net position. . . . .	\$ 12,512	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<b>Private-Purpose Trust</b>
	<b>Scholarship</b>
<b>Additions:</b>	
Interest. . . . .	\$ 133
Gifts and contributions. . . . .	24,760
Total additions. . . . .	24,893
 <b>Deductions:</b>	
Scholarships awarded . . . . .	25,947
Change in net position . . . . .	(1,054)
<b>Net position at beginning of year. . . . .</b>	<b>13,566</b>
<b>Net position at end of year . . . . .</b>	<b>\$ 12,512</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

The District is located in a suburban area west of Cleveland, Ohio. It is located in Cuyahoga County, and encompasses the entire City of Rocky River and a small portion of the City of Fairview Park. It is staffed by 219 certified, 150 non-certified and 19 administrative personnel who provide services from Pre-K through Grade 12 to 2,693 students and other community members. The District currently operates a primary school, an intermediate school, a middle school and a high school.

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

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

**A. Reporting Entity**

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

*RELATED ORGANIZATION*

Rocky River Public Library

The Rocky River Public Library (the "Library") is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the District's Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the District for operational subsidies. Although the District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. The Library did not receive any funding from the District during fiscal year 2017. Financial information can be obtained from the Clerk/Treasurer of the Rocky River Public Library at 1600 Hampton Rd., Rocky River, Ohio 44116.

*JOINTLY GOVERNED ORGANIZATIONS*

Connect

Connect, formerly known as the North Coast Council, is a jointly governed organization serving twenty-four school districts and two educational service centers. Connect was organized pursuant to Ohio Revised Code Chapter 167 as a regional council of governments for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Connect operates as an information technology center pursuant to ORC 3301.075. Each of the governments of these schools supports Connect based on a per pupil charge dependent upon the software packages used. The District contributed \$109,887 to Connect during fiscal year 2017. Connect is governed by a four-member Board of Directors consisting of the Superintendent of the Educational Service Center of Cuyahoga County, the Superintendent of the Educational Service Center of Lorain County, the Superintendent of the Educational Service Center of Medina County, and the Executive Director of the Ohio Schools Council. Financial information can be obtained by contacting the Treasurer at the Cuyahoga County Educational Service Center, who serves as fiscal agent, at 5700 West Canal Road, Valley View, Ohio 44125.

Ohio Schools Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization among 201 school districts, educational service centers, joint vocational districts, and Developmental Disabilities boards in 33 Ohio counties. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member districts. The Council's Board consists of seven superintendents of the participating districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2017, the District paid \$3,957 to the Council for annual membership and other fees. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

The District participates in the natural gas purchase program. This program allows the District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager. There are currently 151 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). School districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and school districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

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

*INSURANCE PURCHASING POOL*

Suburban Health Consortium

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

Ohio Schools' Council Workers' Compensation Group Rating Program

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

**B. Fund Accounting**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

*GOVERNMENTAL FUNDS*

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

The following are the District's major governmental funds:

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

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

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

*PROPRIETARY FUNDS*

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

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

*FIDUCIARY FUNDS*

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

**D. Basis of Accounting**

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

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

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

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

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, see Note 15 for deferred outflows of resources related the District's net pension liability. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

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

**E. Budgetary Process**

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

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

**F. Cash and Investments**

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

During fiscal year 2017, investments were limited to Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal Home Loan Bank (FHLB), commercial paper, negotiable certificates of deposit (negotiable CD's), U.S. government money market fund, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value.

During fiscal year 2017, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statute, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2017 amounted to \$110,358 which includes \$41,493 assigned from other District funds.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**G. Inventory**

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

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

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

**H. Capital Assets**

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**I. Interfund Balances**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable” and “interfund loans payable” and receivables and payables resulting from long-term interfund loans and classified as “advances to other funds” and “advances from other funds”. Interfund balances between governmental funds are eliminated for reporting on the government-wide statement of net position. See Note 6 for detail on the District’s interfund balances at June 30, 2017.

**J. Interfund Activity**

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

**K. Compensated Absences**

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

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

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2017, and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

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

**M. Fund Balance**

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

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. The Board’s has, by resolution, authorized the Treasurer to assign fund balances for encumbrances outstanding at year-end.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

**N. Non-public Schools**

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

**O. Net Position**

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

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

**P. Contributions of Capital**

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

**Q. Estimates**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

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

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

**S. Pensions**

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

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2017.

**U. Operating Revenues and Expenses**

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

**V. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2017, the District has implemented GASB Statement No. 77, “*Tax Abatement Disclosures*”, GASB Statement No. 78, “*Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*”, GASB Statement No. 80, “*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*” and GASB Statement No. 82, “*Pension Issues - An Amendment of GASB Statements No. 67, No. 68 and No. 73*”.

GASB Statement No. 77 requires governments that enter into tax abatement agreements to disclose certain information about the agreement. GASB Statement No. 77 also requires disclosures related to tax abatement agreements that have been entered into by other governments that reduce the reporting government’s tax revenues. These disclosures were incorporated in the District’s fiscal year 2017 financial statements (see Note 20); however, there was no effect on beginning net position/fund balance.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the District.

GASB Statement No. 80 improves the financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement applies to component units that are organized as not-for-profit corporations in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the District.

**NOTE 4 - ACCOUNTABILITY AND COMPLIANCE**

**Deficit Fund Balances**

Fund balances at June 30, 2017 included the following individual fund deficits:

<u>Nonmajor Governmental Funds</u>	<u>Deficit</u>
Title VI-B	\$ 20,679
Title I	<u>1,090</u>
	<u>\$ 21,769</u>

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

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



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash with Escrow Agent**

At June 30, 2017, the District had \$1,553,574 held by Key Government Finance, Inc. and PNC Equipment Finance, LLC. as escrow agents related to lease-purchase obligations entered into during fiscal year 2017 (see Note 9). This amount is not included in "Deposits with Financial Institutions" below.

**B. Deposits with Financial Institutions**

At June 30, 2017, the carrying amount of all District deposits was \$2,464,032. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2017, \$2,640,358 of the District's bank balance of \$3,237,342 was exposed to custodial risk as discussed below, while \$596,984 was covered by the FDIC.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**C. Investments**

As of June 30, 2017, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater Than 24 months
Fair Value:						
Negotiable CDs	\$ 1,241,679	\$ 497,065	\$ -	\$ 497,662	\$ 246,952	\$ -
Commercial Paper	2,738,965	1,249,255	1,489,710	-	-	-
FHLB	246,238	-	-	-	-	246,238
FHLMC	492,640	-	-	-	-	492,640
U.S. Government Money						
Market Mutual Fund	15,958	15,958	-	-	-	-
Amortized Cost:						
STAR Ohio	4,752,904	4,752,904	-	-	-	-
<b>Total</b>	<b>\$ 9,488,384</b>	<b>\$ 6,515,182</b>	<b>\$ 1,489,710</b>	<b>\$ 497,662</b>	<b>\$ 246,952</b>	<b>\$ 738,878</b>

The weighted average maturity of investments is 0.50 years.

The District's investments in U.S. Government Money Market Mutual Funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in negotiable CDs, FHLMC securities, FHLB securities, and commercial paper are valued using quoted market prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs). As discussed in Note 2.F, investments in STAR Ohio is reported at its share price.

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type at June 30, 2017:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
Fair Value:		
Negotiable CDs	\$ 1,241,679	13.09
Commerical Paper	2,738,965	28.87
FHLB	246,238	2.60
FHLMC	492,640	5.19
U.S Government Money		
Market Mutual Fund	15,958	0.17
Amoritized Cost:		
STAR Ohio	<u>4,752,904</u>	<u>50.08</u>
Total	<u>\$ 9,488,384</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2017:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,464,032
Cash with escrow agent	1,553,574
Investments	<u>9,488,384</u>
Total	<u>\$ 13,505,990</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 13,278,600
Private-purpose trust fund	12,512
Agency fund	<u>214,878</u>
Total	<u>\$ 13,505,990</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 6 - INTERFUND TRANSACTIONS**

- A. Interfund loans receivable/payable consisted of the following at June 30, 2017, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 164,097
Bond retirement	Nonmajor governmental funds	<u>655,797</u>
Total		<u>\$ 819,894</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. The interfund receivable in the general fund represents (1) \$28,619 loaned from the general fund to nonmajor governmental funds to cover cash overdrafts in nonmajor governmental funds, and (2) \$135,478 in interfund loans made from the general fund to the permanent improvement fund (a nonmajor governmental fund). In addition, the District issued \$655,797 in manuscript debt from the bond retirement fund to the building fund (a nonmajor governmental fund). The debt provided temporary funding for buses until funds are received. The manuscript debt has a maturity date of one year from the date of issue and bears an annual interest rate of 1 percent. Interfund loans between governmental funds are eliminated on the government-wide financial statements.

- B. Interfund transfers for the year ended June 30, 2017, consisted of the following, as reported on the fund statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	<u>\$ 125,000</u>

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

**NOTE 7 - PROPERTY TAXES**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2017 represent the collection of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed values as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2017 represent the collection of calendar year 2016 taxes. Public utility real and personal property taxes received in calendar year 2017 became a lien on December 31, 2015, were levied after April 1, 2016, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value.

The District receives property taxes from Cuyahoga County. The County Fiscal Officer periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2017, are available to finance fiscal year 2017 operations. The amount available as an advance at June 30, 2017 was \$4,861,874 in the general fund, \$800,185 in the bond retirement fund and \$61,743 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2016 was \$8,663,323 in the general fund, \$1,427,838 in the bond retirement fund and \$110,173 in the permanent improvement fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2017 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second Half Collections		2017 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 762,010,490	98.80	\$ 773,143,600	98.75
Public utility personal	<u>9,249,080</u>	<u>1.20</u>	<u>9,792,220</u>	<u>1.25</u>
Total	<u>\$ 771,259,570</u>	<u>100.00</u>	<u>\$ 782,935,820</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 89.55		\$ 89.55	

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2017 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

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

**Governmental activities:**

Property taxes	\$ 35,002,464
Accounts	41,089
Intergovernmental	354,474
Accrued interest	<u>3,820</u>
Total governmental activities	<u>\$ 35,401,847</u>

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

**NOTE 9 - LEASE-PURCHASE OBLIGATIONS**

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

During fiscal year 2017, the District entered into lease-purchase agreements with PNC Equipment Finance, LLC to finance the acquisition of computer and technology equipment. Lease payments made under the lease-purchase agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the lease-purchase is \$526,000. The lease-purchase agreement bears an interest rate of 1.99%.

During fiscal year 2017, the District entered into lease-purchase agreements with PNC Equipment Finance, LLC to finance the acquisition of computer and technology equipment. Lease payments made under the lease-purchase agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the lease-purchase is \$340,000. The lease-purchase agreement bears an interest rate of 1.38%.

During fiscal year 2017, the District entered into lease-purchase agreements with Key Government Finance, Inc. to finance the renovation of the Beach School building. Lease payments made under the lease-purchase agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the lease-purchase is \$1,251,641. The lease-purchase agreement bears an interest rate of 3.50%.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

During fiscal year 2017, the District entered into lease-purchase agreements with Key Government Finance, Inc. to finance the renovation of the Beach School building. Lease payments made under the lease-purchase agreement have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements. The total amount of the lease-purchase is \$148,359. The lease-purchase agreement bears an interest rate of 3.50%.

Capital assets consisting of computers, land improvements (field turf project), and CIP (Beach renovation) have been capitalized, in part, based upon the District's individual item threshold of \$2,000. A corresponding liability is recorded in the government-wide financial statements. Principal and interest payments in fiscal year 2017 of \$120,900 and \$10,677, respectively, were paid by the general fund.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreements based upon total allowable borrowings and the present value of the future minimum lease payments as of June 30, 2017 based upon amounts actually drawn:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 428,927
2019	520,118
2020	462,076
2021	276,075
2022	148,116
2023 - 2027	670,500
2028 - 2029	<u>249,512</u>
Total minimum lease payments	2,755,324
Less amount representing interest	<u>(301,716)</u>
Total obligation at June 30, 2017	<u>\$ 2,453,608</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 10 - CAPITAL ASSETS**

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

	Balance			Balance
	<u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2017</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 770,821	\$ -	\$ -	\$ 770,821
CIP	-	649,050	-	649,050
Total capital assets, not being depreciated	<u>770,821</u>	<u>649,050</u>	<u>-</u>	<u>1,419,871</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	5,607,832	44,120	-	5,651,952
Building/improvements	83,444,068	205,081	-	83,649,149
Furniture/equipment	6,986,063	247,349	-	7,233,412
Vehicles	1,874,740	377,470	(197,433)	2,054,777
Total capital assets, being depreciated	<u>97,912,703</u>	<u>874,020</u>	<u>(197,433)</u>	<u>98,589,290</u>
<i>Accumulated depreciation:</i>				
Land improvements	(1,885,223)	(229,829)	-	(2,115,052)
Building/improvements	(36,191,707)	(2,509,863)	-	(38,701,570)
Furniture/equipment	(5,183,356)	(296,628)	-	(5,479,984)
Vehicles	(1,062,260)	(139,951)	177,689	(1,024,522)
Total accumulated depreciation	<u>(44,322,546)</u>	<u>(3,176,271)</u>	<u>177,689</u>	<u>(47,321,128)</u>
Governmental activities capital assets, net	<u>\$ 54,360,978</u>	<u>\$ (1,653,201)</u>	<u>\$ (19,744)</u>	<u>\$ 52,688,033</u>



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 1,148,635
Special	260,272
Vocational	27,108
Other	21,595
Support Services:	
Pupil	119,393
Instructional staff	45,473
Board of education	3,382
Administration	122,736
Fiscal	56,649
Business	23,302
Operations and maintenance	295,116
Pupil transportation	211,991
Central	471,597
Operation of non-instructional:	
Food service operations	30,311
Other non-instructional services	97,362
Extracurricular activities	<u>241,349</u>
Total depreciation expense	<u>\$ 3,176,271</u>

**NOTE 11 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General Fund	\$ 479,488
Nonmajor governmental funds	<u>449,423</u>
Total	<u>\$ 928,911</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 12 - LONG-TERM OBLIGATIONS**

A. During fiscal year 2017, the following changes occurred in governmental activities long-term obligations:

	<u>Balance</u> <u>June 30, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Amounts</u> <u>Due in</u> <u>One Year</u>
<b>Governmental Activities:</b>					
General obligation bonds:					
Series 2014 refunding bonds:					
Current interest bonds	\$ 28,250,000	\$ -	\$ (7,445,000)	\$ 20,805,000	\$ -
Series 2010 school improvement:					
Current interest bonds	12,935,000	-	(1,060,000)	11,875,000	1,110,000
Capital appreciation bonds	420,000	-	-	420,000	-
Accretion on capital appreciation bonds	177,461	38,266	-	215,727	-
Series 1998 school improvement:					
Current interest bonds	3,660,000	-	(1,780,000)	1,880,000	1,880,000
Series 2017 refunding bonds:					
Current interest bonds	-	7,440,000	-	7,440,000	900,000
Total general obligation bonds	<u>45,442,461</u>	<u>7,478,266</u>	<u>(10,285,000)</u>	<u>42,635,727</u>	<u>3,890,000</u>
Net pension liability:					
STRS	42,391,448	12,202,935	-	54,594,383	-
SERS	8,648,138	2,814,328	-	11,462,466	-
Total net pension liability	<u>51,039,586</u>	<u>15,017,263</u>	<u>-</u>	<u>66,056,849</u>	<u>-</u>
Lease-purchase obligations	308,508	2,266,000	(120,900)	2,453,608	370,759
Compensated absences	<u>4,842,064</u>	<u>613,996</u>	<u>(462,841)</u>	<u>4,993,219</u>	<u>453,107</u>
Total governmental activities long-term liabilities	101,632,619	<u>\$ 25,375,525</u>	<u>\$ (10,868,741)</u>	116,139,403	<u>\$ 4,713,866</u>
Add: Unamortized premiums on bonds	<u>1,121,495</u>			<u>1,551,118</u>	
Total on statement of net position	<u>\$ 102,754,114</u>			<u>\$ 117,690,521</u>	

School Improvement Refunding Bonds - Series 2014

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

The bonds were sold at a premium of \$837,902. Proceeds of \$28,786,310 (after the underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt payments on the refunded Series 2010 school improvement BABs. As a result, \$28,500,000 of these bonds were considered defeased and the liability for the refunding portion of these bonds has been removed from the basic financial statements. As of June 30, 2017, the outstanding amount of the refunded bonds is \$28,250,000. A portion of the Series 2014 Refunding Bonds were advance refunded in fiscal year 2017 with the issuance of the Series 2017 Refunding Bonds described below.

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

School Improvement Bonds - Series 2010

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

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

The capital appreciation bonds mature on December 1, 2027 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The effective interest rate on the capital appreciation bonds is 6.305%. The accreted value at maturity for the capital appreciation bond is \$1,220,000. Total accreted interest of \$215,727 has been included in the statement of net position at June 30, 2017.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

School Improvement Bonds - Series 1998

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

School Improvement Refunding Bonds - Series 2017

On March 15, 2017, the District issued general obligation bonds (Series 2017 Refunding Bonds) to advance refund the callable portion of the Series 2014 School Improvement Refunding Bonds (principal \$7,445,000; interest rate of 3.25% to 4.00%). Issuance proceeds of \$8,370,396 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds was \$7,445,000 at June 30, 2017.

The refunding issue is comprised of current interest bonds, par value \$7,440,000. The interest rate on the current interest bonds is 3.650%.

The reacquisition price exceeded the net carrying amount of the old debt (including unamortized deferred changes and unamortized premiums) by \$925,396. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The refunding was undertaken to reduce future debt service payments by \$2,643,106 resulting in a current economic gain of \$632,881.

Payments of principal and interest relating to the Series 2017 refunding bonds are recorded as expenditures in the bond retirement fund. Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2032.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Compensated Absences

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

Lease-Purchase Obligations

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

Net Pension Liability

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

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

Fiscal Year Ending	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 3,890,000	\$ 1,698,104	\$ 5,588,104	\$ -	\$ -	\$ -
2019	1,990,000	1,603,160	3,593,160	-	-	-
2020	2,020,000	1,572,591	3,592,591	-	-	-
2021	2,050,000	1,542,296	3,592,296	-	-	-
2022	2,080,000	1,510,906	3,590,906	-	-	-
2023 - 2027	6,830,000	7,118,549	13,948,549	-	-	-
2028 - 2032	2,835,000	4,219,339	7,054,339	420,000	800,000	1,220,000
2033 - 2037	4,720,000	3,686,155	8,406,155	-	-	-
2038 - 2042	9,165,000	2,174,200	11,339,200	-	-	-
2043 - 2045	6,420,000	369,700	6,789,700	-	-	-
Total	<u>\$ 42,000,000</u>	<u>\$ 25,495,000</u>	<u>\$ 67,495,000</u>	<u>\$ 420,000</u>	<u>\$ 800,000</u>	<u>\$ 1,220,000</u>

**C. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The Code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The Code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2017, are a voted debt margin of \$32.9 million (including available funds of \$4.8 million) and an unvoted debt margin of \$0.8 million.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 13 - COMPENSATED ABSENCES**

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

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 14 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2017, the District contracted with various insurance companies through the Ohio Schools Council insurance program. Netherlands Insurance provides property, inland marine and crime insurance coverage. There is a \$10,000 deductible on building and contents, along with a \$1,000 deductible for employee dishonesty insurance with a \$500 deductible for forgery/alteration and computer fraud. The boiler and machinery coverage is provided by Travelers Insurance Company. The coverage provides a \$50,000,000 limit and a \$1,000 deductible.

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

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

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

For fiscal year 2017, the District provided employee major medical, hospitalization and preventative care and prescription drug benefits through a self-insured program through the Suburban Health Consortium and administered by Medical Mutual of Ohio and Express Scripts, Inc. The Suburban Health Consortium (the "Consortium") is a legally separate entity organized under Ohio Revised Code Section 9.833 as a joint self-insurance pool (see Note 2.A.). The Consortium was established on October 1, 2001, formed by the Boards of Education of several school districts in northeast Ohio, for the purposes of maximizing benefits and reducing costs of group health, life, dental and/or other insurance coverage for their employees and the eligible dependents and designated beneficiaries of such employees.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

The vast majority of the District's employees were covered by a PPO (preferred provider organization) plan with a co-insurance level of 90% subject to annual maximum amounts if they choose a network provider for services. The co-insurance level is 70% for non-network providers and is also subject to annual maximum amounts. The plan has a deductible of \$300 single/\$600 family for network services and \$600 single/\$1,200 family for non-network services. The deductible and co-insurance components, together, are subject to an annual out of pocket maximum amount. In addition, the plan required doctor's office, urgent care, emergency room and prescription drug co-pays. As of the plan year starting October 1, 2016, the District was responsible for 85% of the monthly funding rates (15% is employee portion of the funding rate contribution) of \$1,166.34 for family coverage and \$548.86 for single coverage for all full-time equivalent (FTE) staff. With the exception of OAPSE bargaining unit employees working 7 hours or greater, employees who are scheduled to work at a FTE below 1.0 but greater than 0.5 is eligible for this coverage, but they are required to pay the difference in premium based on the difference between 1.0 and their scheduled FTE on top of the aforementioned 15% employee premium contribution. The funding rate is generally paid by the fund that pays the salary for the employee.

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

The District also provides employee dental benefits through a fully insured insurance program administered by CoreSource through the OASIS Trust that offers different levels of coverage through two plan structures. One plan is based on UCR (usual, customary and reasonable) that offers a higher level of coverage than the other plan, which is a fee schedule plan that pays a predetermined amount for various covered procedures. These plans provide dental benefits with a \$50 family and \$25 single deductible per year. For fiscal year 2017, premium rates were \$102.99 for a family plan and \$30.93 for a single plan per employee per month for the UCR ("High") plan for all certificated, classified and administrative staff. The District is responsible for 60% of these premiums for all employees who choose this option with exception of administrators for whom the District pays 100% of these premiums, and tutors, who bear the entire cost of this coverage. The employee is responsible for the other 40%. For fiscal year 2017, premium rates were \$70.47 for a family plan and \$21.16 for a single plan per employee per month for the fee schedule ("Low") plan for all certificated and classified staff who choose this option with exception of tutors who bear the entire cost of this coverage. The District is responsible for 80% of these premiums and the employee is responsible for the other 20% for all employees who choose this option. Any employee who is scheduled to work at a FTE below 1.0 but greater than 0.5 is eligible for this coverage, but they are required to pay the difference in premium based on the difference between 1.0 and their scheduled FTE on top of the 40% UCR plan/20% fee schedule plan employee premium contribution. The premium is generally paid by the fund that pays the salary for the employee.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

**C. Workers' Compensation Program**

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

**NOTE 15 - DEFINED BENEFIT PENSION PLANS**

*Net Pension Liability*

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees).

State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the entire 14 percent was allocated to pension, death benefits, and Medicare B and no portion of the employer contribution rate was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$642,933 for fiscal year 2017. Of this amount, \$62,624 is reported as pension and postemployment benefits payable.

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2017, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,550,867 for fiscal year 2017. Of this amount, \$435,944 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.15155960%	0.15338616%	
Proportion of the net pension liability current measurement date	0.15661080%	0.16309969%	
Change in proportionate share	0.00505120%	0.00971353%	
Proportionate share of the net pension liability	\$ 11,462,466	\$ 54,594,383	\$ 66,056,849
Pension expense	\$ 1,218,086	\$ 4,683,568	\$ 5,901,654

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 154,602	\$ 2,205,876	\$ 2,360,478
Net difference between projected and actual earnings on pension plan investments	945,486	4,532,801	5,478,287
Changes of assumptions	765,182	-	765,182
Difference between District contributions and proportionate share of contributions/ change in proportionate share	255,895	2,472,955	2,728,850
District contributions subsequent to the measurement date	<u>642,933</u>	<u>2,550,867</u>	<u>3,193,800</u>
Total deferred outflows of resources	<u><u>\$ 2,764,098</u></u>	<u><u>\$ 11,762,499</u></u>	<u><u>\$ 14,526,597</u></u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Difference between District contributions and proportionate share of contributions/ change in proportionate share	<u>\$ 94,810</u>	<u>\$ -</u>	<u>\$ 94,810</u>

\$3,193,800 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2018	\$ 516,326	\$ 1,706,778	\$ 2,223,104
2019	515,645	1,706,778	2,222,423
2020	722,597	3,446,140	4,168,737
2021	<u>271,787</u>	<u>2,351,936</u>	<u>2,623,723</u>
Total	<u><u>\$ 2,026,355</u></u>	<u><u>\$ 9,211,632</u></u>	<u><u>\$ 11,237,987</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

*Actuarial Assumptions - SERS*

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (level percent of payroll)

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120% of male rates and 110% of female rates used. The RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years is used for the period after disability retirement. Special mortality tables are used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an experience study that was completed June 30, 2015. As a result of the actuarial experience study, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u>100.00 %</u>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50 percent. A discount rate of 7.75 percent was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
District's proportionate share of the net pension liability	\$ 15,175,590	\$ 11,462,466	\$ 8,354,426

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

*Actuarial Assumptions - STRS*

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return *</u>
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
 Total	 <u>100.00 %</u>	 <u>7.61 %</u>

\* 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.50% and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.



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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 72,551,498	\$ 54,594,383	\$ 39,446,497

**Changes Between Measurement Date and Report Date** - In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to District's NPL is expected to be significant.

**NOTE 16 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2017, none of the employer contribution was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2017, this amount was \$23,500. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2017, the District's surcharge obligation was \$84,123.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2017, 2016, and 2015 were \$84,123, \$79,044, and \$113,122, respectively. The fiscal year 2017 amount has been reported as pension and postemployment benefits payable. The full amount has been contributed for fiscal years 2016 and 2015.

**B. State Teachers Retirement System**

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2017, STRS Ohio did not allocate any employer contributions to the Health Care Stabilization Fund. None of the District's contributions were allocated to fund health care for the fiscal years ended June 30, 2017, 2016, and 2015.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**NOTE 17 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**C. Foundation Funding**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

**NOTE 18 - BUDGETARY BASIS OF ACCOUNTING**

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

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis);

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

- (d) Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis); and,
- (e) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (231,838)
Net adjustment for revenue accruals	(3,682,047)
Net adjustment for expenditure accruals	(140,279)
Net adjustment for other sources/uses	(170,119)
Funds budgeted elsewhere	36,134
Adjustment for encumbrances	593,216
GAAP basis	<u>\$ (3,594,933)</u>

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

**NOTE 19 - SET-ASIDES**

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

**NOTE 19 - SET-ASIDES - (Continued)**

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2016	\$ -
Current year set-aside requirement	461,278
Current year qualifying expenditures	<u>(802,794)</u>
Total	<u>\$ (341,516)</u>
Balance carried forward to fiscal year 2018	<u>\$ -</u>
Set-aside balance June 30, 2017	<u>\$ -</u>

**NOTE 20 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Fairview Park has entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. The CRA agreement entered into by the City of Fairview Park resulted in the District’s property taxes being reduced by \$413,503 in fiscal year 2017. The District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

**NOTE 21 - SIGNIFICANT SUBSEQUENT EVENTS**

The Board of Education commenced a District-wide capital improvement project in 2010 (“Project”) that was financed through the use of bonds approved by the voters of the Rocky River City School District on May 4, 2010. A portion of the Project’s cost, budgeted at \$1,100,000, related to the addition of new classroom space for kindergarten students in response to the state of Ohio’s legislative initiative regarding all-day kindergarten. The Board of Education, prior to placing the bond issue on the May 4, 2010 ballot, publicly stated that \$1,100,000 would be given back to the Rocky River taxpayers if the state of Ohio refrained from requiring school districts to provide all-day kindergarten. The State of Ohio subsequently refrained from requiring school districts to provide all-day kindergarten, and the portion of the Project relating to the addition of new classroom space for kindergarten students was not undertaken.

As of September 21, 2017, all aspects of the Project have been completed including but not limited to all of the scheduled construction and all post-construction matters. Based on these facts, the Board of Education made a decision to fund the give back of \$1,100,000 to the Rocky River taxpayers by transferring \$1,005,707.15 remaining in the District’s Project Funds to the District’s Debt Service Fund, and \$94,292.85 from the District’s General Fund to the District’s Debt Service Fund. The give back to the Rocky River City School District taxpayers will be effectuated by a reduction in the Bond Retirement Fund millage levied through the County Budget Commission for tax collection year 2018.

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REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.15661080%	0.15155960%	0.15519200%	0.15519200%
District's proportionate share of the net pension liability	\$ 11,462,466	\$ 8,648,138	\$ 7,854,179	\$ 9,228,770
District's covered payroll	\$ 5,269,743	\$ 4,562,739	\$ 4,509,574	\$ 4,438,288
District's proportionate share of the net pension liability as a percentage of its covered payroll	217.51%	189.54%	174.17%	207.94%
Plan fiduciary net position as a percentage of the total pension liability	62.98%	69.16%	71.70%	65.52%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(1) Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.



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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.16309969%	0.15338616%	0.15187486%	0.15187486%
District's proportionate share of the net pension liability	\$ 54,594,383	\$ 42,391,448	\$ 36,941,222	\$ 44,004,142
District's covered payroll	\$ 17,246,364	\$ 16,003,279	\$ 15,517,415	\$ 15,700,946
District's proportionate share of the net pension liability as a percentage of its covered payroll	316.56%	264.89%	238.06%	280.26%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	72.10%	74.70%	69.30%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(1) Amounts presented for each fiscal year were determined as of the District's measurement date which is the prior year-end.

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 642,933	\$ 737,764	\$ 601,369	\$ 625,027
Contributions in relation to the contractually required contribution	<u>(642,933)</u>	<u>(737,764)</u>	<u>(601,369)</u>	<u>(625,027)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,592,379	\$ 5,269,743	\$ 4,562,739	\$ 4,509,574
Contributions as a percentage of covered payroll	14.00%	14.00%	13.18%	13.86%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 614,259	\$ 611,902	\$ 576,893	\$ 595,154	\$ 417,315	\$ 406,206
<u>(614,259)</u>	<u>(611,902)</u>	<u>(576,893)</u>	<u>(595,154)</u>	<u>(417,315)</u>	<u>(406,206)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,438,288	\$ 4,549,457	\$ 4,589,443	\$ 4,395,524	\$ 4,241,006	\$ 4,136,517
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,550,867	\$ 2,414,491	\$ 2,240,459	\$ 2,017,264
Contributions in relation to the contractually required contribution	<u>(2,550,867)</u>	<u>(2,414,491)</u>	<u>(2,240,459)</u>	<u>(2,017,264)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,220,479	\$ 17,246,364	\$ 16,003,279	\$ 15,517,415
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 2,041,123	\$ 2,005,911	\$ 1,990,622	\$ 1,913,237	\$ 1,854,674	\$ 1,777,057
<u>(2,041,123)</u>	<u>(2,005,911)</u>	<u>(1,990,622)</u>	<u>(1,913,237)</u>	<u>(1,854,674)</u>	<u>(1,777,057)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 15,700,946	\$ 15,430,085	\$ 15,312,477	\$ 14,717,208	\$ 14,266,723	\$ 13,669,669
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

*Changes in assumptions*: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates and (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. See the notes to the basic financial statements for the methods and assumptions in this calculation.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES  
SUPPLEMENTAL INFORMATION

**ROCKY RIVER CITY SCHOOL DISTRICT**

**MAJOR FUNDS**

General Fund

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

**OTHER MAJOR FUNDS**

***Bond Retirement Fund***

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



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 29,818,282	\$ 30,469,213	\$ 30,469,215	\$ 2
Tuition . . . . .	158,000	158,000	148,434	(9,566)
Transportation . . . . .	56,000	62,079	72,333	10,254
Earnings on investments . . . . .	90,252	104,173	125,445	21,272
Classroom materials and fees . . . . .	11,000	11,000	-	(11,000)
Rentals . . . . .	25,000	25,000	42,704	17,704
Contributions and donations . . . . .	-	-	1,199	1,199
Contract services . . . . .	126,500	126,500	62,310	(64,190)
Other local revenues . . . . .	5,000	5,000	7,157	2,157
Intergovernmental - State . . . . .	5,856,562	5,552,002	5,540,382	(11,620)
Intergovernmental - federal . . . . .	-	-	15,753	15,753
<i>Total revenues.</i> . . . .	<u>36,146,596</u>	<u>36,512,967</u>	<u>36,484,932</u>	<u>(28,035)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	11,360,533	11,492,901	11,442,902	49,999
Fringe benefits . . . . .	3,166,980	3,102,283	3,072,283	30,000
Purchased services . . . . .	1,009,061	994,623	914,623	80,000
Materials and supplies . . . . .	735,218	423,481	353,481	70,000
Capital outlay . . . . .	244,336	369,647	326,258	43,389
Other . . . . .	39,173	38,115	38,115	-
<i>Total instruction-regular.</i> . . . .	<u>16,555,301</u>	<u>16,421,050</u>	<u>16,147,662</u>	<u>273,388</u>
Instruction-special:				
Salaries and wages . . . . .	3,449,815	3,398,879	3,398,879	-
Fringe benefits . . . . .	1,061,576	1,045,433	1,045,433	-
Purchased services . . . . .	601,493	771,961	771,961	-
Materials and supplies . . . . .	20,917	14,766	14,766	-
Capital outlay . . . . .	5,000	12,390	12,390	-
<i>Total instruction-special.</i> . . . .	<u>5,138,801</u>	<u>5,243,429</u>	<u>5,243,429</u>	<u>-</u>
Instruction-vocational:				
Purchased services . . . . .	600,000	540,859	540,859	-
<i>Total instruction-vocational.</i> . . . .	<u>600,000</u>	<u>540,859</u>	<u>540,859</u>	<u>-</u>
Instruction-other:				
Salaries and wages . . . . .	357,954	400,073	400,073	-
Fringe benefits . . . . .	76,245	93,531	93,531	-
Purchased services . . . . .	1,100	1,100	1,100	-
<i>Total instruction-other.</i> . . . .	<u>435,299</u>	<u>494,704</u>	<u>494,704</u>	<u>-</u>
Support services-pupil:				
Salaries and wages . . . . .	1,300,099	1,316,728	1,316,728	-
Fringe benefits . . . . .	349,939	348,873	348,873	-
Purchased services . . . . .	340,302	452,802	452,802	-
Materials and supplies . . . . .	24,417	20,433	20,433	-
Capital outlay . . . . .	-	4,996	4,996	-
Other . . . . .	1,270	1,455	1,455	-
<i>Total support services-pupil.</i> . . . .	<u>2,016,027</u>	<u>2,145,287</u>	<u>2,145,287</u>	<u>-</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Support services-instructional staff:</b>				
Salaries and wages . . . . .	\$ 425,706	\$ 417,296	\$ 417,296	\$ -
Fringe benefits . . . . .	178,063	182,828	182,828	-
Purchased services . . . . .	239,154	203,880	203,880	-
Materials and supplies. . . . .	11,274	3,642	3,642	-
Capital outlay . . . . .	12,435	12,539	12,539	-
Other . . . . .	507	744	744	-
Total support services-instructional staff . . . . .	<u>867,139</u>	<u>820,929</u>	<u>820,929</u>	<u>-</u>
<b>Support services-board of education:</b>				
Salaries and wages . . . . .	12,500	12,500	12,500	-
Fringe benefits . . . . .	46	2,330	2,330	-
Purchased services . . . . .	9,500	11,112	11,112	-
Materials and supplies. . . . .	350	315	315	-
Capital outlay . . . . .	4,900	3,714	3,714	-
Other . . . . .	12,272	13,938	13,938	-
Total support services-board of education . . . . .	<u>39,568</u>	<u>43,909</u>	<u>43,909</u>	<u>-</u>
<b>Support services-administration:</b>				
Salaries and wages . . . . .	1,771,772	1,662,941	1,662,941	-
Fringe benefits . . . . .	657,584	628,005	628,005	-
Purchased services . . . . .	22,102	17,267	17,267	-
Materials and supplies. . . . .	8,477	10,597	10,597	-
Capital outlay . . . . .	5,150	957	957	-
Other . . . . .	5,214	4,278	4,278	-
Total support services-administration. . . . .	<u>2,470,299</u>	<u>2,324,045</u>	<u>2,324,045</u>	<u>-</u>
<b>Support services-fiscal:</b>				
Salaries and wages . . . . .	313,333	315,831	315,831	-
Fringe benefits . . . . .	431,475	117,374	117,374	-
Purchased services . . . . .	97,839	156,813	156,813	-
Materials and supplies. . . . .	3,800	1,574	1,574	-
Capital outlay . . . . .	-	8,780	8,780	-
Other . . . . .	529,254	527,155	527,155	-
Total support services-fiscal . . . . .	<u>1,375,701</u>	<u>1,127,527</u>	<u>1,127,527</u>	<u>-</u>
<b>Support services-business:</b>				
Salaries and wages . . . . .	123,791	138,043	138,043	-
Fringe benefits . . . . .	44,592	62,960	62,960	-
Purchased services . . . . .	261,650	214,637	214,637	-
Materials and supplies. . . . .	37,350	39,180	39,180	-
Capital outlay . . . . .	3,500	3,738	3,738	-
Other . . . . .	58,200	52,612	52,612	-
Total support services-business . . . . .	<u>529,083</u>	<u>511,170</u>	<u>511,170</u>	<u>-</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-operations and maintenance:				
Salaries and wages . . . . .	\$ 1,442,349	\$ 1,489,670	\$ 1,489,670	\$ -
Fringe benefits . . . . .	499,693	554,178	554,178	-
Purchased services . . . . .	1,494,887	1,433,043	1,433,043	-
Materials and supplies . . . . .	249,642	265,471	215,471	50,000
Capital outlay . . . . .	51,380	218,811	218,811	-
Other . . . . .	1,500	150	150	-
Total support services-operations and maintenance . . . . .	<u>3,739,451</u>	<u>3,961,323</u>	<u>3,911,323</u>	<u>50,000</u>
Support services-pupil transportation:				
Salaries and wages . . . . .	932,394	893,206	893,206	-
Fringe benefits . . . . .	252,255	283,194	283,194	-
Purchased services . . . . .	222,189	208,081	208,081	-
Materials and supplies . . . . .	210,610	228,973	148,973	80,000
Capital outlay . . . . .	19,732	51,374	51,374	-
Other . . . . .	360	200	200	-
Total support services-pupil transportation . . . . .	<u>1,637,540</u>	<u>1,665,028</u>	<u>1,585,028</u>	<u>80,000</u>
Support services-central:				
Salaries and wages . . . . .	255,449	386,987	386,987	-
Fringe benefits . . . . .	97,585	165,479	165,479	-
Purchased services . . . . .	138,418	145,045	145,045	-
Materials and supplies . . . . .	6,567	4,896	4,896	-
Capital outlay . . . . .	5,000	255	255	-
Other . . . . .	2,475	2,073	2,073	-
Total support services-central . . . . .	<u>505,494</u>	<u>704,735</u>	<u>704,735</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Capital outlay . . . . .	-	1,960	1,960	-
Total operation on non-instructional services - other non-instructional services . . . . .	<u>-</u>	<u>1,960</u>	<u>1,960</u>	<u>-</u>
Extracurricular activities:				
Salaries and wages . . . . .	789,769	788,849	788,849	-
Fringe benefits . . . . .	205,995	170,253	170,253	-
Purchased services . . . . .	154,124	154,902	154,902	-
Materials and supplies . . . . .	4,957	4,768	4,768	-
Capital outlay . . . . .	9,538	8,287	8,287	-
Total extracurricular activities . . . . .	<u>1,164,383</u>	<u>1,127,059</u>	<u>1,127,059</u>	<u>-</u>
Facilities acquisition and construction				
Capital outlay . . . . .	8,750	51,000	51,000	-
Total facilities acquisition and construction . . . . .	<u>8,750</u>	<u>51,000</u>	<u>51,000</u>	<u>-</u>
Total expenditures . . . . .	<u>37,082,836</u>	<u>37,184,014</u>	<u>36,780,626</u>	<u>403,388</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of revenues (under) expenditures . . . . .</i>	\$ (936,240)	\$ (671,047)	\$ (295,694)	\$ 375,353
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	52,837	43,913	42,811	(1,102)
Refund of prior year's receipts . . . . .	(5,000)	(44,825)	(44,825)	-
Transfers in . . . . .	175,000	175,000	175,000	-
Transfers out. . . . .	(284,000)	(305,913)	(305,913)	-
Advances in. . . . .	145,000	135,478	135,478	-
Sale of assets . . . . .	3,500	10,872	61,305	50,433
<i>Total other financing sources (uses). . . . .</i>	<u>87,337</u>	<u>14,525</u>	<u>63,856</u>	<u>49,331</u>
<i>Net change in fund balance . . . . .</i>	(848,903)	(656,522)	(231,838)	424,684
<i>Fund balance at beginning of year . . . . .</i>	5,947,965	5,947,965	5,947,965	-
<i>Prior year encumbrances appropriated. . . . .</i>	419,780	419,780	419,780	-
<i>Fund balance at end of year. . . . .</i>	<u>\$ 5,518,842</u>	<u>\$ 5,711,223</u>	<u>\$ 6,135,907</u>	<u>\$ 424,684</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BOND RETIREMENT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 4,210,016	\$ 4,495,119	\$ 4,499,069	\$ 3,950
Intergovernmental - State . . . . .	609,826	597,923	597,923	-
Intergovernmental-federal . . . . .	518,689	517,863	512,619	(5,244)
<i>Total revenues.</i> . . . .	<u>5,338,531</u>	<u>5,610,905</u>	<u>5,609,611</u>	<u>(1,294)</u>
<b>Expenditures:</b>				
Current:				
Support services-fiscal				
Other . . . . .	70,300	70,478	70,478	-
Total support services-fiscal . . . . .	<u>70,300</u>	<u>70,478</u>	<u>70,478</u>	<u>-</u>
Debt service:				
Principal retirement. . . . .	2,840,000	2,840,000	2,840,000	-
Interest and fiscal charges . . . . .	1,872,632	1,781,061	1,781,061	-
Bond issuance costs . . . . .	-	65,195	65,195	-
Total debt service . . . . .	<u>4,712,632</u>	<u>4,686,256</u>	<u>4,686,256</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>4,782,932</u>	<u>4,756,734</u>	<u>4,756,734</u>	<u>-</u>
<i>Excess of revenues over expenditures</i> . . . . .	<u>555,599</u>	<u>854,171</u>	<u>852,877</u>	<u>(1,294)</u>
<b>Other financing sources (uses):</b>				
Miscellaneous use of funds . . . . .	-	(8,370,396)	(8,370,396)	-
Proceeds from the sale of bonds. . . . .	-	7,440,000	7,440,000	-
Premium on bonds sold . . . . .	-	500,191	500,191	-
<i>Total other financing sources (uses)</i> . . . . .	<u>-</u>	<u>(430,205)</u>	<u>(430,205)</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	555,599	423,966	422,672	(1,294)
<i>Fund balance at beginning of year</i> . . . . .	3,594,295	3,594,295	3,594,295	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ 4,149,894</u>	<u>\$ 4,018,261</u>	<u>\$ 4,016,967</u>	<u>\$ (1,294)</u>

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

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 624,674	\$ 2,262,332	\$ 2,887,006
Receivables:			
Property taxes . . . . .	-	353,987	353,987
Intergovernmental . . . . .	114,672	-	114,672
Prepayments . . . . .	1,445	-	1,445
Materials and supplies inventory . . . . .	1,515	-	1,515
Inventory held for resale . . . . .	2,933	-	2,933
	<u>\$ 745,239</u>	<u>\$ 2,616,319</u>	<u>\$ 3,361,558</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 91,650	\$ 18,789	\$ 110,439
Retainage payable . . . . .	-	28,254	28,254
Accrued wages and benefits payable . . . . .	105,016	-	105,016
Intergovernmental payable . . . . .	1,442	-	1,442
Pension and postemployment benefits payable . . . . .	16,580	-	16,580
Interfund loan payable . . . . .	28,619	791,275	819,894
	<u>243,307</u>	<u>838,318</u>	<u>1,081,625</u>
<b>Deferred inflows of resources:</b>			
Property tax levied for the next fiscal year . . . . .	-	279,518	279,518
Delinquent property tax revenue not available . . . . .	-	12,726	12,726
Intergovernmental revenue not available . . . . .	26,016	-	26,016
	<u>26,016</u>	<u>292,244</u>	<u>318,260</u>
<b>Fund Balances:</b>			
Nonspendable:			
Materials and supplies inventory . . . . .	1,515	-	1,515
Prepays . . . . .	1,445	-	1,445
Restricted:			
Capital improvements . . . . .	-	1,278,944	1,278,944
Food service operations . . . . .	119,503	-	119,503
Non-public schools . . . . .	293,496	-	293,496
Special education . . . . .	45	-	45
Targeted academic assistance . . . . .	153	-	153
Other purposes . . . . .	31,131	-	31,131
Extracurricular . . . . .	38,999	-	38,999
Committed:			
Capital improvements . . . . .	-	206,813	206,813
Other purposes . . . . .	12,127	-	12,127
Unassigned (deficit) . . . . .	(22,498)	-	(22,498)
	<u>475,916</u>	<u>1,485,757</u>	<u>1,961,673</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 745,239</u>	<u>\$ 2,616,319</u>	<u>\$ 3,361,558</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ -	\$ 298,568	\$ 298,568
Earnings on investments . . . . .	6,142	1,959	8,101
Charges for services . . . . .	367,643	-	367,643
Extracurricular activities . . . . .	248,275	-	248,275
Rental income . . . . .	495	171,396	171,891
Contributions and donations . . . . .	103,245	-	103,245
Other local revenues . . . . .	92,738	-	92,738
Intergovernmental - state . . . . .	1,518,506	46,136	1,564,642
Intergovernmental - federal . . . . .	1,263,698	-	1,263,698
<b>Total revenue . . . . .</b>	<b>3,600,742</b>	<b>518,059</b>	<b>4,118,801</b>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	76,554	577,177	653,731
Special . . . . .	721,024	110,910	831,934
Other . . . . .	-	6,424	6,424
Support services:			
Pupil . . . . .	187,518	13,255	200,773
Instructional staff . . . . .	30,549	40,204	70,753
Administration . . . . .	-	5,996	5,996
Fiscal . . . . .	-	9,179	9,179
Business . . . . .	-	674	674
Operations and maintenance . . . . .	2,569	13,621	16,190
Pupil transportation . . . . .	111,084	266,935	378,019
Central . . . . .	-	6,892	6,892
Operation of non-instructional services:			
Food service operations . . . . .	458,771	-	458,771
Other non-instructional services . . . . .	1,597,642	-	1,597,642
Extracurricular activities . . . . .	524,622	932	525,554
Facilities acquisition and construction . . . . .	111	247,663	247,774
Debt service:			
Interest and fiscal charges . . . . .	-	8,627	8,627
<b>Total expenditures . . . . .</b>	<b>3,710,444</b>	<b>1,308,489</b>	<b>5,018,933</b>
Excess of revenues (under) expenditures . . . . .	(109,702)	(790,430)	(900,132)
<b>Other financing sources:</b>			
Sale/loss of assets . . . . .	87	-	87
Transfers in . . . . .	125,000	-	125,000
Inception of lease-purchase transaction . . . . .	-	2,266,000	2,266,000
<b>Total other financing sources . . . . .</b>	<b>125,087</b>	<b>2,266,000</b>	<b>2,391,087</b>
Net change in fund balances . . . . .	15,385	1,475,570	1,490,955
<b>Fund balances</b>			
at beginning of year . . . . .	460,531	10,187	470,718
<b>Fund balances at end of year . . . . .</b>	<b>\$ 475,916</b>	<b>\$ 1,485,757</b>	<b>\$ 1,961,673</b>

## ROCKY RIVER CITY SCHOOL DISTRICT

### FUND DESCRIPTIONS - NONMAJOR SPECIAL REVENUE FUNDS

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

#### ***Food Service Fund***

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

#### ***Special Trust Fund***

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

#### ***Other Grants Fund***

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

#### ***District Managed Activity Fund***

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

#### ***Auxiliary Services Fund***

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

#### ***Data Communications Fund***

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

#### ***Miscellaneous State Grants Fund***

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

#### ***Title VI-B Fund***

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

#### ***Title III Fund***

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

#### ***Title I Fund***

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

#### ***Preschool Disability Fund***

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

#### ***Title II-A Fund***

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

#### ***Miscellaneous Federal Grants Fund***

To account for monies received from the federal government which are not classified elsewhere.



## **FUND DESCRIPTIONS - NONMAJOR SPECIAL REVENUE FUNDS - (Continued)**

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

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

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

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

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

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

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

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

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

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2017

	Food Service	Special Trust	Other Grants	District Managed Activity
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 156,719	\$ 12,127	\$ 37,605	\$ 55,130
Receivables:				
Intergovernmental . . . . .	666	-	-	-
Prepayments . . . . .	589	-	-	27
Materials and supplies inventory . . . . .	1,515	-	-	-
Inventory held for resale . . . . .	2,933	-	-	-
Total assets. . . . .	<u>\$ 162,422</u>	<u>\$ 12,127</u>	<u>\$ 37,605</u>	<u>\$ 55,157</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 466	\$ -	\$ 7,660	\$ 15,016
Accrued wages and benefits . . . . .	29,762	-	-	-
Intergovernmental payable . . . . .	454	-	-	-
Pension and postemployment benefits payable. . . . .	10,133	-	-	1,115
Interfund loan payable . . . . .	-	-	-	-
Total liabilities. . . . .	<u>40,815</u>	<u>-</u>	<u>7,660</u>	<u>16,131</u>
<b>Deferred inflows of resources:</b>				
Intergovernmental revenue not available. . . . .	-	-	-	-
Total deferred inflows of resources . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	1,515	-	-	-
Prepays . . . . .	589	-	-	27
Restricted:				
Non-public schools . . . . .	-	-	-	-
Food service operations . . . . .	119,503	-	-	-
Special education . . . . .	-	-	-	-
Targeted academic assistance . . . . .	-	-	-	-
Other purposes. . . . .	-	-	29,945	-
Extracurricular . . . . .	-	-	-	38,999
Committed:				
Other purposes. . . . .	-	12,127	-	-
Unassigned (deficit) . . . . .	-	-	-	-
Total fund balances . . . . .	<u>121,607</u>	<u>12,127</u>	<u>29,945</u>	<u>39,026</u>
Total liabilities, deferred inflows, and fund balances . . . . .	<u>\$ 162,422</u>	<u>\$ 12,127</u>	<u>\$ 37,605</u>	<u>\$ 55,157</u>

Auxiliary Services	Title VI-B	Title III	Title I	Preschool Disability	Title II-A
\$ 363,056	\$ -	\$ -	\$ -	\$ 9	\$ 27
42	64,330	606	42,852	36	126
39	688	32	41	29	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 363,137</u>	<u>\$ 65,018</u>	<u>\$ 638</u>	<u>\$ 42,893</u>	<u>\$ 74</u>	<u>\$ 153</u>
\$ 68,249	\$ 1	\$ 258	\$ -	\$ -	\$ -
1,269	36,810	-	37,175	-	-
8	441	-	539	-	-
76	5,256	-	-	-	-
-	22,108	242	6,269	-	-
<u>69,602</u>	<u>64,616</u>	<u>500</u>	<u>43,983</u>	<u>-</u>	<u>-</u>
-	21,081	54	-	-	-
-	21,081	54	-	-	-
-	-	-	-	-	-
39	688	32	41	29	-
293,496	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	45	-
-	-	-	-	-	153
-	-	52	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(21,367)	-	(1,131)	-	-
<u>293,535</u>	<u>(20,679)</u>	<u>84</u>	<u>(1,090)</u>	<u>74</u>	<u>153</u>
<u>\$ 363,137</u>	<u>\$ 65,018</u>	<u>\$ 638</u>	<u>\$ 42,893</u>	<u>\$ 74</u>	<u>\$ 153</u>

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

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
JUNE 30, 2017

	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Assets:</b>		
Equity in pooled cash and cash equivalents . . . . .	\$ 1	\$ 624,674
Receivables:		
Intergovernmental . . . . .	6,014	114,672
Prepayments . . . . .	-	1,445
Materials and supplies inventory . . . . .	-	1,515
Inventory held for resale . . . . .	-	2,933
Total assets. . . . .	\$ 6,015	\$ 745,239
<b>Liabilities:</b>		
Accounts payable. . . . .	\$ -	\$ 91,650
Accrued wages and benefits . . . . .	-	105,016
Intergovernmental payable . . . . .	-	1,442
Pension and postemployment benefits payable. . . . .	-	16,580
Interfund loan payable . . . . .	-	28,619
Total liabilities. . . . .	-	243,307
<b>Deferred inflows of resources:</b>		
Intergovernmental revenue not available. . . . .	4,881	26,016
Total deferred inflows of resources . . . . .	4,881	26,016
<b>Fund Balances:</b>		
Nonspendable:		
Materials and supplies inventory. . . . .	-	1,515
Prepays . . . . .	-	1,445
Restricted:		
Non-public schools . . . . .	-	293,496
Food service operations . . . . .	-	119,503
Special education . . . . .	-	45
Targeted academic assistance . . . . .	-	153
Other purposes. . . . .	1,134	31,131
Extracurricular . . . . .	-	38,999
Committed:		
Other purposes. . . . .	-	12,127
Unassigned (deficit) . . . . .	-	(22,498)
Total fund balances . . . . .	1,134	475,916
and fund balances . . . . .	\$ 6,015	\$ 745,239

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Food Service	Special Trust	Other Grants	District Managed Activity
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 1,120	\$ 62	\$ -	\$ -
Charges for services. . . . .	367,643	-	-	-
Extracurricular activities . . . . .	-	-	-	248,275
Rentals . . . . .	-	-	-	495
Contributions and donations . . . . .	-	3,000	65,504	34,741
Other local revenues . . . . .	13,939	-	-	78,799
Intergovernmental - state . . . . .	1,702	-	-	-
Intergovernmental - federal . . . . .	130,160	-	-	-
<b>Total revenue . . . . .</b>	<b>514,564</b>	<b>3,062</b>	<b>65,504</b>	<b>362,310</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular. . . . .	-	-	54,472	-
Special . . . . .	-	-	-	-
Support services:				
Pupil . . . . .	-	-	5,513	-
Instructional staff. . . . .	-	-	504	-
Operations and maintenance of plant . . . . .	-	-	-	-
Pupil transportation . . . . .	-	-	-	-
Operation of non-instructional services:				
Food service operations . . . . .	458,771	-	-	-
Other non-instructional services. . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	9,889	514,733
Facilities acquisition and construction . . . . .	-	-	111	-
<b>Total expenditures . . . . .</b>	<b>458,771</b>	<b>-</b>	<b>70,489</b>	<b>514,733</b>
Excess of revenues over (under) expenditures . . . . .	55,793	3,062	(4,985)	(152,423)
<b>Other financing sources:</b>				
Sale/loss of assets. . . . .	-	-	-	-
Transfers in. . . . .	-	-	-	125,000
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,000</b>
Net change in fund balances . . . . .	55,793	3,062	(4,985)	(27,423)
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>65,814</b>	<b>9,065</b>	<b>34,930</b>	<b>66,449</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 121,607</b>	<b>\$ 12,127</b>	<b>\$ 29,945</b>	<b>\$ 39,026</b>

Auxiliary Services	Data Communications	Miscellaneous State Grants	Title VI-B	Title III	Title I
\$ 4,960	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,507,035	7,200	2,569	-	-	-
-	-	-	714,260	14,036	218,975
1,511,995	7,200	2,569	714,260	14,036	218,975
-	7,200	-	-	-	-
-	-	-	481,992	13,004	215,022
-	-	-	173,020	-	-
-	-	-	-	947	-
-	-	2,569	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,527,518	-	-	56,071	-	3,874
-	-	-	-	-	-
-	-	-	-	-	-
1,527,518	7,200	2,569	711,083	13,951	218,896
(15,523)	-	-	3,177	85	79
87	-	-	-	-	-
-	-	-	-	-	-
87	-	-	-	-	-
(15,436)	-	-	3,177	85	79
308,971	-	-	(23,856)	(1)	(1,169)
\$ 293,535	\$ -	\$ -	\$ (20,679)	\$ 84	\$ (1,090)

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Preschool Disability	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ -	\$ -	\$ -	\$ 6,142
Charges for services . . . . .	-	-	-	367,643
Extracurricular activities . . . . .	-	-	-	248,275
Rentals . . . . .	-	-	-	495
Contributions and donations . . . . .	-	-	-	103,245
Other local revenues . . . . .	-	-	-	92,738
Intergovernmental - state . . . . .	-	-	-	1,518,506
Intergovernmental - federal . . . . .	11,080	53,984	121,203	1,263,698
<b>Total revenue . . . . .</b>	<b>11,080</b>	<b>53,984</b>	<b>121,203</b>	<b>3,600,742</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	-	14,882	-	76,554
Special . . . . .	11,006	-	-	721,024
Support services:				
Pupil . . . . .	-	-	8,985	187,518
Instructional staff . . . . .	-	29,098	-	30,549
Operations and maintenance of plant . . . . .	-	-	-	2,569
Pupil transportation . . . . .	-	-	111,084	111,084
Operation of non-instructional services:				
Food service operations . . . . .	-	-	-	458,771
Other non-instructional services . . . . .	-	10,179	-	1,597,642
Extracurricular activities . . . . .	-	-	-	524,622
Facilities acquisition and construction . . . . .	-	-	-	111
<b>Total expenditures . . . . .</b>	<b>11,006</b>	<b>54,159</b>	<b>120,069</b>	<b>3,710,444</b>
Excess of revenues over (under) expenditures . . . . .	74	(175)	1,134	(109,702)
<b>Other financing sources:</b>				
Sale/loss of assets . . . . .	-	-	-	87
Transfers in . . . . .	-	-	-	125,000
<b>Total other financing sources . . . . .</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,087</b>
Net change in fund balances . . . . .	74	(175)	1,134	15,385
<b>Fund balances (deficit) at beginning of year . . . . .</b>	<b>-</b>	<b>328</b>	<b>-</b>	<b>460,531</b>
<b>Fund balances (deficit) at end of year . . . . .</b>	<b>\$ 74</b>	<b>\$ 153</b>	<b>\$ 1,134</b>	<b>\$ 475,916</b>



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOOD SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 250	\$ 250	\$ 1,120	\$ 870
Charges for services . . . . .	331,000	331,000	367,642	36,642
Other local revenue . . . . .	8,900	8,900	13,124	4,224
Intergovernmental - State . . . . .	2,000	2,000	1,702	(298)
Intergovernmental - Federal . . . . .	100,000	100,000	107,696	7,696
<i>Total revenues.</i> . . . .	<u>442,150</u>	<u>442,150</u>	<u>491,284</u>	<u>49,134</u>
<b>Expenditures:</b>				
Current:				
Operation of non-instructional services - food service operations:				
Salaries and wages . . . . .	177,125	176,173	175,705	468
Fringe benefits . . . . .	55,970	55,950	55,950	-
Purchased services . . . . .	11,140	12,756	12,756	-
Materials and supplies . . . . .	175,260	174,582	174,582	-
Other . . . . .	8,500	13,594	13,594	-
Total operation of non-instructional services - food service operations . . . .	<u>427,995</u>	<u>433,055</u>	<u>432,587</u>	<u>468</u>
<i>Total expenditures</i> . . . . .	<u>427,995</u>	<u>433,055</u>	<u>432,587</u>	<u>468</u>
<i>Excess of revenues</i>				
<i>Excess of revenues over expenditures</i> . .	<u>14,155</u>	<u>9,095</u>	<u>58,697</u>	<u>49,602</u>
<b>Other financing sources:</b>				
Advances in . . . . .	-	-	149	149
<i>Total other financing sources</i> . . . . .	<u>-</u>	<u>-</u>	<u>149</u>	<u>149</u>
<i>Net change in fund balance</i> . . . . .	14,155	9,095	58,846	49,751
<i>Fund balance at beginning of year</i> . . . . .	97,564	97,564	97,564	-
<i>Prior year encumbrances appropriated.</i> . . .	200	200	200	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ 111,919</u>	<u>\$ 106,859</u>	<u>\$ 156,610</u>	<u>\$ 49,751</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPECIAL TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest . . . . .	\$ -	\$ -	\$ 62	\$ 62
Contributions and donations . . . . .	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<i>Total revenues</i> . . . . .	<u>3,000</u>	<u>3,000</u>	<u>3,062</u>	<u>62</u>
 <i>Net change in fund balance</i> . . . . .	 3,000	 3,000	 3,062	 62
 <i>Fund balance at beginning of year</i> . . . . .	 <u>9,065</u>	 <u>9,065</u>	 <u>9,065</u>	 <u>-</u>
<i>Fund balance at end of year</i> . . . . .	<u>\$ 12,065</u>	<u>\$ 12,065</u>	<u>\$ 12,127</u>	<u>\$ 62</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
OTHER GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Contributions and donations . . . . .	\$ -	\$ 64,201	\$ 65,504	\$ 1,303
<i>Total revenues</i> . . . . .	<u>-</u>	<u>64,201</u>	<u>65,504</u>	<u>1,303</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Purchased services . . . . .	3,618	27,991	24,572	3,419
Materials and supplies . . . . .	4,080	20,417	20,411	6
Capital outlay . . . . .	3,576	10,536	9,494	1,042
<i>Total instruction-regular</i> . . . . .	<u>11,274</u>	<u>58,944</u>	<u>54,477</u>	<u>4,467</u>
Instruction-special:				
Materials and supplies . . . . .	43	43	-	43
Capital outlay . . . . .	148	148	-	148
<i>Total instruction-special</i> . . . . .	<u>191</u>	<u>191</u>	<u>-</u>	<u>191</u>
Support services-pupil:				
Purchased services . . . . .	-	1,920	1,820	100
Materials and supplies . . . . .	-	1,099	980	119
Capital outlay . . . . .	(104)	2,507	2,483	24
Other . . . . .	-	580	580	-
<i>Total support services-pupil</i> . . . . .	<u>(104)</u>	<u>6,106</u>	<u>5,863</u>	<u>243</u>
Support services-instructional staff:				
Materials and supplies . . . . .	-	577	504	73
<i>Total support services-instructional staff</i> . . . . .	<u>-</u>	<u>577</u>	<u>504</u>	<u>73</u>
Extracurricular activities:				
Purchased services . . . . .	117	2,327	2,210	117
Materials and supplies . . . . .	208	1,908	1,859	49
Capital outlay . . . . .	89	10,589	10,339	250
Other . . . . .	-	705	705	-
<i>Total operation of non-instructional</i>				
<i>Total extracurricular activities</i> . . . . .	<u>414</u>	<u>15,529</u>	<u>15,113</u>	<u>416</u>
Facilities acquisition and construction				
Capital outlay . . . . .	111	111	111	-
<i>Total facilities acquisition and construction</i> . . . . .	<u>111</u>	<u>111</u>	<u>111</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>11,886</u>	<u>81,458</u>	<u>76,068</u>	<u>5,390</u>
Excess of revenues (under) expenditures . . . . .	<u>(11,886)</u>	<u>(17,257)</u>	<u>(10,564)</u>	<u>6,693</u>
<b>Other financing sources:</b>				
Refund of prior year's expenditures . . . . .	-	-	5	5
<i>Total other financing sources</i> . . . . .	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
<i>Net change in fund balance</i> . . . . .	<u>(11,886)</u>	<u>(17,257)</u>	<u>(10,559)</u>	<u>6,698</u>
<i>Fund balance at beginning of year</i> . . . . .	32,430	32,430	32,430	-
<i>Prior year encumbrances appropriated</i> . . . . .	2,589	2,589	2,589	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 23,133</u>	<u>\$ 17,762</u>	<u>\$ 24,460</u>	<u>\$ 6,698</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DISTRICT MANAGED ACTIVITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Extracurricular activities . . . . .	\$ 289,425	\$ 284,445	\$ 248,277	\$ (36,168)
Rentals . . . . .	-	-	495	495
Contributions and donations . . . . .	51,750	37,609	34,741	(2,868)
Other local revenue. . . . .	121,680	85,680	78,648	(7,032)
<i>Total revenues.</i> . . . .	<u>462,855</u>	<u>407,734</u>	<u>362,161</u>	<u>(45,573)</u>
<b>Expenditures:</b>				
Current:				
Extracurricular activities:				
Salaries and wages . . . . .	13,470	21,754	21,754	-
Fringe benefits . . . . .	1,605	3,220	3,220	-
Purchased services . . . . .	198,275	178,780	178,780	-
Materials and supplies. . . . .	132,228	188,292	168,292	20,000
Capital outlay . . . . .	157,269	92,788	78,004	14,784
Other . . . . .	68,820	85,402	85,402	-
<i>Total extracurricular activities.</i> . . . .	<u>571,667</u>	<u>570,236</u>	<u>535,452</u>	<u>34,784</u>
<i>Total expenditures</i> . . . . .	<u>571,667</u>	<u>570,236</u>	<u>535,452</u>	<u>34,784</u>
<i>Excess of revenues ( under) expenditures</i> . . . . .	<u>(108,812)</u>	<u>(162,502)</u>	<u>(173,291)</u>	<u>(10,789)</u>
<b>Other financing sources:</b>				
Refund of prior year's expenditures . . . . .	-	-	150	150
Transfers in . . . . .	92,900	92,900	124,999	32,099
Transfers (out). . . . .	134,945	-	-	-
<i>Total other financing sources</i> . . . . .	<u>227,845</u>	<u>92,900</u>	<u>125,149</u>	<u>32,249</u>
<i>Net change in fund balance</i> . . . . .	119,033	(69,602)	(48,142)	21,460
<i>Fund balance at beginning of year</i> . . . . .	53,053	53,053	53,053	-
<i>Prior year encumbrances appropriated.</i> . . . .	16,551	16,551	16,551	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ 188,637</u>	<u>\$ 2</u>	<u>\$ 21,462</u>	<u>\$ 21,460</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
AUXILIARY SERVICES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Earnings on investments . . . . .	\$ 1,253	\$ 4,315	\$ 4,961	\$ 646
Intergovernmental - State . . . . .	<u>725,966</u>	<u>1,507,035</u>	<u>1,507,035</u>	<u>-</u>
<i>Total revenues.</i> . . . .	<u>727,219</u>	<u>1,511,350</u>	<u>1,511,996</u>	<u>646</u>
<b>Expenditures:</b>				
Current:				
Operation of non-instructional services - other non-instructional services:				
Salaries and wages . . . . .	13,500	11,982	11,982	-
Fringe benefits . . . . .	3,847	5,393	5,393	-
Purchased services . . . . .	428,027	802,420	802,420	-
Materials and supplies . . . . .	495,036	428,792	428,792	-
Capital outlay . . . . .	<u>96,719</u>	<u>571,587</u>	<u>568,709</u>	<u>2,878</u>
<i>Total operation on non-instructional services -       other non-instructional services . . . . .</i>	<u>1,037,129</u>	<u>1,820,174</u>	<u>1,817,296</u>	<u>2,878</u>
<i>Total expenditures . . . . .</i>	<u>1,037,129</u>	<u>1,820,174</u>	<u>1,817,296</u>	<u>2,878</u>
<i>Excess of revenues (under) expenditures . . . . .</i>	<u>(309,910)</u>	<u>(308,824)</u>	<u>(305,300)</u>	<u>3,524</u>
<b>Other financing sources:</b>				
Refund of prior year expenditure . . . . .	-	-	8	8
Proceeds from sale of fixed assets . . . . .	<u>-</u>	<u>87</u>	<u>87</u>	<u>-</u>
<i>Total other financing sources . . . . .</i>	<u>-</u>	<u>87</u>	<u>95</u>	<u>8</u>
<i>Net change in fund balance . . . . .</i>	<u>(309,910)</u>	<u>(308,737)</u>	<u>(305,205)</u>	<u>3,532</u>
<i>Fund balance at beginning of year . . . . .</i>	250,788	250,788	250,788	-
<i>Prior year encumbrances appropriated . . . . .</i>	<u>59,637</u>	<u>59,637</u>	<u>59,637</u>	<u>-</u>
<i>Fund balance at end of year . . . . .</i>	<u>\$ 515</u>	<u>\$ 1,688</u>	<u>\$ 5,220</u>	<u>\$ 3,532</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
DATA COMMUNICATIONS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS STATE GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental - State . . . . .	\$ -	\$ 2,569	\$ 2,569	\$ -
<i>Total revenues.</i> . . . .	<u>-</u>	<u>2,569</u>	<u>2,569</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Support services-operations and maintenance:				
Purchased services . . . . .	-	2,569	2,569	-
Total support services-operations and maintenance . . . . .	<u>-</u>	<u>2,569</u>	<u>2,569</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>-</u>	<u>2,569</u>	<u>2,569</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	-	-	-	-
<i>Fund balance at beginning of year</i> . . . . .	-	-	-	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE VI-B FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 750,641	\$ 750,640	\$ 687,120	\$ (63,520)
<i>Total revenues.</i> . . . .	<u>750,641</u>	<u>750,640</u>	<u>687,120</u>	<u>(63,520)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Salaries and wages . . . . .	-	94,106	84,712	9,394
Fringe benefits . . . . .	-	31,502	27,173	4,329
Purchased services . . . . .	704,544	374,133	374,133	-
<i>Total instruction-special.</i> . . . .	<u>704,544</u>	<u>499,741</u>	<u>486,018</u>	<u>13,723</u>
Support services-pupil:				
Salaries and wages . . . . .	-	147,113	126,018	21,095
Fringe benefits . . . . .	-	44,375	38,369	6,006
Purchased services . . . . .	4,398	9,181	9,181	-
<i>Total support services-pupil.</i> . . . .	<u>4,398</u>	<u>200,669</u>	<u>173,568</u>	<u>27,101</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services . . . . .	-	56,071	56,071	-
<i>Total operation of non-instructional services -     other non-instructional services.</i> . . . .	<u>-</u>	<u>56,071</u>	<u>56,071</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>708,942</u>	<u>756,481</u>	<u>715,657</u>	<u>40,824</u>
<i>Excess of revenues over (under) expenditures.</i> . . . .	<u>41,699</u>	<u>(5,841)</u>	<u>(28,537)</u>	<u>(22,696)</u>
<b>Other financing sources:</b>				
Refund of prior year's expenditures . . . . .	-	-	182	182
<i>Total other financing sources.</i> . . . .	<u>-</u>	<u>-</u>	<u>182</u>	<u>182</u>
<i>Net change in fund balance.</i> . . . .	41,699	(5,841)	(28,355)	(22,696)
<i>Fund balance at beginning of year.</i> . . . .	1,443	1,443	1,443	-
<i>Prior year encumbrances appropriated.</i> . . . .	4,398	4,398	4,398	-
<i>Fund (deficit) at end of year.</i> . . . .	<u>\$ 47,540</u>	<u>\$ -</u>	<u>\$ (22,514)</u>	<u>\$ (22,696)</u>



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE III FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 13,179	\$ 14,518	\$ 13,536	\$ (982)
<i>Total revenues.</i> . . . .	<u>13,179</u>	<u>14,518</u>	<u>13,536</u>	<u>(982)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special				
Salaries and wages . . . . .	12,052	9,837	9,837	-
Fringe benefits . . . . .	-	1,574	1,574	-
Materials and supplies . . . . .	-	1,700	1,679	21
<i>Total instruction-special.</i> . . . .	<u>12,052</u>	<u>13,111</u>	<u>13,090</u>	<u>21</u>
Support services-instructional staff:				
Purchased services . . . . .	-	978	947	31
<i>Total support services-instructional</i> <i>staff.</i> . . . .	<u>-</u>	<u>978</u>	<u>947</u>	<u>31</u>
<i>Total expenditures.</i> . . . .	<u>12,052</u>	<u>14,089</u>	<u>14,037</u>	<u>52</u>
Excess of revenues over (under) expenditures . . . . .	<u>1,127</u>	<u>429</u>	<u>(501)</u>	<u>(930)</u>
<b>Other financing sources:</b>				
Refund of prior year's expenditures . . . . .	-	-	10	10
<i>Total other financing sources.</i> . . . .	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
<i>Net change in fund balance.</i> . . . .	1,127	429	(491)	(920)
<i>Fund (deficit) at beginning of year.</i> . . . .	(11)	(11)	(11)	-
<i>Fund (deficit) at end of year.</i> . . . .	<u>\$ 1,116</u>	<u>\$ 418</u>	<u>\$ (502)</u>	<u>\$ (920)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE I FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 255,708	\$ 253,148	\$ 210,826	\$ (42,322)
<i>Total revenues.</i> . . . .	<u>255,708</u>	<u>253,148</u>	<u>210,826</u>	<u>(42,322)</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Salaries and wages . . . . .	221,535	230,088	194,157	35,931
Fringe benefits . . . . .	-	11,423	11,423	-
<i>Total instruction-special.</i> . . . .	<u>221,535</u>	<u>241,511</u>	<u>205,580</u>	<u>35,931</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services . . . . .	-	3,874	3,874	-
<i>Total operation of non-instructional services -     other non-instructional services.</i> . . . .	<u>-</u>	<u>3,874</u>	<u>3,874</u>	<u>-</u>
<i>Total expenditures.</i> . . . .	<u>221,535</u>	<u>245,385</u>	<u>209,454</u>	<u>35,931</u>
<i>Excess of revenues over expenditures.</i> . . . .	<u>34,173</u>	<u>7,763</u>	<u>1,372</u>	<u>(6,391)</u>
<b>Other financing sources:</b>				
Refund of prior year's expenditures . . . . .	-	-	121	121
<i>Total other financing sources.</i> . . . .	<u>-</u>	<u>-</u>	<u>121</u>	<u>121</u>
<i>Net change in fund balance.</i> . . . .	34,173	7,763	1,493	(6,270)
<i>Fund (deficit) at beginning of year.</i> . . . .	<u>(7,762)</u>	<u>(7,762)</u>	<u>(7,762)</u>	<u>-</u>
<i>Fund (deficit) at end of year.</i> . . . .	<u>\$ 26,411</u>	<u>\$ 1</u>	<u>\$ (6,269)</u>	<u>\$ (6,270)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PRESCHOOL DISABILITY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 11,080	\$ 11,080	\$ 11,080	\$ -
<i>Total revenues.</i> . . . .	<u>11,080</u>	<u>11,080</u>	<u>11,080</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction-special:				
Salaries and wages . . . . .	11,080	8,967	8,967	-
Fringe benefits . . . . .	-	2,113	2,113	-
<i>Total instruction-special.</i> . . . .	<u>11,080</u>	<u>11,080</u>	<u>11,080</u>	<u>-</u>
<i>Total expenditures.</i> . . . .	<u>11,080</u>	<u>11,080</u>	<u>11,080</u>	<u>-</u>
<i>Excess of revenues     over (under) expenditures.</i> . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources:</b>				
Refund of prior year's expenditures . . . . .	-	-	9	9
<i>Total other financing sources.</i> . . . .	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
<i>Net change in fund balance.</i> . . . .	-	-	9	9
<i>Fund balance at beginning of year.</i> . . . .	-	-	-	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
TITLE II-A FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 55,506	\$ 55,229	\$ 55,229	\$ -
<i>Total revenues.</i> . . . .	<u>55,506</u>	<u>55,229</u>	<u>55,229</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	15,000	13,000	13,000	-
Fringe benefits . . . . .	-	2,008	2,008	-
<i>Total instruction-regular.</i> . . . .	<u>15,000</u>	<u>15,008</u>	<u>15,008</u>	<u>-</u>
Support services-instructional staff:				
Purchased services . . . . .	38,527	29,127	29,127	-
<i>Total support services-instructional staff.</i> . . . .	<u>38,527</u>	<u>29,127</u>	<u>29,127</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services . . . . .	622	10,472	10,472	-
<i>Total operation of non-instructional services - other non-instructional services.</i> . . . .	<u>622</u>	<u>10,472</u>	<u>10,472</u>	<u>-</u>
<i>Total expenditures.</i> . . . .	<u>54,149</u>	<u>54,607</u>	<u>54,607</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures.</i> . . . .	<u>1,357</u>	<u>622</u>	<u>622</u>	<u>-</u>
<b>Other financing sources:</b>				
Refund of prior year's expenditures . . . . .	-	-	29	29
<i>Total other financing sources.</i> . . . .	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
<i>Net change in fund balance.</i> . . . .	1,357	622	651	29
<i>Fund (deficit) at beginning of year.</i> . . . .	(1,246)	(1,246)	(1,246)	-
<i>Prior year encumbrances appropriated.</i> . . . .	<u>622</u>	<u>622</u>	<u>622</u>	<u>-</u>
<i>Fund (deficit) at end of year.</i> . . . .	<u>\$ 733</u>	<u>\$ (2)</u>	<u>\$ 27</u>	<u>\$ 29</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
MISCELLANEOUS FEDERAL GRANTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental - Federal . . . . .	\$ 111,084	\$ 126,084	\$ 120,070	\$ (6,014)
<i>Total revenues.</i> . . . .	<u>111,084</u>	<u>126,084</u>	<u>120,070</u>	<u>(6,014)</u>
<b>Expenditures:</b>				
Current:				
Support services-pupil				
Materials and supplies. . . . .	-	1,380	1,380	-
Capital outlay . . . . .	-	8,820	7,605	1,215
Total support services-pupil. . . . .	<u>-</u>	<u>10,200</u>	<u>8,985</u>	<u>1,215</u>
Support services-operations and maintenance				
Purchased services . . . . .	-	4,800	1,135	3,665
Total support services-operations and maintenance . . . . .	<u>-</u>	<u>4,800</u>	<u>1,135</u>	<u>3,665</u>
Support services-pupil transportation				
Capital outlay . . . . .	111,084	111,084	111,084	-
Total support services-pupil transportation . . . . .	<u>111,084</u>	<u>111,084</u>	<u>111,084</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>111,084</u>	<u>126,084</u>	<u>121,204</u>	<u>4,880</u>
<i>Net change in fund balance</i> . . . . .	-	-	(1,134)	(1,134)
<i>Fund balance at beginning of year</i> . . . . .	-	-	-	-
<i>Fund balance (deficit) at end of year.</i> . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,134)</u>	<u>\$ (1,134)</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNCLAIMED MONIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local revenues. . . . .	\$ -	\$ -	\$ 8	\$ 8
<i>Total revenues</i> . . . . .	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
<i>Net change in fund balance</i> . . . . .	-	-	8	8
<i>Fund balance at beginning of year</i> . . . . .	1,054	1,054	1,054	-
<i>Fund balance at end of year</i> . . . . .	<u>\$ 1,054</u>	<u>\$ 1,054</u>	<u>\$ 1,062</u>	<u>\$ 8</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
UNIFORM SCHOOL SUPPLIES FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Classroom materials and fees . . . . .	\$ 28,020	\$ 28,020	\$ 25,576	\$ (2,444)
Contributions and donations. . . . .	-	-	30	30
<i>Total revenues.</i> . . . .	<u>28,020</u>	<u>28,020</u>	<u>25,606</u>	<u>(2,414)</u>
<b>Expenditures:</b>				
Current:				
Operation of non-instructional services - other non-instructional services:				
Materials and supplies. . . . .	<u>31,000</u>	<u>21,000</u>	<u>19,930</u>	<u>1,070</u>
Total operation of non-instructional services - other non-instructional services . . . . .	<u>31,000</u>	<u>21,000</u>	<u>19,930</u>	<u>1,070</u>
<i>Total expenditures</i> . . . . .	<u>31,000</u>	<u>21,000</u>	<u>19,930</u>	<u>1,070</u>
<i>Net change in fund balance</i> . . . . .	(2,980)	7,020	5,676	(1,344)
<i>Fund balance at beginning of year</i> . . . . .	<u>24,514</u>	<u>24,514</u>	<u>24,514</u>	<u>-</u>
<i>Fund balance at end of year.</i> . . . .	<u>\$ 21,534</u>	<u>\$ 31,534</u>	<u>\$ 30,190</u>	<u>\$ (1,344)</u>

**ROCKY RIVER CITY SCHOOL DISTRICT**  
**CUYAHOGA COUNTY, OHIO**  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING ROTARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Tuition . . . . .	\$ 10,000	\$ 10,000	\$ 7,250	\$ (2,750)
Transportation . . . . .	8,000	8,000	1,746	(6,254)
Extracurricular activities . . . . .	17,400	46,789	47,870	1,081
Classroom materials and fees . . . . .	185,815	189,255	186,997	(2,258)
Contributions and donations . . . . .	520	8,008	12,648	4,640
Other local revenues . . . . .	50,335	59,257	71,971	12,714
<i>Total revenues . . . . .</i>	<u>272,070</u>	<u>321,309</u>	<u>328,482</u>	<u>7,173</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	13,025	15,474	3,474	12,000
Fringe benefits . . . . .	2,081	489	489	-
Purchased services . . . . .	90	15,983	15,983	-
Materials and supplies . . . . .	98,538	75,669	75,669	-
Capital outlay . . . . .	3,099	19,755	19,755	-
Other . . . . .	9,825	13,190	13,190	-
<i>Total instruction-regular . . . . .</i>	<u>126,658</u>	<u>140,560</u>	<u>128,560</u>	<u>12,000</u>
Instruction-special:				
Purchased services . . . . .	-	765	765	-
<i>Total instruction-special . . . . .</i>	<u>-</u>	<u>765</u>	<u>765</u>	<u>-</u>
Support services-pupil:				
Salaries and wages . . . . .	-	337	337	-
Fringe benefits . . . . .	-	48	48	-
Purchased services . . . . .	64,653	88,858	79,703	9,155
Materials and supplies . . . . .	2,750	50,827	50,827	-
Capital outlay . . . . .	8,815	17,185	17,185	-
Other . . . . .	19,000	27,178	27,178	-
<i>Total support services-pupil . . . . .</i>	<u>95,218</u>	<u>184,433</u>	<u>175,278</u>	<u>9,155</u>
Support services-instructional staff:				
Materials and supplies . . . . .	1,150	-	-	-
Capital outlay . . . . .	740	-	-	-
<i>Total support services-instructional staff . . . . .</i>	<u>1,890</u>	<u>-</u>	<u>-</u>	<u>-</u>
Support services-central:				
Other . . . . .	1,388	7,341	7,341	-
<i>Total support services-central . . . . .</i>	<u>1,388</u>	<u>7,341</u>	<u>7,341</u>	<u>-</u>
Extracurricular activities:				
Materials and supplies . . . . .	450	-	-	-
<i>Total extracurricular activities . . . . .</i>	<u>450</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures . . . . .</i>	<u>225,604</u>	<u>333,099</u>	<u>311,944</u>	<u>21,155</u>
<i>Excess of revenues over (under) expenditures . . . . .</i>	<u>46,466</u>	<u>(11,790)</u>	<u>16,538</u>	<u>28,328</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	-	500	13	(487)
Sale of capital assets . . . . .	30	30	907	877
<i>Total other financing sources . . . . .</i>	<u>30</u>	<u>530</u>	<u>920</u>	<u>390</u>
<i>Net change in fund balance . . . . .</i>	46,496	(11,260)	17,458	28,718
<i>Fund balance at beginning of year . . . . .</i>	109,749	109,749	109,749	-
<i>Prior year encumbrances appropriated . . . . .</i>	14,005	14,005	14,005	-
<i>Fund balance at end of year . . . . .</i>	<u>\$ 170,250</u>	<u>\$ 112,494</u>	<u>\$ 141,212</u>	<u>\$ 28,718</u>



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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PUBLIC SCHOOL SUPPORT FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Tuition . . . . .	\$ 16,000	\$ 16,000	\$ 38,138	\$ 22,138
Extracurricular activities . . . . .	5,500	5,785	7,967	2,182
Contributions and donations . . . . .	27,000	36,715	8,521	(28,194)
Other local revenues . . . . .	12,000	12,000	10,989	(1,011)
<i>Total revenues.</i> . . . . .	<u>60,500</u>	<u>70,500</u>	<u>65,615</u>	<u>(4,885)</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Salaries and wages . . . . .	275	275	-	275
Purchased services . . . . .	8,000	9,500	8,716	784
Materials and supplies . . . . .	4,674	5,472	4,575	897
Capital outlay . . . . .	5,158	4,059	3,657	402
<i>Total instruction-regular.</i> . . . . .	<u>18,107</u>	<u>19,306</u>	<u>16,948</u>	<u>2,358</u>
Instruction-special:				
Purchased services . . . . .	2,556	5,291	4,800	491
Materials and supplies . . . . .	7,524	11,202	9,092	2,110
Capital outlay . . . . .	5,700	6,200	6,153	47
Other . . . . .	-	53	53	-
<i>Total instruction-special.</i> . . . . .	<u>15,780</u>	<u>22,746</u>	<u>20,098</u>	<u>2,648</u>
Support services-pupil:				
Fringe benefits . . . . .	70	70	6,350	(6,280)
Purchased services . . . . .	12,215	12,280	12,898	(618)
Materials and supplies . . . . .	18,619	15,819	7,314	8,505
Capital outlay . . . . .	1,000	7,619	10,619	(3,000)
Other . . . . .	10,563	13,673	-	13,673
<i>Total support services-pupil.</i> . . . . .	<u>42,467</u>	<u>49,461</u>	<u>37,181</u>	<u>12,280</u>
Support services-instructional staff:				
Purchased services . . . . .	-	3,000	480	2,520
<i>Total support services-instructional staff.</i> . . . . .	<u>-</u>	<u>3,000</u>	<u>480</u>	<u>2,520</u>
<i>Total expenditures</i> . . . . .	<u>76,354</u>	<u>94,513</u>	<u>74,707</u>	<u>19,806</u>
<i>Excess of revenues (under) expenditures.</i> . . . . .	<u>(15,854)</u>	<u>(24,013)</u>	<u>(9,092)</u>	<u>14,921</u>
<b>Other financing uses::</b>				
Miscellaneous use of funds . . . . .	-	(5)	(5)	-
<i>Total other financing uses.</i> . . . . .	<u>-</u>	<u>(5)</u>	<u>(5)</u>	<u>-</u>
<i>Net change in fund balance.</i> . . . . .	<u>(15,854)</u>	<u>(24,018)</u>	<u>(9,097)</u>	<u>14,921</u>
<i>Fund balance at beginning of year.</i> . . . . .	139,919	139,919	139,919	-
<i>Prior year encumbrances appropriated.</i> . . . . .	3,750	3,750	3,750	-
<i>Fund balance at end of year.</i> . . . . .	<u>\$ 127,815</u>	<u>\$ 119,651</u>	<u>\$ 134,572</u>	<u>\$ 14,921</u>

**ROCKY RIVER CITY SCHOOL DISTRICT**

**FUND DESCRIPTION - NONMAJOR CAPITAL PROJECTS FUND**

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

***Permanent Improvement Fund***

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

***Building Fund***

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

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

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2017

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 280,548	\$ 1,981,784	\$ 2,262,332
Receivables:			
Property taxes . . . . .	353,987	-	353,987
Total assets . . . . .	\$ 634,535	\$ 1,981,784	\$ 2,616,319
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ -	\$ 18,789	\$ 18,789
Retainage payable. . . . .	-	28,254	28,254
Interfund loan payable . . . . .	135,478	655,797	791,275
Total liabilities. . . . .	135,478	702,840	838,318
<b>Deferred inflows of resources:</b>			
Property tax levied for the next fiscal year . . . . .	279,518	-	279,518
Delinquent property tax revenue not available . . . . .	12,726	-	12,726
Total deferred inflows of resources . . . . .	292,244	-	292,244
<b>Fund Balances:</b>			
Restricted:			
Capital improvements. . . . .	-	1,278,944	1,278,944
Committed:			
Capital improvements . . . . .	206,813	-	206,813
Total fund balances . . . . .	206,813	1,278,944	1,485,757
Total liabilities, deferred inflows and fund balances .	\$ 634,535	\$ 1,981,784	\$ 2,616,319

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
From local sources:			
Property taxes . . . . .	\$ 298,568	\$ -	\$ 298,568
Earnings on investments . . . . .	1,959	-	1,959
Rentals . . . . .	67,238	104,158	171,396
Intergovernmental - state . . . . .	46,136	-	46,136
Total revenue . . . . .	<u>413,901</u>	<u>104,158</u>	<u>518,059</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	28,368	548,809	577,177
Special . . . . .	-	110,910	110,910
Other . . . . .	-	6,424	6,424
Support services:			
Pupil . . . . .	-	13,255	13,255
Instructional staff . . . . .	-	40,204	40,204
Administration . . . . .	-	5,996	5,996
Fiscal . . . . .	5,345	3,834	9,179
Business . . . . .	-	674	674
Operations and maintenance of plant . . . . .	13,621	-	13,621
Pupil transportation . . . . .	-	266,935	266,935
Central . . . . .	-	6,892	6,892
Extracurricular activities . . . . .	-	932	932
Facilities acquisition and construction . . . . .	-	247,663	247,663
Debt service:			
Interest and fiscal charges . . . . .	-	8,627	8,627
Total expenditures . . . . .	<u>47,334</u>	<u>1,261,155</u>	<u>1,308,489</u>
Excess of revenues over (under) expenditures . . . . .	<u>366,567</u>	<u>(1,156,997)</u>	<u>(790,430)</u>
<b>Other financing sources:</b>			
Inception of lease-purchase transaction . . . . .	-	2,266,000	2,266,000
Net change in fund balances . . . . .	366,567	1,109,003	1,475,570
<b>Fund balances (deficit)</b>			
at beginning of year . . . . .	<u>(159,754)</u>	<u>169,941</u>	<u>10,187</u>
<b>Fund balances at end of year . . . . .</b>	<u><u>\$ 206,813</u></u>	<u><u>\$ 1,278,944</u></u>	<u><u>\$ 1,485,757</u></u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
PERMANENT IMPROVEMENTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 337,456	\$ 346,776	\$ 346,998	\$ 222
Earnings on investments . . . . .	1,500	1,500	1,959	459
Rentals . . . . .	171,396	171,396	171,396	-
Intergovernmental-state . . . . .	47,391	46,137	46,136	(1)
<i>Total revenues.</i> . . . .	<u>557,743</u>	<u>565,809</u>	<u>566,489</u>	<u>680</u>
<b>Expenditures:</b>				
Current:				
Instruction-regular				
Purchased services . . . . .	28,500	28,500	28,368	132
Capital outlay . . . . .	100,000	99,655	-	99,655
Total instruction-regular. . . . .	<u>128,500</u>	<u>128,155</u>	<u>28,368</u>	<u>99,787</u>
Support services-fiscal:				
Other . . . . .	-	5,345	5,345	-
Total support services-fiscal . . . . .	<u>-</u>	<u>5,345</u>	<u>5,345</u>	<u>-</u>
Support services-operations and maintenance:				
Capital outlay . . . . .	180,085	180,085	13,621	166,464
Total support services-operations and maintenance . . . . .	<u>180,085</u>	<u>180,085</u>	<u>13,621</u>	<u>166,464</u>
Debt service:				
Principal retirement. . . . .	95,531	95,531	95,531	-
Interest and fiscal charges . . . . .	8,627	8,627	8,627	-
Total debt service . . . . .	<u>104,158</u>	<u>104,158</u>	<u>104,158</u>	<u>-</u>
<i>Total expenditures</i> . . . . .	<u>412,743</u>	<u>417,743</u>	<u>151,492</u>	<u>266,251</u>
<i>Excess of revenues over expenditures</i> . . . . .	<u>145,000</u>	<u>148,066</u>	<u>414,997</u>	<u>266,931</u>
<b>Other financing (uses):</b>				
Advances out . . . . .	(145,000)	(135,478)	(135,478)	-
<i>Total other financing (uses)</i> . . . . .	<u>(145,000)</u>	<u>(135,478)</u>	<u>(135,478)</u>	<u>-</u>
<i>Net change in fund balance</i> . . . . .	-	12,588	279,519	266,931
<i>Fund balance at beginning of year</i> . . . . .	1,029	1,029	1,029	-
<i>Fund balance at end of year.</i> . . . .	<u>\$ 1,029</u>	<u>\$ 13,617</u>	<u>\$ 280,548</u>	<u>\$ 266,931</u>

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Current:				
Instruction-regular:				
Purchased services . . . . .	\$ -	\$ 3,300	\$ 3,300	\$ -
Capital outlay . . . . .	337,211	669,571	669,571	-
Total instruction-regular . . . . .	<u>337,211</u>	<u>672,871</u>	<u>672,871</u>	<u>-</u>
Instruction-special				
Capital outlay . . . . .	-	193,596	118,194	75,402
Total instruction-special . . . . .	<u>-</u>	<u>193,596</u>	<u>118,194</u>	<u>75,402</u>
Instruction-other				
Capital outlay . . . . .	-	6,424	6,424	-
Total instruction-other . . . . .	<u>-</u>	<u>6,424</u>	<u>6,424</u>	<u>-</u>
Support services-pupil				
Capital outlay . . . . .	-	13,323	13,323	-
Total support services-pupil . . . . .	<u>-</u>	<u>13,323</u>	<u>13,323</u>	<u>-</u>
Support services-instructional staff				
Capital outlay . . . . .	-	108,524	108,524	-
Total support services-instructional staff . . . . .	<u>-</u>	<u>108,524</u>	<u>108,524</u>	<u>-</u>
Support services-administration				
Capital outlay . . . . .	-	6,176	6,176	-
Total support services-administration . . . . .	<u>-</u>	<u>6,176</u>	<u>6,176</u>	<u>-</u>
Support services-fiscal				
Capital outlay . . . . .	-	3,969	3,969	-
Total support services-fiscal . . . . .	<u>-</u>	<u>3,969</u>	<u>3,969</u>	<u>-</u>
Support services-business				
Capital outlay . . . . .	-	696	696	-
Total support services-business . . . . .	<u>-</u>	<u>696</u>	<u>696</u>	<u>-</u>
Support services-pupil transportation:				
Capital outlay . . . . .	378,384	267,300	267,235	65
Total support services-pupil transportation . . . . .	<u>378,384</u>	<u>267,300</u>	<u>267,235</u>	<u>65</u>

-- Continued

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
BUILDING FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Support services-central				
Capital outlay . . . . .	\$ 2,789	\$ 7,881	\$ 7,881	\$ -
Total support services-central . . . . .	<u>2,789</u>	<u>7,881</u>	<u>7,881</u>	<u>-</u>
Extracurricular activities:				
Capital outlay . . . . .	-	1,022	1,022	-
Total operation of non-instructional services . . . . .	<u>-</u>	<u>1,022</u>	<u>1,022</u>	<u>-</u>
Facilities acquisition and construction:				
Capital outlay . . . . .	214,442	1,350,629	527,835	822,794
Total facilities acquisition and construction. . . . .	<u>214,442</u>	<u>1,350,629</u>	<u>527,835</u>	<u>822,794</u>
Debt service:				
Principal retirement . . . . .	-	111,084	111,084	-
Total debt service . . . . .	<u>-</u>	<u>111,084</u>	<u>111,084</u>	<u>-</u>
<i>Total expenditures . . . . .</i>	<u>932,826</u>	<u>2,743,495</u>	<u>1,845,234</u>	<u>898,261</u>
<i>Excess of revenues (under) expenditures . . . . .</i>	<u>(932,826)</u>	<u>(2,743,495)</u>	<u>(1,845,234)</u>	<u>898,261</u>
<b>Other financing sources:</b>				
Inception of lease-purchase transaction . . . . .	340,000	2,266,000	2,266,000	-
Total other financing sources . . . . .	<u>340,000</u>	<u>2,266,000</u>	<u>2,266,000</u>	<u>-</u>
<i>Net change in fund balance . . . . .</i>	<u>(592,826)</u>	<u>(477,495)</u>	<u>420,766</u>	<u>898,261</u>
<i>Fund balance at beginning of year . . . . .</i>	1,194,777	1,194,777	1,194,777	-
<i>Prior year encumbrances appropriated. . . . .</i>	<u>214,442</u>	<u>214,442</u>	<u>214,442</u>	<u>-</u>
<i>Fund balance at end of year. . . . .</i>	<u>\$ 816,393</u>	<u>\$ 931,724</u>	<u>\$ 1,829,985</u>	<u>\$ 898,261</u>

**ROCKY RIVER CITY SCHOOL DISTRICT**

**NONMAJOR INTERNAL SERVICE FUNDS - FUND DESCRIPTIONS**

**Internal Service Funds**

An Internal Service Fund is used to account for the financing of services provided by one department to the other departments of the government or to other districts on a cost reimbursement basis.

***Employee 125 Plan/Wellness Fund***

This fund accounts for a flexible benefits plan offered to District employees, and for wellness benefits through the District's medical insurance.



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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
EMPLOYEE 125 PLAN/WELLNESS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services. . . . .	\$ 180,640	\$ 180,640	\$ 154,906	\$ (25,734)
<i>Total operating revenues</i> . . . . .	<u>180,640</u>	<u>180,640</u>	<u>154,906</u>	<u>(25,734)</u>
<b>Operating expenses:</b>				
Salaries and wages . . . . .	1,500	1,500	-	1,500
Fringe benefits . . . . .	17,142	29,142	27,610	1,532
Other . . . . .	148,000	138,500	134,139	4,361
<i>Total operating expenses</i> . . . . .	<u>166,642</u>	<u>169,142</u>	<u>161,749</u>	<u>7,393</u>
<i>Operating income (loss)</i> . . . . .	<u>13,998</u>	<u>11,498</u>	<u>(6,843)</u>	<u>(18,341)</u>
<b>Nonoperating revenues:</b>				
Transfers in . . . . .	-	5,900	5,900	-
<i>Total nonoperating revenues</i> . . . . .	<u>-</u>	<u>5,900</u>	<u>5,900</u>	<u>-</u>
<i>Net change in fund equity</i> . . . . .	13,998	17,398	(943)	(18,341)
<i>Fund equity at beginning of year</i> . . . . .	2,239	2,239	2,239	-
<i>Prior year encumbrances appropriated</i> . . . . .	142	142	142	-
<i>Fund equity at end of year</i> . . . . .	<u>\$ 16,379</u>	<u>\$ 19,779</u>	<u>\$ 1,438</u>	<u>\$ (18,341)</u>

**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO  
FUND DESCRIPTIONS - FIDUCIARY FUNDS**

**Fiduciary Funds**

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

**Private-Purpose Trust Fund**

***Special Trust Fund***

A fund provided to account for monies set aside from endowments for scholarships for students enrolled in the District. The principal and income from such a fund may be expended.

**Agency Funds**

***District Agency Fund***

This fund accounts for Workers' Compensation premiums collected and remitted and for resources collected for various tournaments and remitted to the Ohio High School Athletic Association (OHSAA).

***Student Managed Activities Fund***

This fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the program.

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

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
SPECIAL TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest . . . . .	\$ -	\$ -	\$ 133	\$ 133
Contributions and donations . . . . .	<u>20,500</u>	<u>22,011</u>	<u>24,760</u>	<u>2,749</u>
<i>Total revenues</i> . . . . .	<u>20,500</u>	<u>22,011</u>	<u>24,893</u>	<u>2,882</u>
<b>Expenses:</b>				
Other . . . . .	<u>20,500</u>	<u>25,979</u>	<u>25,947</u>	<u>32</u>
<i>Total expenses</i> . . . . .	<u>20,500</u>	<u>25,979</u>	<u>25,947</u>	<u>32</u>
<i>Net change in fund equity</i> . . . . .	-	(3,968)	(1,054)	2,914
<i>Fund equity at beginning of year</i> . . . . .	<u>13,566</u>	<u>13,566</u>	<u>13,566</u>	<u>-</u>
<i>Fund equity at end of year</i> . . . . .	<u>\$ 13,566</u>	<u>\$ 9,598</u>	<u>\$ 12,512</u>	<u>\$ 2,914</u>

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

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Beginning Balance July 1, 2016	Additions	Deletions	Ending Balance July 1, 2017
<b>District Agency</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 120,834	\$ 156,646	\$ 192,431	\$ 85,049
Total assets . . . . .	<u>\$ 120,834</u>	<u>\$ 156,646</u>	<u>\$ 192,431</u>	<u>\$ 85,049</u>
<b>Liabilities:</b>				
Intergovernmental payable. . . . .	\$ 120,834	\$ 156,646	\$ 192,431	\$ 85,049
Total liabilities . . . . .	<u>\$ 120,834</u>	<u>\$ 156,646</u>	<u>\$ 192,431</u>	<u>\$ 85,049</u>
<b>Student Managed Activities</b>				
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 123,105	\$ 108,987	\$ 102,263	\$ 129,829
Total assets . . . . .	<u>\$ 123,105</u>	<u>\$ 108,987</u>	<u>\$ 102,263</u>	<u>\$ 129,829</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 3,611	\$ -	\$ 3,611	\$ -
Due to students. . . . .	119,494	108,987	98,652	129,829
Total liabilities . . . . .	<u>\$ 123,105</u>	<u>\$ 108,987</u>	<u>\$ 102,263</u>	<u>\$ 129,829</u>
<b>Total - All Agency Funds</b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 243,939	\$ 265,633	\$ 294,694	\$ 214,878
Total assets . . . . .	<u>\$ 243,939</u>	<u>\$ 265,633</u>	<u>\$ 294,694</u>	<u>\$ 214,878</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 3,611	\$ -	\$ 3,611	\$ -
Intergovernmental payable. . . . .	120,834	156,646	192,431	85,049
Due to students . . . . .	119,494	108,987	98,652	129,829
Total liabilities. . . . .	<u>\$ 243,939</u>	<u>\$ 265,633</u>	<u>\$ 294,694</u>	<u>\$ 214,878</u>

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

# Statistical Section



*Rocky River High School Homecoming*

*Queen Anna Brandt • King Lucas Zodo*

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



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

STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>158-169</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>170-177</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>178-181</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>182-183</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>184-195</b>

**Sources:** Sources are noted on the individual schedules.

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

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 7,436,321	\$ 7,937,930	\$ 7,029,479	\$ 8,623,122
Restricted	6,300,947	5,459,290	4,432,950	3,210,557
Unrestricted	(47,344,793)	(41,262,947)	(43,377,711)	(45,895,435)
Total governmental activities net position	<u>\$ (33,607,525)</u>	<u>\$ (27,865,727)</u>	<u>\$ (31,915,282)</u>	<u>\$ (34,061,756)</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 7,436,321	\$ 7,937,930	\$ 7,029,479	\$ 8,623,122
Restricted	6,300,947	5,459,290	4,432,950	3,210,557
Unrestricted	(47,344,793)	(41,262,947)	(43,377,711)	(45,895,435)
Total primary government net position	<u>\$ (33,607,525)</u>	<u>\$ (27,865,727)</u>	<u>\$ (31,915,282)</u>	<u>\$ (34,061,756)</u>

**Source:** School District financial records.

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.



<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>
\$ 9,527,711	\$ 9,666,718	\$ 9,282,817	\$ 10,925,096	\$ 10,230,730	\$ 8,737,992
2,786,843	2,925,573	4,054,466	5,547,810	4,906,042	4,928,512
658,256	(628,426)	(2,556,104)	(4,666,245)	(5,525,069)	(6,173,832)
<u>\$ 12,972,810</u>	<u>\$ 11,963,865</u>	<u>\$ 10,781,179</u>	<u>\$ 11,806,661</u>	<u>\$ 9,611,703</u>	<u>\$ 7,492,672</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,648
-	-	-	-	-	34,200
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,848</u>
\$ 9,527,711	\$ 9,666,718	\$ 9,282,817	\$ 10,925,096	\$ 10,230,730	\$ 9,079,640
2,786,843	2,925,573	4,054,466	5,547,810	4,906,042	4,928,512
658,256	(628,426)	(2,556,104)	(4,666,245)	(5,525,069)	(6,139,632)
<u>\$ 12,972,810</u>	<u>\$ 11,963,865</u>	<u>\$ 10,781,179</u>	<u>\$ 11,806,661</u>	<u>\$ 9,611,703</u>	<u>\$ 7,868,520</u>

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

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

<b>Expenses</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Governmental activities:</b>				
<b>Instruction:</b>				
Regular	\$ 19,307,806	\$ 17,091,513	\$ 16,546,508	\$ 16,298,898
Special	6,713,613	5,528,063	5,294,245	5,449,465
Vocational	567,967	575,640	571,305	626,356
Other	549,894	482,378	378,902	31,647
<b>Support services:</b>				
Pupil	2,811,087	2,271,806	2,278,495	2,314,205
Instructional staff	953,686	958,588	898,872	859,521
Board of education	48,981	39,207	43,966	37,217
Administration	2,690,493	2,393,423	2,262,717	2,096,746
Fiscal	1,288,588	1,151,899	1,127,433	1,042,007
Business	336,886	621,087	672,249	596,468
Operations and maintenance	3,837,449	3,903,847	3,894,476	4,499,876
Pupil transportation	1,825,510	1,696,185	1,852,909	2,210,219
Central	1,249,020	1,098,364	1,101,607	1,078,882
<b>Operation of non-instructional services:</b>				
Food service operations	515,304	455,659	435,311	486,890
Other non-instructional services	1,673,845	1,538,558	1,746,340	1,322,546
Extracurricular activities	1,839,512	1,723,651	1,925,428	1,697,129
Interest and fiscal charges	1,845,834	1,992,131	2,588,663	2,852,591
<b>Total governmental activities expenses</b>	<u>48,055,475</u>	<u>43,521,999</u>	<u>43,619,426</u>	<u>43,500,663</u>
<b>Business-type activities:</b>				
Food service	-	-	-	-
Uniform school supplies	-	-	-	-
Community programs	-	-	-	-
<b>Total business-type activities expenses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total primary government expenses</b>	<u>\$ 48,055,475</u>	<u>\$ 43,521,999</u>	<u>\$ 43,619,426</u>	<u>\$ 43,500,663</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
\$ 15,417,387	\$ 14,736,546	\$ 16,667,445	\$ 15,090,090	\$ 14,733,245	\$ 14,272,906
4,540,779	4,255,107	4,360,242	4,802,387	4,068,587	3,884,987
524,835	559,365	423,993	462,821	397,153	443,201
40,578	38,196	30,088	53,441	29,452	28,836
2,161,345	2,160,361	2,639,569	1,985,548	1,861,316	2,001,434
1,472,831	1,470,997	677,425	1,101,615	874,144	803,996
33,534	37,005	36,911	34,022	41,586	36,505
1,995,774	1,841,920	2,104,742	1,889,108	2,150,914	2,230,446
1,011,056	1,056,593	814,365	864,956	757,846	765,655
602,245	533,510	548,013	462,926	466,440	472,923
3,923,545	3,565,530	4,085,468	3,732,605	4,030,992	3,515,979
1,791,764	1,804,987	1,803,409	1,505,943	1,608,530	1,579,159
1,104,954	870,089	678,328	801,557	757,888	710,439
449,119	433,770	459,911	459,772	446,698	-
1,583,653	1,439,606	1,731,691	1,346,330	1,705,982	1,589,312
1,480,834	1,291,766	1,394,445	1,108,610	1,206,220	1,160,128
2,932,133	3,085,191	2,738,383	1,089,502	1,195,718	1,229,402
<u>41,066,366</u>	<u>39,180,539</u>	<u>41,194,428</u>	<u>36,791,233</u>	<u>36,332,711</u>	<u>34,725,308</u>
-	-	-	-	-	520,334
-	-	-	-	-	26,144
-	-	-	-	-	344,804
-	-	-	-	-	891,282
<u>\$ 41,066,366</u>	<u>\$ 39,180,539</u>	<u>\$ 41,194,428</u>	<u>\$ 36,791,233</u>	<u>\$ 36,332,711</u>	<u>\$ 35,616,590</u>

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

CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

<b>Program Revenues</b>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 366,065	\$ 253,054	\$ 332,047	\$ 343,724
Special	13,226	3,799	7,528	-
Support services:				
Pupil	155,167	154,796	113,570	116,031
Instructional staff	305	1,744	777	201
Board of education	-	-	-	-
Administration	-	-	-	605
Fiscal	7,593	288	1,212	1,188
Business	-	-	-	13,182
Operations and maintenance	139,807	184,144	367,036	14,899
Pupil transportation	72,333	56,084	47,669	124,667
Central	6,254	4,349	5,818	9,416
Operation of non-instructional services:				
Food service operations	367,643	359,323	312,307	279,003
Other non-instructional services	25,584	28,150	32,031	39,280
Extracurricular activities	248,770	366,800	369,914	287,251
Operating grants and contributions:				
Instruction:				
Regular	84,299	86,272	59,751	94,731
Special	938,068	882,199	836,860	1,039,051
Vocational	2,962	3,022	3,782	4,438
Support services:				
Pupil	198,734	209,450	222,361	264,780
Instructional staff	30,485	29,155	33,347	43,232
Administration	-	-	-	-
Business	-	-	-	-
Operations and maintenance	2,569	-	18,423	-
Pupil transportation	218,435	124,038	150,268	142,774
Central	324	17	-	-
Operation of non-instructional services:				
Food service operations	146,921	103,178	119,743	99,674
Other non-instructional services	1,582,125	1,550,917	1,571,728	1,474,629
Extracurricular activities	122,744	132,802	116,957	114,758
Capital grants and contributions:				
Instruction:				
Regular	-	2,000	7,000	-
Support services:				
Operations and maintenance	-	-	16,175	142,070
Pupil transportation	-	-	-	-
Extracurricular activities	-	-	7,500	-
Total governmental program revenues	<u>4,730,413</u>	<u>4,535,581</u>	<u>4,753,804</u>	<u>4,649,584</u>
Business-type activities:				
Charges for services:				
Food service	-	-	-	-
Uniform school supplies	-	-	-	-
Community programs	-	-	-	-
Operating grants and contributions:				
Food service	-	-	-	-
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government program revenue	<u>\$ 4,730,413</u>	<u>\$ 4,535,581</u>	<u>\$ 4,753,804</u>	<u>\$ 4,649,584</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(43,325,062)	(38,986,418)	(38,865,622)	(38,851,079)
Business-type activities	-	-	-	-
Total primary government net expense	<u>\$ (43,325,062)</u>	<u>\$ (38,986,418)</u>	<u>\$ (38,865,622)</u>	<u>\$ (38,851,079)</u>

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
\$ 421,296	\$ 367,012	\$ 404,870	\$ 470,407	\$ 304,643	\$ 201,032
6,176	30,042	-	698	-	-
141,136	74,489	74,474	142,131	62,949	37,392
-	-	-	47,800	-	-
-	-	-	555	-	3,683
-	-	43,429	-	2,272	2,103
3,198	12,151	9,619	-	3,186	911
17,456	67,312	61,696	1,043	-	5,468
-	16,646	53,775	133,966	191,234	120,793
54,696	53,567	6,947	2,710	83,687	95,793
11,999	-	-	12,018	12,235	1,006
303,142	300,500	317,847	327,170	351,342	-
27,531	26,738	29,156	11,248	31,665	-
275,558	209,067	372,949	193,277	327,396	312,012
89,649	48,282	228,097	170,212	108,650	121,565
572,528	510,184	825,341	1,151,662	751,431	581,242
-	-	-	-	-	-
240,918	217,192	330,673	49,130	73,944	123,347
121,831	115,283	86,519	60,014	68,877	52,438
-	-	4,138	1,088	-	-
2,334	-	-	-	-	-
9,336	-	-	-	-	-
119,369	110,365	95,618	107,742	99,680	617
-	-	6,145	5,000	7,937	9,410
90,694	116,327	112,829	110,176	111,136	-
1,422,990	1,431,212	1,397,654	1,485,982	1,491,222	1,583,365
117,985	87,435	18,441	66,989	10,794	7,457
40,274	-	-	-	-	19,188
-	-	-	-	-	-
-	-	-	-	22,028	87,131
-	-	-	-	-	-
<u>4,090,096</u>	<u>3,793,804</u>	<u>4,480,217</u>	<u>4,551,018</u>	<u>4,116,308</u>	<u>3,365,953</u>
-	-	-	-	-	364,937
-	-	-	-	-	24,096
-	-	-	-	-	240,631
-	-	-	-	-	112,969
-	-	-	-	-	742,633
<u>\$ 4,090,096</u>	<u>\$ 3,793,804</u>	<u>\$ 4,480,217</u>	<u>\$ 4,551,018</u>	<u>\$ 4,116,308</u>	<u>\$ 4,108,586</u>
(36,976,270)	(35,386,735)	(36,714,211)	(32,240,215)	(32,216,403)	(31,359,355)
-	-	-	-	-	(148,649)
<u>\$ (36,976,270)</u>	<u>\$ (35,386,735)</u>	<u>\$ (36,714,211)</u>	<u>\$ (32,240,215)</u>	<u>\$ (32,216,403)</u>	<u>\$ (31,508,004)</u>

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

CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 26,689,995	\$ 31,323,703	\$ 29,517,041	\$ 30,643,867
Debt service	3,835,280	4,661,835	4,170,723	4,289,516
Capital outlay	298,684	359,481	320,871	249,019
Grants and entitlements not restricted to specific programs	6,474,502	6,413,061	6,698,371	6,770,388
Investment earnings	107,115	95,231	73,717	46,764
Gain on sale of lease revenue	-	-	-	-
Gain on sale of capital assets	-	47,358	-	-
Miscellaneous	177,688	135,304	231,373	407,580
Total governmental activities	<u>37,583,264</u>	<u>43,035,973</u>	<u>41,012,096</u>	<u>42,407,134</u>
Business-type activities:				
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 37,583,264</u>	<u>\$ 43,035,973</u>	<u>\$ 41,012,096</u>	<u>\$ 42,407,134</u>
<b>Change in Net Position</b>				
Governmental activities	(5,741,798)	4,049,555	2,146,474	3,556,055
Business-type activities	-	-	-	-
Total primary government	<u>\$ (5,741,798)</u>	<u>\$ 4,049,555</u>	<u>\$ 2,146,474</u>	<u>\$ 3,556,055</u>

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

**Source:** School District financial records.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
\$ 26,812,721	\$ 25,455,709	\$ 25,017,106	\$ 25,250,490	\$ 24,814,979	\$ 22,319,494
3,757,568	3,876,812	3,494,806	2,817,174	3,016,324	3,305,489
-	-	-	-	-	-
6,615,122	6,828,628	7,196,864	6,227,352	5,891,502	5,102,939
64,417	158,482	166,881	81,327	142,032	289,371
495,579	-	-	-	-	-
-	-	-	-	-	-
239,808	249,790	203,200	58,830	94,749	56,295
<u>37,985,215</u>	<u>36,569,421</u>	<u>36,078,857</u>	<u>34,435,173</u>	<u>33,959,586</u>	<u>31,073,588</u>
-	-	-	-	-	4,663
-	-	-	-	-	185,423
-	-	-	-	-	190,086
<u>\$ 37,985,215</u>	<u>\$ 36,569,421</u>	<u>\$ 36,078,857</u>	<u>\$ 34,435,173</u>	<u>\$ 33,959,586</u>	<u>\$ 31,263,674</u>
1,008,945	1,182,686	(635,354)	2,194,958	1,743,183	(285,767)
-	-	-	-	-	41,437
<u>\$ 1,008,945</u>	<u>\$ 1,182,686</u>	<u>\$ (635,354)</u>	<u>\$ 2,194,958</u>	<u>\$ 1,743,183</u>	<u>\$ (244,330)</u>

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

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:				
Nonspendable	\$ 126,008	\$ 199,985	\$ 185,417	\$ 58,976
Assigned	789,323	1,348,877	1,845,865	528,029
Unassigned	6,470,982	9,432,384	7,097,332	6,883,904
Reserved	-	-	-	-
Unreserved (deficit)	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total general fund	<u>\$ 7,386,313</u>	<u>\$ 10,981,246</u>	<u>\$ 9,128,614</u>	<u>\$ 7,470,909</u>
All Other Governmental Funds:				
Nonspendable	\$ 2,960	\$ 974	\$ 718	\$ 790
Restricted	6,579,423	5,667,592	4,758,961	3,768,459
Committed	218,940	9,065	23,970	437,820
Unassigned (deficit)	(22,498)	(184,780)	(6,776)	(5,084)
Reserved	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total all other governmental funds	<u>\$ 6,778,825</u>	<u>\$ 5,492,851</u>	<u>\$ 4,776,873</u>	<u>\$ 4,201,985</u>
Total governmental funds	<u>\$ 14,165,138</u>	<u>\$ 16,474,097</u>	<u>\$ 13,905,487</u>	<u>\$ 11,672,894</u>

**Source:** School District financial records.

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.



<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
\$ 44,111	\$ 56,091	\$ 65,417	\$ -	\$ -	\$ -
541,757	1,219,015	1,220,021	-	-	-
2,546,542	733,396	359,644	-	-	-
-	-	-	3,787,100	4,097,095	3,377,689
-	-	-	(3,416,462)	(4,378,385)	(5,048,840)
<u>\$ 3,132,410</u>	<u>\$ 2,008,502</u>	<u>\$ 1,645,082</u>	<u>\$ 370,638</u>	<u>\$ (281,290)</u>	<u>\$ (1,671,151)</u>
\$ 873	\$ 9,808	\$ 14,767	\$ -	\$ -	\$ -
8,582,860	22,932,638	41,177,372	-	-	-
602,245	68,519	56,079	-	-	-
(6,106)	(3,541)	(2,264)	-	-	-
-	-	-	4,729,827	4,637,940	4,189,258
-	-	-	595,369	157,608	245,941
-	-	-	(846,687)	(559,461)	(426,111)
<u>\$ 9,179,872</u>	<u>\$ 23,007,424</u>	<u>\$ 41,245,954</u>	<u>\$ 4,478,509</u>	<u>\$ 4,236,087</u>	<u>\$ 4,009,088</u>
<u>\$ 12,312,282</u>	<u>\$ 25,015,926</u>	<u>\$ 42,891,036</u>	<u>\$ 4,849,147</u>	<u>\$ 3,954,797</u>	<u>\$ 2,337,937</u>

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

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>				
From local sources:				
Property taxes	\$ 30,837,750	\$ 36,291,859	\$ 34,070,103	\$ 35,291,160
Tuition	193,822	65,712	130,422	126,906
Transportation fees	74,079	64,073	57,891	54,372
Earnings on investments	118,459	94,265	70,043	45,442
Charges for services	367,643	348,458	312,307	279,003
Extracurricular activities	304,111	391,027	378,655	268,776
Classroom materials and fees	212,573	236,165	194,115	212,639
Contributions and donations	125,642	157,015	138,762	163,651
Rental income	214,859	200,034	215,630	217,150
Contract services	62,319	108,476	130,875	100,601
Other local revenues	243,526	230,771	314,300	537,491
Intergovernmental - Intermediate	-	-	-	-
Intergovernmental - State	7,776,501	7,656,758	7,731,072	7,618,520
Intergovernmental - Federal	1,792,070	1,611,986	1,888,511	2,190,815
Total revenues	<u>42,323,354</u>	<u>47,456,599</u>	<u>45,632,686</u>	<u>47,106,526</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	16,864,012	16,220,433	15,489,863	15,024,382
Special	5,955,869	5,393,621	5,115,014	5,158,739
Vocational	540,859	549,687	545,158	603,251
Other	515,041	459,907	322,928	30,480
Current:				
Pupil	2,512,204	2,300,683	2,270,790	2,179,148
Instructional staff	853,338	944,928	838,728	813,764
Board of education	45,599	36,254	40,989	35,077
Administration	2,279,442	2,349,706	2,195,048	1,986,935
Fiscal	1,156,463	1,105,800	1,076,153	1,004,009
Business	471,933	526,389	546,672	614,260
Operations and maintenance	3,918,522	4,426,113	3,781,541	3,895,820
Pupil transportation	1,892,881	1,667,101	1,621,945	2,036,363
Central	726,897	669,544	659,067	712,571
Operation of non-instructional services:				
Food service operations	458,771	427,629	398,302	420,881
Other non-instructional services	1,616,783	1,467,995	1,639,375	1,269,621
Extracurricular activities	1,561,844	1,564,410	1,727,562	1,481,407
Facilities acquisitions and construction	290,934	8,870	836,697	6,336,134
Debt service:				
Principal retirement	2,960,900	2,811,936	1,947,298	1,892,300
Interest and fiscal charges	1,800,365	2,019,518	2,358,615	2,840,827
Bond issuance costs	65,195	-	300,739	-
Total expenditures	<u>46,487,852</u>	<u>44,950,524</u>	<u>43,712,484</u>	<u>48,335,969</u>
Excess of revenues over (under) expenditures	(4,164,498)	2,506,075	1,920,202	(1,229,443)
<b>Other Financing Sources (Uses)</b>				
Transfers in	125,000	100,400	124,000	310,000
Transfers (out)	(125,000)	(100,400)	(124,000)	(310,000)
Inception of lease-purchase transactions	2,266,000	-	-	569,487
Sale of capital assets	19,744	62,535	10,799	20,568
Premium on bonds issued	500,191	-	837,902	-
Issuance of bonds	7,440,000	-	28,250,000	-
Payment to refunded bond escrow agent	(8,370,396)	-	(28,786,310)	-
Total other financing sources (uses)	<u>1,855,539</u>	<u>62,535</u>	<u>312,391</u>	<u>590,055</u>
Net change in fund balances	<u>\$ (2,308,959)</u>	<u>\$ 2,568,610</u>	<u>\$ 2,232,593</u>	<u>\$ (639,388)</u>
Capital expenditures (included in expenditures above)	1,523,070	1,210,801	850,762	5,792,412
Debt service principal and interest as a percentage of noncapital expenditures	10.59%	11.05%	10.05%	11.13%

**Source:** School District financial records.

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009 (1)</u>	<u>2008</u>
\$	30,960,931	\$ 28,831,318	\$ 28,521,440	\$ 27,857,601	\$ 28,099,864	\$ 25,419,002
	84,547	88,948	69,593	62,507	75,650	89,613
	78,071	9,088	7,004	7,308	13,819	2,340
	85,906	159,598	150,324	83,742	144,994	291,928
	303,142	300,500	317,847	327,170	351,342	-
	290,281	199,979	281,985	193,618	261,450	209,092
	200,480	247,676	257,072	213,890	217,594	23,026
	168,669	70,922	269,203	136,144	122,470	95,691
	245,982	239,878	98,075	338,166	295,270	273,984
	116,085	105,055	103,098	161,023	-	-
	785,111	312,798	287,160	158,195	310,233	279,509
	-	38,866	-	-	-	-
	6,952,881	7,071,095	7,711,068	7,630,815	7,402,508	6,659,186
	2,202,342	2,404,810	2,418,011	1,596,002	1,063,772	918,098
	<u>42,474,428</u>	<u>40,080,531</u>	<u>40,491,880</u>	<u>38,766,181</u>	<u>38,358,966</u>	<u>34,261,469</u>
	15,372,846	14,512,892	15,293,849	14,410,989	14,417,955	13,326,223
	4,334,903	4,068,858	4,228,153	4,586,956	3,923,212	3,715,276
	509,236	537,264	407,817	445,609	378,009	413,149
	39,439	40,233	28,808	51,038	28,300	26,948
	2,194,626	2,212,290	2,367,578	1,951,138	1,819,965	1,873,323
	1,419,784	1,417,043	712,031	1,009,683	815,644	861,608
	32,012	35,785	35,503	32,757	40,458	38,499
	1,880,084	1,818,026	2,059,252	1,932,072	1,924,195	2,053,567
	974,167	1,012,905	781,896	824,275	726,228	714,321
	597,525	520,189	492,901	447,419	445,663	450,682
	3,649,831	3,406,352	3,617,987	3,643,025	3,812,350	3,329,102
	1,635,614	1,733,713	1,635,298	1,441,001	1,631,701	1,845,272
	766,496	743,407	689,364	740,188	712,942	664,206
	419,234	433,324	442,084	442,056	470,604	-
	1,627,731	1,358,160	1,665,163	1,320,582	1,644,408	1,576,174
	1,496,981	1,191,961	1,343,061	1,097,727	1,202,554	1,110,154
	14,273,590	17,339,334	4,885,284	331,290	75,280	34,638
	1,758,871	2,583,193	2,526,880	2,442,268	2,324,123	2,192,469
	2,921,922	3,001,103	2,290,403	721,758	797,726	889,329
	-	-	435,150	-	-	-
	<u>55,904,892</u>	<u>57,966,032</u>	<u>45,938,462</u>	<u>37,871,831</u>	<u>37,191,317</u>	<u>35,114,940</u>
	(13,430,464)	(17,885,501)	(5,446,582)	894,350	1,167,649	(853,471)
	60,000	50,000	30,378	210,926	31,000	-
	(60,000)	(50,000)	(30,378)	(210,926)	(31,000)	-
	725,000	-	100,000	-	321,818	-
	1,820	10,391	-	-	-	-
	-	-	443,449	-	-	-
	-	-	42,900,000	-	-	-
	-	-	-	-	-	-
	<u>726,820</u>	<u>10,391</u>	<u>43,443,449</u>	<u>-</u>	<u>321,818</u>	<u>-</u>
\$	<u>(12,703,644)</u>	<u>(17,875,110)</u>	<u>\$ 37,996,867</u>	<u>\$ 894,350</u>	<u>\$ 1,489,467</u>	<u>\$ (853,471)</u>
	15,119,412	17,631,972	4,885,284	597,337	768,906	656,267
	11.48%	13.85%	11.73%	8.49%	8.57%	8.94%

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

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS

Collection Year	Real Property		Tangible Personal Property		Public Utility	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2017	\$ 773,143,600	\$ 2,208,981,714	\$ -	\$ -	\$ 9,792,220	\$ 11,127,523
2016	762,010,490	2,177,172,829	-	-	9,249,080	10,510,318
2015	705,022,610	2,014,350,314	-	-	9,091,230	10,330,943
2014	699,150,170	1,997,571,914	-	-	8,655,880	9,836,227
2013 (2)	697,315,460	1,992,329,886	-	-	7,754,640	8,812,091
2012	699,829,940	1,999,514,114	-	-	7,105,100	8,073,977
2011	703,240,090	2,009,257,400	-	-	6,831,460	7,763,023
2010 (3)	708,948,780	2,025,567,943	-	-	6,680,600	7,591,591
2009	735,800,820	2,102,288,057	4,651,620	74,425,920	6,322,670	7,184,852
2008	728,712,840	2,082,036,686	8,975,082	143,601,312	6,044,760	6,869,045

**Source:** Cuyahoga County Fiscal Officer's Office

(1) This amount is calculated based on the following percentages:

Real estate is assessed at 35% of actual value.

Public utility personal is assessed at 88% of actual value.

For collection year 2010, capital assets and inventory for tangible personal property is phased-out.

For collection years 2008 and 2009, capital assets and inventory for tangible personal property is assessed at 6.25% of actual value.

For collection year 2007, capital assets and inventory for tangible personal property is assessed at 12.5% of actual value.

For collection year 2006, capital assets and inventory for tangible personal property was assessed at 18.75% of actual value.

For collection years 1998-2005, capital assets for tangible personal property was assessed at 25% of actual value.

For collection years 1998-2005, inventory for tangible personal property was assessed at 23% actual value.

(2) Reappraisal of property values.

(3) Triennial update of property values.

<b>Total</b>			
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>%</b>	<b>Direct Tax Rates</b>
\$ 782,935,820	\$ 2,220,109,237	35.27%	89.55
771,259,570	2,187,683,147	35.25%	89.55
714,113,840	2,024,681,257	35.27%	89.55
707,806,050	2,007,408,142	35.26%	89.55
705,070,100	2,001,141,977	35.23%	89.45
706,935,040	2,007,588,092	35.21%	84.35
710,071,550	2,017,020,423	35.20%	84.30
715,629,380	2,033,159,534	35.20%	82.70
746,775,110	2,183,898,829	34.19%	82.70
743,732,682	2,232,507,043	33.31%	77.10

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(RATE PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS

Tax Year/ Collection Year	Overlapping Rates			Direct Rates				Total
	County (1)	Library	City	Voted			Unvoted	
				General	Bond	Permanent Improvement		
2016/2017	20.93	6.10	10.80	78.50	6.48	-	4.57	89.55
2015/2016	20.93	6.10	10.90	78.50	6.48	-	4.57	89.55
2014/2015	20.93	6.10	10.90	78.50	6.48	-	4.57	89.55
2013/2014	18.10	6.10	10.90	78.50	6.48	-	4.57	89.55
2012/2013	18.50	6.10	10.90	78.50	6.38	-	4.57	89.45
2011/2012	18.30	6.10	10.90	73.60	6.18	-	4.57	84.35
2010/2011	18.40	6.10	10.90	73.60	6.13	-	4.57	84.30
2009/2010	18.10	6.10	10.90	73.60	4.53	-	4.57	82.70
2008/2009	18.10	6.10	10.90	73.55	4.58	-	4.57	82.70
2007/2008	18.20	6.10	10.90	67.70	4.83	-	4.57	77.10

**Source:** Cuyahoga County Fiscal Officer's Office

(1) Includes the Cleveland Metropolitan Park District, Cuyahoga County College District and Cleveland-Cuyahoga County Port Authority

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

PRINCIPAL TAXPAYERS  
REAL ESTATE TAX  
DECEMBER 31, 2016 AND DECEMBER 31, 2007

<b>December 31, 2016</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Real Estate Assessed Value</b>
Inland Westgate, LLC	\$ 23,150,030	1	3.04%
Rocky River Apartments, LLC	8,301,830	2	1.09%
Westwood Town Center LLC	7,258,590	3	0.95%
Target Corporation	4,128,220	4	0.54%
Beachcliff Properties Limited Partnership	4,051,740	5	0.53%
SPK Perrysburg Associates LLC	3,453,870	6	0.45%
Westwood Country Club	2,899,760	7	0.38%
Presidential Apts Ltd	2,884,040	8	0.38%
Normandy Assoc Ltd Partn	2,802,880	9	0.37%
W&F Plaza Investments Ltd.	2,750,980	10	0.36%
Total	\$ 61,681,940		8.08%
Total Real Estate Valuation	\$ 762,010,490		

<b>December 31, 2007</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Real Estate Assessed Value</b>
Westgate Mall, LLC	\$ 12,720,510	1	1.75%
Westwood Town Center	7,274,720	2	1.00%
Cleveland Electric Illuminating Co.	5,086,130	3	0.70%
Normandy Associates, Ltd.	4,850,980	4	0.67%
Presidential Apartments, Ltd.	3,992,940	5	0.55%
Beachcliff Properties	3,916,680	6	0.54%
Linden Apartments Company	2,548,600	7	0.35%
Gross Management, Inc.	2,500,790	8	0.34%
SRK Perrysburg Assoc., LLC	2,456,580	9	0.34%
Rockport Assoc. Co. Ltd.	2,276,380	10	0.31%
Total	\$ 47,624,310		6.52%
Total Real Estate Valuation	\$ 728,712,840		

Source: Cuyahoga County Fiscal Officer's Office

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

PRINCIPAL TAXPAYERS  
TANGIBLE PERSONAL PROPERTY AND PUBLIC UTILITY PROPERTY TAX  
DECEMBER 31, 2016 AND DECEMBER 31, 2007

<b>December 31, 2016</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Tangible Personal Property and Public Utility Assessed Value</b>
Cleveland Electric Illuminating Company	7,159,310	1	77.41%
American Transmission Systems Company	1,647,600	2	17.81%
East Ohio Gas Company	985,310	3	10.65%
Norfolk Southern	29,160	4	0.32%
Total	\$ 9,821,380		106.19%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 9,249,080	*	

\* The reason the total reflected here is less than the sum of the top four taxpayers shown here is due to the fact that this total is the one certified by the State Dept. of Taxation for the tax year starting 1/1/2016 (collection year starting 1/1/2017), while the totals reflected for the individual taxpayers shown above are the updated totals as of 1/6/2017

<b>December 31, 2007</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Tangible Personal Property and Public Utility Assessed Value</b>
Ohio Bell Telephone Company	\$ 863,960	1	5.75%
Riser Foods Company	403,000	2	2.68%
Home Depot USA Inc.	292,010	3	1.94%
Kohls Department Stores Inc.	203,610	4	1.36%
Cox Communications Inc.	169,410	5	1.13%
Target Corp.	153,800	6	1.02%
Marc Glassman, Inc.	123,550	7	0.82%
New Par	106,810	8	0.71%
Heinens, Inc.	83,790	9	0.56%
Ameritech Advanced Data	78,540	10	0.52%
Total	\$ 2,478,480		16.51%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 15,019,842		

**Source:** Cuyahoga County Fiscal Officer's Office



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

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

<b>Tax Year/ Collection Year</b>	<b>Current Levy</b>	<b>Delinquent Levy</b>	<b>Total Levy</b>	<b>Current Collection</b>	<b>Percent of Current Levy Collected</b>
2016/2017	\$ 39,475,583	\$ 1,265,351	\$ 40,740,934	\$ 38,712,803	98.07%
2015/2016	39,132,617	1,516,211	40,648,828	38,350,553	98.00%
2014/2015	37,502,694	1,509,397	39,012,091	36,168,702	96.44%
2013/2014	37,291,914	1,120,008	38,411,922	36,263,892	97.24%
2012/2013	36,930,318	1,242,340	38,172,658	35,697,430	96.66%
2011/2012	33,231,431	1,665,608	34,897,039	31,958,000	96.17%
2010/2011	33,146,482	1,269,304	34,415,786	31,676,029	95.56%
2009/2010	32,124,787	1,318,363	33,443,150	30,939,802	96.31%
2008/2009	32,504,011	1,191,057	33,695,068	31,583,352	97.17%
2007/2008	28,241,365	1,137,993	29,379,358	27,363,631	96.89%

**Source:** Cuyahoga County Fiscal Officer's Office

<b>Delinquent Collection</b>	<b>Total Collection</b>	<b>Total Collection As a Percent of Total Levy</b>
\$ 833,208	\$ 39,546,011	97.07%
773,935	39,124,488	96.25%
883,269	37,051,971	94.98%
723,435	36,987,328	96.29%
831,332	36,528,761	95.69%
1,321,291	33,278,691	95.36%
682,872	32,358,901	94.02%
682,471	31,622,273	94.56%
754,216	32,337,568	95.97%
885,454	28,249,085	96.15%

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

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

Fiscal Year	Governmental Activities				(a) Total Primary Government	(b) Per Capita	(b) Per ADM	(c) Percentage of Personal Income
	General Obligation Bonds	Bond Anticipation Notes	Lease Purchase Obligations	Capital Leases				
2017	\$ 44,186,845	\$ -	\$ 2,453,608	\$ -	\$ 46,640,453	2,307	17,319	5.60%
2016	46,563,956	-	308,508	-	46,872,464	2,319	17,051	5.63%
2015	49,305,578	-	405,444	-	49,711,022	2,459	17,946	5.97%
2014	50,342,460	-	742,742	-	51,085,202	2,527	18,970	6.13%
2013	51,853,680	-	535,555	-	52,389,235	2,592	19,882	6.29%
2012	52,866,086	-	119,426	-	52,985,512	2,621	20,101	6.36%
2011	55,237,640	-	212,619	-	55,450,259	2,743	21,229	6.66%
2010	14,494,842	-	214,499	-	14,709,341	709	5,563	2.05%
2009	16,470,932	-	296,767	-	16,767,699	809	6,254	2.33%
2008	18,314,079	78,800	-	49,072	18,441,951	889	6,866	2.57%

**Sources:**

(a) See notes to the financial statements regarding the District's outstanding debt information. Bonded debt includes accreted interest on capital appreciation bonds and unamortized premiums.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, population and enrollment information.

(c) See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, and population. Personal income equals per capita personal income times population.

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

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds (1)</b>	<b>Resources Available to Pay Principal (2)</b>	<b>Net General Bonded Debt</b>		
2017	\$ 44,186,845	\$ 4,817,152	\$ 39,369,693	1.77%	1,948
2016	46,563,956	5,022,133	41,541,823	1.90%	2,055
2015	49,305,578	4,063,481	45,242,097	2.23%	2,238
2014	50,342,460	3,029,172	47,313,288	2.36%	2,341
2013	51,853,680	2,587,712	49,265,968	2.46%	2,437
2012	52,866,086	2,624,034	50,242,052	2.50%	2,486
2011	55,237,640	3,825,673	51,411,967	2.55%	2,544
2010	14,494,842	4,644,106	9,850,736	0.48%	475
2009	16,470,932	4,509,591	11,961,341	0.55%	577
2008	18,314,079	4,070,534	14,243,545	0.64%	687
2007	20,115,503	3,471,661	16,643,842	0.77%	803

**Note:** Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- (1) Includes unamortized premiums and accreted interest on capital appreciation bonds.
- (2) Represents the fund balance of the bond retirement fund. Portion specific to principal and interest cannot be determined. Entire balance may be applied to principal.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct debt:</b>			
Rocky River City School District	\$ 46,640,453	100.00%	\$ 46,640,453
Total direct debt	<u>46,640,453</u>		<u>46,640,453</u>
<b>Overlapping debt:</b>			
City of Rocky River	9,847,843	100.00%	9,847,843
Cuyahoga County	242,795,758	2.83%	6,881,525
Regional Transit Authority	3,910,000	2.83%	110,821
City of Fairview Park	20,938,984	8.00%	1,674,402
Total overlapping debt	<u>277,492,585</u>		<u>18,514,591</u>
Total direct and overlapping debt	<u>\$ 324,133,038</u>		<u>\$ 65,155,044</u>

**Source:** Cuyahoga County Fiscal Officer.

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2016 tax year/2017 collection year. Outstanding debt for all other subdivisions includes general obligation debt only as of 12/31/16.

(2) See notes to the financial statements regarding the District's outstanding debt, including lease purchase obligations.

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

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>Voted Debt Limit</b>	<b>Total Debt Applicable to Limit (2)</b>	<b>Debt Service Available Balance</b>	<b>Net Debt Applicable to Limit</b>	<b>Voted Legal Debt Margin</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2017	\$ 70,464,224	\$ 42,420,000	\$ 4,817,152	\$ 37,602,848	\$ 32,861,376	53.36%
2016	69,413,361	45,265,000	5,022,133	40,242,867	29,170,494	57.98%
2015	64,270,246	47,980,000	4,063,481	43,916,519	20,353,727	68.33%
2014	63,702,545	49,840,000	3,029,172	46,810,828	16,891,717	73.48%
2013	63,456,309	51,370,000	2,587,712	48,782,288	14,674,021	76.88%
2012	63,624,154	52,820,000	2,624,034	50,195,966	13,428,188	78.89%
2011	63,906,440	54,279,896	3,825,673	50,454,223	13,452,217	78.95%
2010	64,406,644	9,850,736	4,644,106	5,206,630	59,200,014	8.08%
2009	66,791,114	11,961,341	4,509,591	7,451,750	59,339,364	11.16%
2008	66,128,184	14,243,545	4,070,534	10,173,011	55,955,173	15.38%

**Voted Debt Limit Calculation for Fiscal Year 2017**

Assessed Value	\$ 782,935,820
Debt Limit (9% of assessed value)	X 9%
Voted Debt Limit	<u>\$ 70,464,224</u>

**Source:** Cuyahoga County Fiscal Officer and District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

- (1) In accordance with House Bill No. 66, the assessed valuation of tangible personal property is excluded the total assessed valuation used to calculate the voted debt limit for years 2007-2011.
- (2) Total debt excludes accreted interest on capital appreciation bonds.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Total Personal Income (4)</u>	<u>Median Age(1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rates (3)</u>		
						<u>Cuyahoga County</u>	<u>Ohio</u>	<u>United States</u>
2017	20,213	\$ 41,207	\$ 832,917,091	46	2,693	6.6%	5.0%	4.4%
2016	20,213	41,207	832,917,091	46	2,749	5.6%	5.0%	4.9%
2015	20,213	41,207	832,917,091	46	2,770	5.0%	4.3%	5.2%
2014	20,213	41,207	832,917,091	46	2,693	7.9%	5.5%	6.1%
2013	20,213	41,207	832,917,091	46	2,635	7.3%	7.2%	7.6%
2012	20,213	41,207	832,917,091	46	2,636	6.9%	7.0%	7.8%
2011	20,213	41,207	832,917,091	46	2,612	8.9%	8.8%	9.2%
2010	20,735	34,663	718,737,305	44	2,644	9.7%	10.0%	9.6%
2009	20,735	34,663	718,737,305	44	2,681	10.2%	11.2%	10.2%
2008	20,735	34,663	718,737,305	44	2,686	8.1%	6.6%	5.5%

(1) U. S. Census Bureau - 2000 and 2010 Census

(2) District records

(3) [www.economagic.com](http://www.economagic.com)

(4) "population" times "per capital personal income"

N/A - Data Not Accessible



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

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO (a)

<u>Employer</u>	<u>December 31, 2014 (a)</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment per Number of Employees</u>
City of Rocky River	641	4.32%
Rocky River Board of Education	567	3.82%
Riser Foods Co.	282	1.90%
Westwood Country Club Co.	248	1.67%
Cleveland Yacht Club Co.	247	1.66%
Marc Glassman Inc.	233	1.57%
Magnificat High School	213	1.43%
JP Recovery Services Inc.	211	1.42%
Lowe's Home Center	206	1.39%
CRS Marketing Services, Inc.	198	1.33%
Total	<u>3,046</u>	<u>20.51%</u>
Total Number of Employees (1), (2)	<u>14,848</u>	

<u>Employer</u>	<u>December 31, 2007</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment per Number of Employees</u>
City of Rocky River	719	4.87%
Rocky River City School District	565	3.83%
Target Stores	408	2.76%
Normandy Manor of Rocky River	389	2.63%
Riser Foods	322	2.18%
Cuyahoga County Auditor	285	1.93%
Westwood Country Club	279	1.89%
Heinens Inc.	263	1.78%
Magnificat High School	212	1.44%
Home Depot, Inc.	162	1.10%
Total	<u>3,604</u>	<u>24.41%</u>
Total Number of Employees (1), (3)	<u>14,766</u>	

**Source:** City of Rocky River; City of Cleveland - Central Collection Agency (CCA)

(a) Information for December 31, 2016 was not available. The most current information, December 31, 2014, is presented.

(1) Only includes employee count located within the City of Rocky River. Employment numbers for the portion of the Rocky River City School District located in the City of Fairview Park were not available.

(2) Total City employment based upon an estimate from the Central Collection Agency (CCA) on number of W-2's filed as of 2014, the most current information available.

(3) Total City employment based upon an estimate from the Central Collection Agency (CCA) withholding information, not based upon the number of employees.

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

STAFFING STATISTICS  
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION  
LAST TEN FISCAL YEARS

<u>Type</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Professional Staff:						
Teaching Staff:						
Elementary	29.39	26.16	25.54	25.84	25.48	25.58
Intermediate	37.01	35.28	32.62	32.02	32.25	33.24
Middle	44.57	42.28	39.28	36.68	37.75	36.12
High	59.09	55.03	53.74	53.34	55.09	54.15
Tutors	29.89	29.12	27.17	22.89	21.59	21.77
Others			2.92	3.00	3.50	3.50
Administration	17.50	18.50	19.50	18.25	18.45	18.45
Auxiliary Positions:						
Counselors	7.00	7.00	7.00	6.00	6.00	6.00
Speech	4.00	2.80	2.80	2.80	2.80	2.80
Mental Health Specialists	3.00	2.00	2.00	2.00	2.00	2.00
Occupational/Physical Therapy	0.86	0.86	0.86	0.86	0.86	0.81
Support Staff:						
Secretarial	24.00	29.70	29.70	29.30	28.55	29.78
Aides	33.88	33.93	31.74	28.70	20.12	18.37
Learning Assistants	1.53	1.89	1.89	1.94	1.94	1.94
Lunch and Hall Monitors/Security	3.45	3.88	4.21	3.98	6.78	6.75
Cooks/Food Service	5.18	4.52	4.52	4.52	4.52	4.52
Custodial	22.90	22.90	22.37	21.84	20.48	21.29
Maintenance	6.00	6.00	6.00	6.00	6.00	7.00
Bus Driver	16.05	13.12	13.10	13.38	11.38	11.10
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00
Athletic Trainer			*	*	*	*
Other Central Support	1.00	2.00	1.87	0.00	0.80	0.80
<b>Total</b>	<b>348.30</b>	<b>338.97</b>	<b>330.83</b>	<b>315.34</b>	<b>308.34</b>	<b>307.97</b>
<u>Function</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Instruction:						
Regular	142.69	150.23	144.65	139.69	137.06	137.71
Special	75.19	65.79	63.79	52.05	54.45	50.53
Vocational	**	**	**	**	**	**
Other	11.13	5.00	5.43	22.79	17.51	17.51
Support Services:						
Pupil	16.36	13.30	13.20	6.75	6.75	6.75
Instructional staff	7.70	9.00	9.00	12.00	12.00	12.00
Administration	19.50	19.50	19.00	19.05	19.25	19.25
Fiscal	5.00	7.00	5.00	5.00	4.00	4.00
Business	2.50	2.75	2.55	1.00	1.00	1.00
Operations and maintenance	31.90	30.90	31.37	28.84	27.48	30.29
Pupil transportation	20.05	20.15	21.16	17.38	17.82	17.41
Central	4.45	3.75	3.75	3.07	3.07	3.07
Food Service Operations	9.13	8.90	9.23	5.02	5.25	5.75
Extracurricular activities	2.70	2.70	2.70	2.70	2.70	2.70
<b>Total</b>	<b>348.30</b>	<b>338.97</b>	<b>330.83</b>	<b>315.34</b>	<b>308.34</b>	<b>307.97</b>

**Source:** School District records.

\* A portion of these services were contracted out to a third party in lieu of being provided by a staff member.

\*\* These services were contracted out through the Lakewood City School District as part of a career technical planning district that includes the Districts of Rocky River, Lakewood, Westlake and Bay Village.

N/A - Information Not Accessible.

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
26.00	26.60	27.50	26.25
33.67	33.27	33.27	31.52
36.12	37.67	37.82	38.20
51.78	52.43	52.28	52.73
22.21	22.67	18.72	17.12
2.50	1.50	0.00	0.00
18.00	17.00	16.00	16.00
6.75	5.75	6.75	7.00
2.80	2.80	2.80	2.80
2.00 *	1.00 *	1.00 *	1.00
0.81 *	N/A *	N/A *	N/A
30.62	30.62	30.04	30.70
18.76	19.10	19.57	20.47
1.94	1.94	1.94	3.89
6.20	6.00	6.19	6.19
4.52	4.74	4.52	5.35
21.23	21.23	20.74	17.10
7.00	7.00	7.00	8.00
11.97	12.07	14.07	12.20
2.00	2.00	2.00	2.00
*	*	*	*
1.00	0.50	1.50	1.17

<b>307.88</b>	<b>305.89</b>	<b>303.71</b>	<b>299.69</b>
---------------	---------------	---------------	---------------

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
136.23	136.23	139.00	137.60
50.72	50.10	49.35	50.31
**	**	**	**
16.87	15.06	13.35	14.90
7.75	7.75	7.75	8.00
12.00	12.00	12.00	12.00
18.80	18.80	17.80	17.80
4.28	4.40	4.00	4.00
1.00	1.00	1.00	1.00
30.23	30.23	28.74	25.10
18.28	18.38	18.38	16.76
3.27	3.27	3.67	4.17
5.75	5.97	5.97	5.35
2.70	2.70	2.70	2.70

<b>307.88</b>	<b>305.89</b>	<b>303.71</b>	<b>299.69</b>
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**ROCKY RIVER CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Instruction:</b>						
Regular, Special and Vocational						
Enrollment (students)	2,693	2,749	2,770	2,693	2,635	2,636
Graduation Count	214	221	209	223	202	229
Graduation Rate	99.00%	99.50%	98.50%	99.55%	98.06%	99.13%
Student attendance rate	96.70%	96.90%	96.70%	96.80%	96.30%	96.50%
<b>Support services:</b>						
Board of education						
Regular meetings per year (based on calendar year)	21	22	22	22	22	22
Special meetings per year (based on calendar year)	15	6	6	6	12	10
Administration						
Teacher attendance rate	95.10%	95.60%	94.95%	95.70%	95.90%	96.50%
Fiscal						
Nonpayroll checks issued	3,185	3,516	3,970	4,225	3,990	4,131
Payroll checks/direct deposits issued	10,378	10,126	9,813	10,273	10,868	10,941
Operations and maintenance						
Work orders completed	*	1,179	572	573	615	1,200
Square footage maintained	537,975	537,975	537,975	537,095	537,975	535,015
Pupil transportation						
Avg. students transported daily	1,101	1,152	1,193	1,170	1,202	1,116
Food service operations						
Meals served to students	**	63,558	64,460	64,539	62,605	60,711
Milk served to students	**	66,938	66,662	49,221	43,235	42,000
Percentage of students receiving free/reduced cost meals	10.75%	13.28%	13.18%	12.95%	12.83%	12.78%

**Source:** School District records and Ohio Department of Education

\* During fiscal year 2014, the District fully implemented a new automated work order system, so 2014 forward reflects actual totals. In addition to processing these work orders, the facilities department processes numerous routine maintenance-type jobs as well as emergency requests that would not be tracked through a formal work order.

\*\* The District does not operate a lunch program for its two elementary buildings, but does serve milk to students in these buildings.

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
2,612	2,644	2,681	2,686
229	210	244	211
96.20%	98.60%	99.20%	99.10%
96.40%	96.30%	96.60%	96.50%
22	22	22	21
11	13	10	14
95.70%	95.30%	95.30%	95.50%
4,239	4,152	4,363	4,157
10,958	10,079	10,926	10,836
1,000	950	1,200	1,220
504,168	504,168	504,168	504,168
1,110	1,116	1,179	1,230
82,408	90,338	104,621	104,800
38,498	52,399	56,687	64,926
11.03%	11.53%	9.66%	7.55%

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

**CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Land	\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821
Construction in progress	649,050	-	-	-
Land improvements	3,536,900	3,722,609	3,816,389	3,924,636
Building/improvements	44,947,579	47,252,361	49,264,283	51,305,610
Furniture/equipment	1,753,428	1,802,707	1,735,042	2,004,474
Vehicles	1,030,255	812,480	726,158	744,293
<b>Total Governmental Activities</b>				
Capital Assets, net	<u>\$ 52,688,033</u>	<u>\$ 54,360,978</u>	<u>\$ 56,312,693</u>	<u>\$ 58,749,834</u>

**Source:** School District financial records.

**Note (1):** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

**Note:** Amounts above are presented net of accumulated depreciation.

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009 (1)</b>	<b>2008</b>
\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821	\$ 722,230
25,327,818	18,357,047	4,572,353	292,550	-	-
1,536,262	1,163,807	1,192,029	1,240,900	1,275,515	1,297,873
25,051,022	20,143,772	18,722,146	19,916,232	20,882,476	21,870,716
2,476,517	1,635,959	1,076,685	1,042,833	1,077,834	785,235
477,868	562,458	568,269	666,739	679,979	598,938
<b>\$ 55,640,308</b>	<b>\$ 42,633,864</b>	<b>\$ 26,902,303</b>	<b>\$ 23,930,075</b>	<b>\$ 24,686,625</b>	<b>\$ 25,274,992</b>

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

**SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Goldwood Elementary (1927)</b>						
Square feet	57,150	57,150	57,150	57,150	57,150	55,070
Capacity (students)	655	655	667	645	588	588
Enrollment	544	595	606	586	565	579
<b>Kensington Intermediate (1926)</b>						
Square feet	68,980	68,980	68,980	68,100	68,980	68,100
Capacity (students)	697	697	711	682	610	610
Enrollment	612	634	646	620	592	582
<b>Rocky River Middle School (2000)</b>						
Square feet	107,000	107,000	107,000	107,000	107,000	107,000
Capacity (students)	724	724	722	684	659	659
Enrollment	672	658	656	622	625	610
<b>Rocky River High School (1950)</b>						
Square feet	247,893	247,893	247,893	247,893	247,893	247,893
Capacity (students)	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	844	854	855	865	853	865
<b>Beach Education Center (1930)</b>						
Square feet	37,780	37,780	37,780	37,780	37,780	37,780
Capacity (students)	-	-	-	-	-	150
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A
<b>Wooster Road Elementary (1955)</b>						
Square feet	19,172	19,172	19,172	19,172	19,172	19,172
Capacity (students)	0	0	0	0	0	0
Enrollment	**	**	**	**	**	**
<b>Total Square Feet</b>	<b>537,975</b>	<b>537,975</b>	<b>537,975</b>	<b>537,095</b>	<b>537,975</b>	<b>535,015</b>
<b>Total Capacity</b>	<b>3,176</b>	<b>3,176</b>	<b>3,199</b>	<b>3,111</b>	<b>2,957</b>	<b>3,107</b>
<b>Total Enrollment ***</b>	<b>2,672</b>	<b>2,741</b>	<b>2,763</b>	<b>2,693</b>	<b>2,635</b>	<b>2,636</b>

**Source:** School District records.

**Note:** Year of original construction is in parentheses. Any increases in square footage and capacity are the result of new construction, renovations and additions.

Capacity is expressed in the estimated number of students a building is equipped to handle and is subject to changes in federal, state or local standards and programming as well as modifications to physical building characteristics as needed.

\* Only a small portion of this building was being utilized for pre-kindergarten special education students through the 2004-2005 school year. This program was moved to Goldwood Primary School of the 2005-2006 school year. A portion of this building was leased out to a private pre-school through the 2011-2012 school year, but that lease has terminated as of 6/30/12. As of July 2011, the majority of this building is being utilized as the District's Board of Education/Administrative Offices in place of the previous location which was demolished as part of the District's construction and renovation project that commenced in 2010.

\*\* This building has not been needed for pre-kindergarten through 12 educational purposes during the last 10 years and is currently being leased to the Cleveland Clinic Health System for use as a healthcare facility.

\*\*\* Enrollment reflected here does not include students who are outplaced due to special needs

N/A - Data Not Available or Not Applicable



<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
55,070	55,070	55,070	55,070
588	588	588	588
546	561	563	558
68,100	68,100	68,100	68,100
596	596	596	596
556	575	584	588
110,000	110,000	110,000	110,000
659	659	659	659
632	615	606	631
214,046	214,046	214,046	214,046
936	936	936	936
878	893	928	909
37,780	37,780	37,780	37,780
404	404	404	404
*	*	*	*
19,172	19,172	19,172	19,172
205	205	205	205
**	**	**	**
504,168	504,168	504,168	504,168
3,388	3,388	3,388	3,388
2,612	2,644	2,681	2,686

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

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	General Government		Governmental Activities		Enrollment	Percent Change
	Expenditures (1)	Cost per pupil	Expenses (1)	Cost per pupil		
2017	\$ 41,661,392	\$ 15,470	\$ 46,209,641	\$ 17,159	2,693	-2.04%
2016	40,119,070	14,594	41,529,868	15,107	2,749	-0.76%
2015	39,105,832	14,118	41,030,763	14,813	2,770	2.86%
2014	43,602,842	16,191	40,648,072	15,094	2,693	2.20%
2013	51,224,099	19,440	38,134,233	14,472	2,635	-0.04%
2012	52,381,736	19,872	36,095,348	13,693	2,636	0.92%
2011	40,686,029	15,577	38,456,045	14,723	2,612	-1.21%
2010	34,707,805	13,127	35,701,731	13,503	2,644	-1.38%
2009	34,069,468	12,708	35,136,993	13,106	2,681	-0.19%
2008	32,033,142	11,926	33,495,906	12,471	2,686	-0.37%

**Source:** District records

**Note:** In fiscal year 2009, the District has reclassified all former business-type activities to governmental activities.

(1) Debt Service totals have been excluded.

<b>Teaching Staff</b>	<b>Pupil/Teacher Ratio</b>	<b>Student Attendance Percentage</b>
188	14.32	96.70%
180	15.27	96.90%
171	16.20	96.70%
170	15.84	96.80%
170	15.50	96.30%
170	15.51	96.50%
166	15.73	96.40%
166	15.93	96.30%
166	16.15	96.60%
162	16.58	96.50%

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

CERTIFICATED TEACHING STAFF EDUCATION, EXPERIENCE AND AVERAGE SALARY INFORMATION  
LAST TEN FISCAL YEARS

	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	
<b>Education</b>								
<i>College Degree Attained (Number of Staff/% of Total)</i>								
Bachelor's Degree	11	5.85%	15	8.33%	8	4.68%	9	5.29%
Bachelor's Degree + 9 hours	8	4.26%	4	2.22%	4	2.34%	4	2.35%
Bachelor's Degree + 18 hours	11	5.85%	10	5.56%	16	9.36%	15	8.82%
Master's Degree	72	38.30%	70	38.88%	61	35.67%	57	33.53%
Master's Degree + 9 hours	26	13.83%	28	15.56%	29	16.96%	30	17.65%
Master's Degree + 18 hours	26	13.83%	21	11.67%	20	11.70%	23	13.53%
Master's Degree + 27 hours	11	5.85%	10	5.56%	11	6.43%	8	4.71%
Master's Degree + 36 hours	23	12.23%	22	12.22%	22	12.86%	24	14.12%
Master's Degree + 45 Hours								
PHD Ed								
Total	188	100.00%	180	100.00%	171	100.00%	170	100.00%
<b>Experience</b>								
<i>Range of Years' Experience (Number of Staff/% of Total)</i>								
0 - 5	24	13.33%	24	13.33%	16	9.36%	18	10.59%
6 - 10	41	22.78%	38	21.11%	38	22.22%	42	24.71%
11 and over	123	68.33%	118	65.56%	117	68.42%	110	64.71%
Total	188	104.44%	180	100.00%	171	100.00%	170	100.00%
Average Teacher Salary	\$80,301		\$77,195		\$75,969		\$70,512	

**Source:** School District Records and Ohio Department of Education.

**Note:** Excludes administrators, tutors and other certificated personnel that are certified teachers under Ohio law.

2013		2012		2011		2010		2009		2008	
10	5.88%	9	5.29%	4	2.41%	6	3.61%	9	5.42%	7	4.32%
4	2.35%	6	3.53%	9	5.42%	9	5.42%	10	6.02%	9	5.56%
19	11.18%	16	9.41%	18	10.84%	21	12.65%	18	10.84%	24	14.81%
55	32.35%	60	35.29%	55	33.13%	48	28.92%	49	29.52%	41	25.32%
28	16.47%	25	14.71%	23	13.86%	27	16.27%	28	16.87%	27	16.67%
21	12.35%	22	12.94%	21	12.65%	18	10.84%	16	9.64%	17	10.49%
9	5.29%	10	5.88%	13	7.83%	14	8.43%	14	8.43%	13	8.02%
24	14.12%	22	12.94%	23	13.86%	23	13.86%	22	13.25%	24	14.81%
170	100.00%	170	100.00%	166	100.00%	166	100.00%	166	100.00%	162	100.00%
26	15.29%	29	17.06%	17	10.24%	33	19.88%	26	15.66%	20	12.35%
37	21.76%	37	21.76%	34	20.48%	21	12.65%	29	17.47%	31	19.14%
107	62.94%	104	61.18%	115	69.28%	112	67.47%	111	66.87%	111	68.51%
170	100.00%	170	100.00%	166	100.00%	166	100.00%	166	100.00%	162	100.00%
	\$72,456		\$72,800		\$73,950		\$70,850		\$67,535		\$65,596

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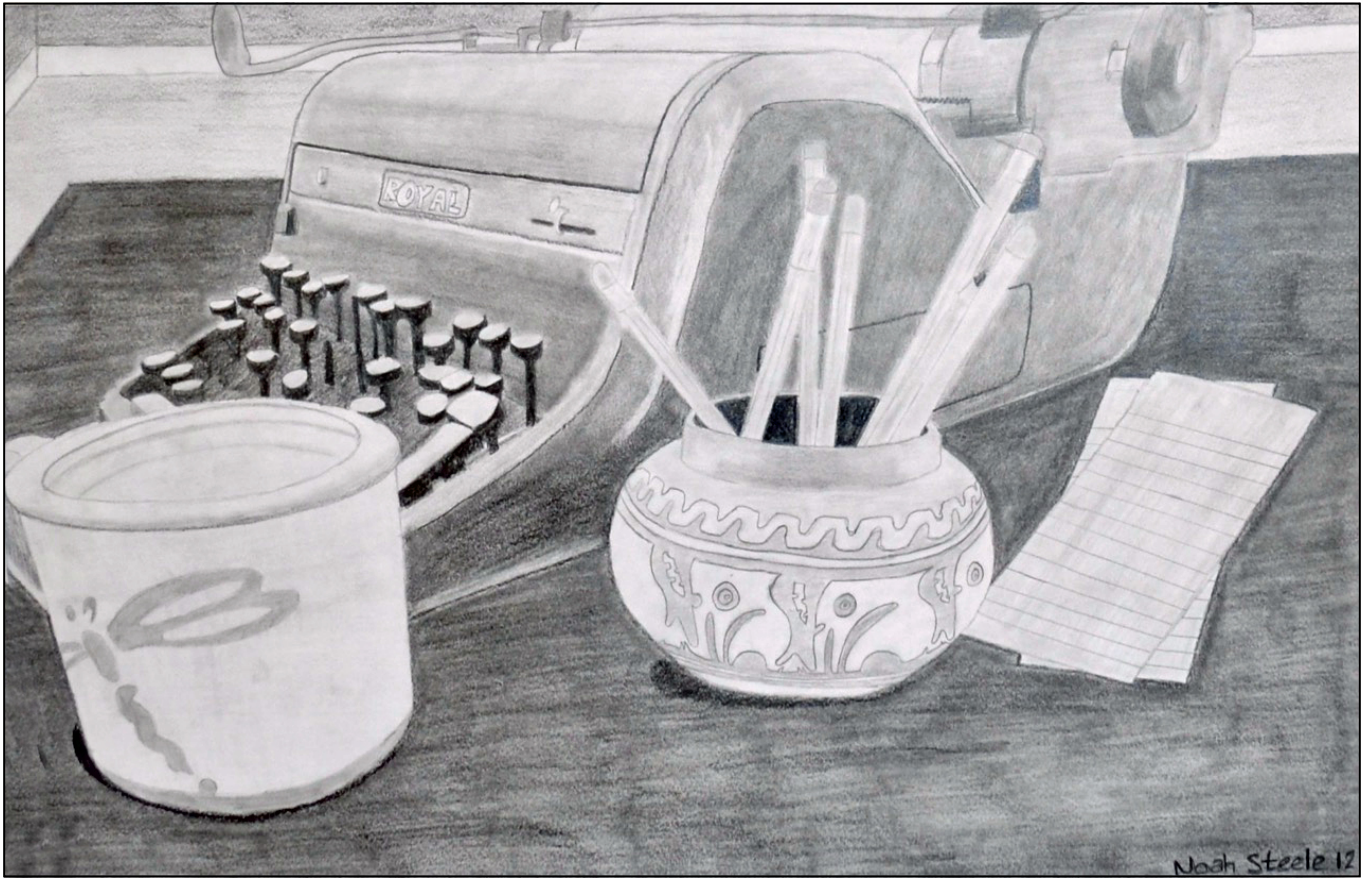


*Emily Evon*  
Grade 12

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

# ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County, Ohio



Noah Steele  
Grade 12