

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020



Luca Rizi

Grade 10

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County | Ohio

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County | Ohio



Rocky River High School recognized 201 seniors at the 119th Annual Commencement Ceremony on June 5. The ceremony was done virtually and a parade was held in their honor immediately following.

Congratulations to the Class of 2020 and Best Wishes for continued success in the future!

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County | Ohio

Rocky River City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020
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Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020
Prepared by Treasurer's Office
Greg R. Markus, CPA, Treasurer/CFO



Liliana Hernandez
Grade 11

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County | Ohio

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020

Introductory Section



Sean Smith

Grade 10

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County | Ohio



January 29, 2021

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, 2020. 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 the Rocky River Public Library, 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, as well as through printed copies available at the Board of Education offices. Access to this report and all related audit reports will be made available on the Ohio Auditor of State's website at www.auditor.state.oh.us upon public release of the audit.

The District

History¹

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 built a new middle school on the same location of the prior middle school that was finished and opened to students in 2000. Most recently in August 2017, the District finished major renovations of the first floor of the original 1930 portion of Beach School to house a modern early childhood center to service special needs preschool students.

¹McCauley, Ann. [Rocky River...Timeless](#). The Rocky River Library Foundation, 2002

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.

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 2,744 students ranging from Kindergarten through Twelfth Grade. In addition, a wide range of services are provided for preschool-aged children as well as some adult programming.

The Reporting Entity

The District has reviewed its reporting entity definition in order to insure conformance with the Governmental 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 Outlook²

The 2010 U.S. Census data reports a population of 20,212 (2019 estimate is 20,198 per the 2019 Census Bureau American Community Survey) in the City of Rocky River with 9,789 housing units. The City of Rocky River is approximately 4.7 square miles in size. The median household income was \$74,950, while the per capita income was \$54,173, with 4.8% of persons in poverty. The median home value was \$245,800. In 2012, the median sale price for a home was \$212,500. As of December 31, 2020, the median sale price was \$246,000. As of November 30, 2020, the typical value of a home was \$292,796 per real estate site Zillow.com. Rocky River home values have risen 11.0% over the past year, and market trends as of November 30, 2020 project a value increase over the next year of +11.1%.

According to the 2019 American Community Survey 5-Year Estimates, the median age in Rocky River was 46.2 years of age. Families (non-single residences) represented 77.4% of the population. The racial makeup of the city of those reporting one race or multi-race was 92.7% White, 1.2% African American, 1.3% Asian, 0.2% Native, 2.3% Hispanic, and 2.3% multi-racial. There were 9,057 households, with 2.20 persons per household, with 64.3% comprised of married couples, and 22.6% non-family with children under the age of 18 living with them, 45.8% were married couples living together, 9.4% had a female householder with no husband present, and 3.8% had a male householder with no spouse present. 21.5% of the population comprised of an individual under 18 years of age, and 24% were individuals 65 years of age or older.

² Primary sources of data used for this section are <https://www.zillow.com/rocky-river-oh/home-values/> and <https://censusreporter.org/profiles/16000US3968056-rocky-river-oh/>

Additionally, the City had an employed civilian population ages 16 years and over of approximately 10,200 with the occupational makeup being 57.6% management, business, science, education, legal and arts occupations, 9.0% Service occupations, 21.7% Sales and office occupations, 2.5% Natural resources, construction, and maintenance occupations, and 9.2% Production, transportation, and material moving occupations. 59.4% of the population has at least a bachelor's degree. Businesses within the community are predominantly retail and service oriented.

The District receives over 74% 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 29.8% 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 value, although assessed values had decreased in certain years during this timeframe due to the elimination of tangible personal property values from the tax duplicate. The most recent sexennial property reappraisal that took effect in January of 2019 produced an increase in assessed valuation of 16.7% for tax year 2018/collection year 2019.

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 2.49% of the total assessed valuation within the District.

Major Initiatives - Fiscal Year 2020

During fiscal year 2020, the District continued working towards the goals as outlined in the District's Strategic Plan that was adopted in fiscal year 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 2019-20. This plan is expected to be carried forward for the next few years as it is still relevant and effective. 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 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 2021

One of the primary goals for 2021 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 continue to 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 2022. 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. A retirement incentive offered to teachers with a deadline of January 10, 2020 contributed to this goal by incentivizing additional teachers to retire as of June 2020, therefore allowing for cost savings with replacement hiring and possible opportunities for realignment of staffing levels. Additionally, planning for an additional combined operating and permanent improvement levy is in the final stages to provide for additional funding past fiscal 2022.
- 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; and more effectively share the District's stewardship and effective use of tax dollars through modern communication methods and platforms (e.g. social media) to reach a larger portion of stakeholders.
- To effectively address the challenges that come out of the COVID-19 pandemic regarding student and staff safety, student learning challenges, and the unexpected financial pressure that the pandemic has brought and may continue to bring over the next year.

Rocky River Schools...

Globally Competitive • Exceptional Opportunities • Caring Environment • Successful Students

- To receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and Auditor of State Award with Distinction for this fiscal year 2020 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 \$456,000 annually based on the District's valuation for collection year 2019.

During fiscal year 2020 and into early 2021, the Board followed the recommendation of the Treasurer/CFO in not taking on additional debt for certain capital projects such as HVAC improvements, and instead realigned and adjusted the capital/permanent improvement forecast and supplemented with one-time revenues to allow for these projects to be paid for in cash without causing short-term budgetary distress.

Long-Term Financial Planning

As part of the District's long-term planning, the Treasurer/CFO prepares a five-year financial forecast that is reviewed and approved by the Board of Education. This document provides a snapshot of 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 multi-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 GFOA 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 \$2.237 million based on the projected property valuation for collection year 2026). 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 as well. 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. The accounting and payroll systems were upgraded in fiscal year 2020 to provide enhancements and efficiency to the financial reporting process. 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. The Finance Committee of the Board of Education typically meets monthly at which time they review monthly and fiscal year-to-date financial reports. As an additional safeguard, all employees are covered by commercial crime and dishonesty policy, and certain individuals in policy making roles are covered additionally by a separate 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 2020. 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, 2020. 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, 2019.

This was the twenty-ninth 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 Treasurer's office staff members Dale Cummins, Margaret Donnelly and Julie Allen, 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 Greg Murphy, the District's Communications Specialist, 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, CGMA
Treasurer/CFO



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

Rocky River Schools...

Globally Competitive • Exceptional Opportunities • Caring Environment • Successful Students

Rocky River City School District

Principal Officials

June 30, 2020

Board of Education

Dr. Jon Fancher President
Kathleen Goepfert Vice-President
Ruth Beach.....Member
Diana Leitch.....Member
Addie OlanderMember

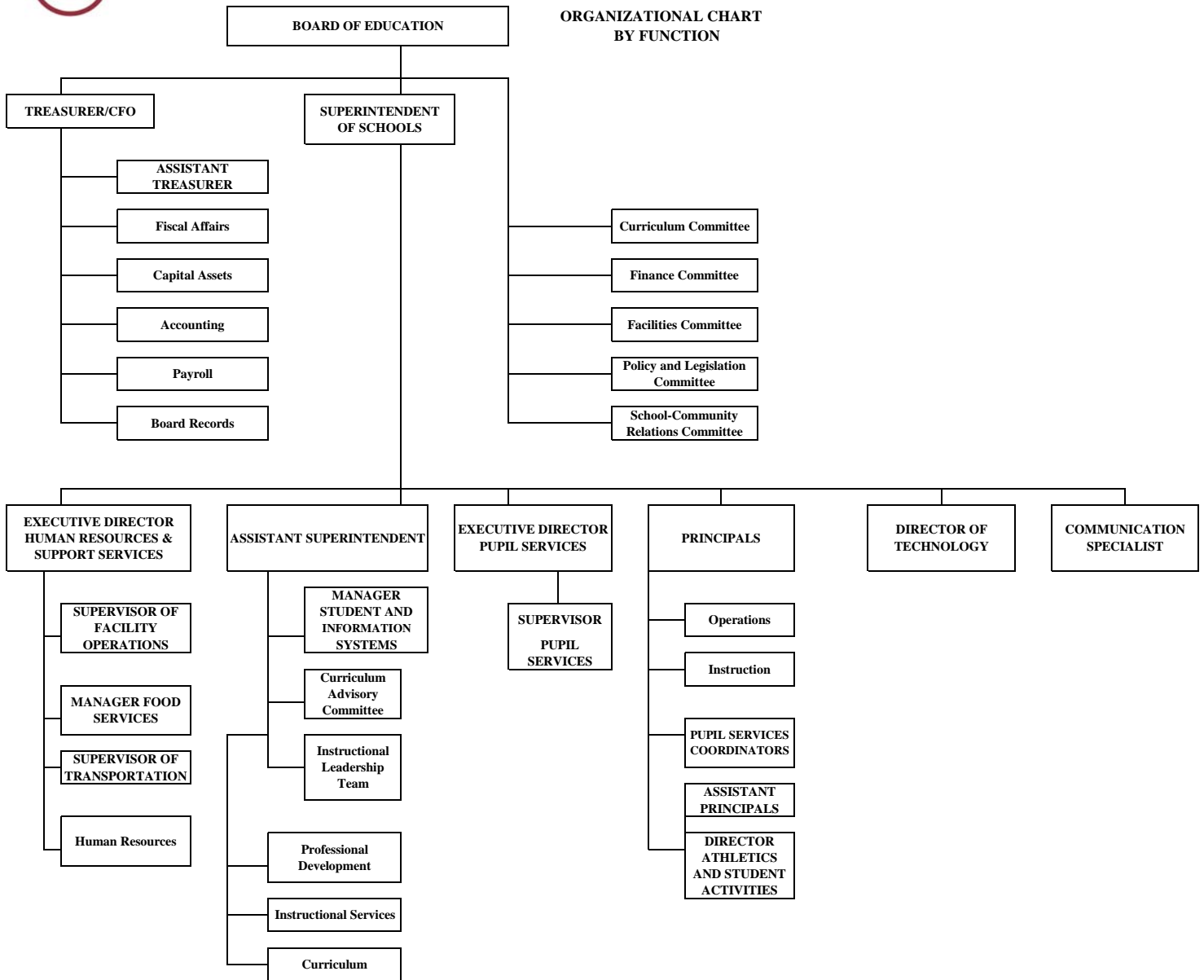
Administration

Michael G. Shoaf, Ed.D Superintendent
Elizabeth Anderson Assistant Superintendent
Samuel Gifford.....Executive Director of Human Resources and Support Services
Jennifer Norman.....Executive Director of Pupil Services
Dr. Bryan Drost.....Director of Technology
Greg R. Markus, CPA, CGMA Treasurer/CFO



Rocky River
City School District

**ORGANIZATIONAL CHART
BY FUNCTION**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Rocky River City School District
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020

Financial Section



Audrey Slankard

Grade 8

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County | Ohio



Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801
(216) 787-3665 or (800) 626-2297
NortheastRegion@ohioauditor.gov

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, the major fund, and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2020, 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 such 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.

Efficient • Effective • Transparent

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Rocky River City School District, Cuyahoga County, Ohio, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods for the District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit 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 will also issue our report dated January 29, 2021, 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.



Keith Faber
Auditor of State
Columbus, Ohio

January 29, 2021

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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, 2020. 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 2020 are as follows:

In total, net position of the governmental activities decreased \$4.8 million from a restated deficit of \$19.8 million at June 30, 2019 to a deficit of \$24.6 million at June 30, 2020.

Total governmental activities revenues decreased \$3.1 million and total governmental activities expenses increased \$8.3 for fiscal year 2020.

Program revenue, revenue from specific fees and grants, increased to 11.07% of all revenue from 9.59% in 2019. Over 88% of governmental activities revenues come from general revenues, primarily property taxes.

Total capital assets, net decreased from \$52.3 million at June 30, 2019 to \$51.5 at June 30, 2020.

The District's outstanding long-term obligations decreased to \$96.5 million at June 30, 2020 from \$97.2 million at June 30, 2019.

The District's major governmental fund is the general fund. The general fund had \$38.7 million in revenues and other financing sources and \$41.4 million in expenditures and other financing uses. During fiscal year 2020, the general fund's fund balance decreased \$2.7 million, from a balance of \$9.3 million to a balance of \$6.6 million.

Using these Basic Financial Statements

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 is by far the most significant fund.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 2020?" 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 41-42 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 fund is the general 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 43-47 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 48-50 of this report.

Fiduciary Funds

The District acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in custodial funds. All of the District's fiduciary activities are reported in separate statements of changes in fiduciary net position on page 51. 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 53-106 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 and net OPEB liability/asset. The required supplementary information can be found on pages 108-123 of this report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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 2020, 2019 and 2018. The net position at June 30, 2019 has been restated as described in Note 3.

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

	Governmental Activities 2020	(Restated) Governmental Activities 2019	Governmental Activities 2018
<u>Assets</u>			
Current and other assets	\$ 55.3	\$ 53.9	\$ 53.9
Net OPEB asset	2.7	2.6	-
Capital assets, net	<u>51.5</u>	<u>52.3</u>	<u>51.5</u>
Total assets	<u>109.5</u>	<u>108.8</u>	<u>105.4</u>
<u>Deferred outflows of resources</u>			
Unamortized deferred charges	1.0	1.1	1.1
Pension	9.0	12.7	16.3
OPEB	<u>0.8</u>	<u>0.5</u>	<u>0.5</u>
Total deferred outflows of resources	<u>10.8</u>	<u>14.3</u>	<u>17.9</u>
<u>Liabilities</u>			
Current liabilities	5.7	6.2	5.4
Long-term liabilities:			
Due within one year	3.4	3.2	3.0
Due in more than one year:			
Net pension liability	45.3	44.6	48.0
Net OPEB liability	3.8	4.1	10.6
Other amounts	<u>44.0</u>	<u>45.3</u>	<u>47.4</u>
Total liabilities	<u>102.2</u>	<u>103.4</u>	<u>114.4</u>
<u>Deferred inflows of resources</u>			
Property taxes and PILOTS	36.0	31.9	32.3
Pensions	2.2	3.0	1.9
OPEB	<u>4.5</u>	<u>4.6</u>	<u>1.3</u>
Total deferred inflows of resources	<u>42.7</u>	<u>39.5</u>	<u>35.5</u>
<u>Net Position</u>			
Net investment in capital assets	11.7	10.5	10.3
Restricted	3.8	4.1	5.9
Unrestricted (deficit)	<u>(40.1)</u>	<u>(34.4)</u>	<u>(42.8)</u>
Total net position (deficit)	<u>\$ (24.6)</u>	<u>\$ (19.8)</u>	<u>\$ (26.6)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Net Pension/OPEB Liability/Asset

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." 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 OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB 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 and other postemployment benefits. GASB noted that the unfunded portion of this 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 these liabilities. 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 Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *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 retirement system is responsible for the administration of the pension and OPEB plans.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

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 or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities 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 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 and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$24.6 million.

Total Assets and Deferred Outflows of Resources decreased by \$2.8 million. Current assets increased \$1.4 million primarily due to an increase in cash of \$1.4 million. Capital assets decreased by \$.8 million as capital depreciation expense exceeded additions. The District acquired \$2.7 million in capital assets in fiscal year 2020, but the related depreciation expenses related to the capital assets was \$3.5 million for fiscal year 2020. Deferred outflows related the District's net pension and OPEB liabilities/asset decreased \$3.4 million from fiscal year 2019. Deferred outflows related to pension decreased primarily due to changes in assumptions by the State Teachers Retirement System (STRS). See Note 14 for more detail. Total assets include a net OPEB asset reported by STRS. See Note 15 for more detail.

Total Liabilities and Deferred Inflows of Resources increased by \$2.0 million. Long-term liabilities decreased \$.7 million as the District's net pension liability increased \$.7 million and net OPEB liability decreased \$.3 million in fiscal year 2020. These liabilities 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 and OPEB to District employees, not the District. Current liabilities decreased \$.5 million during fiscal year 2020. Deferred inflows related the District's net pension liability and net OPEB liability/asset decreased \$.9 million from fiscal year 2019. Deferred inflows related to OPEB decreased primarily due to changes in assumptions by STRS. See Note 15 for more detail.

The restricted portion of net position of \$3.8 million at June 30, 2020 was a decrease of \$.3 million from June 30, 2019.

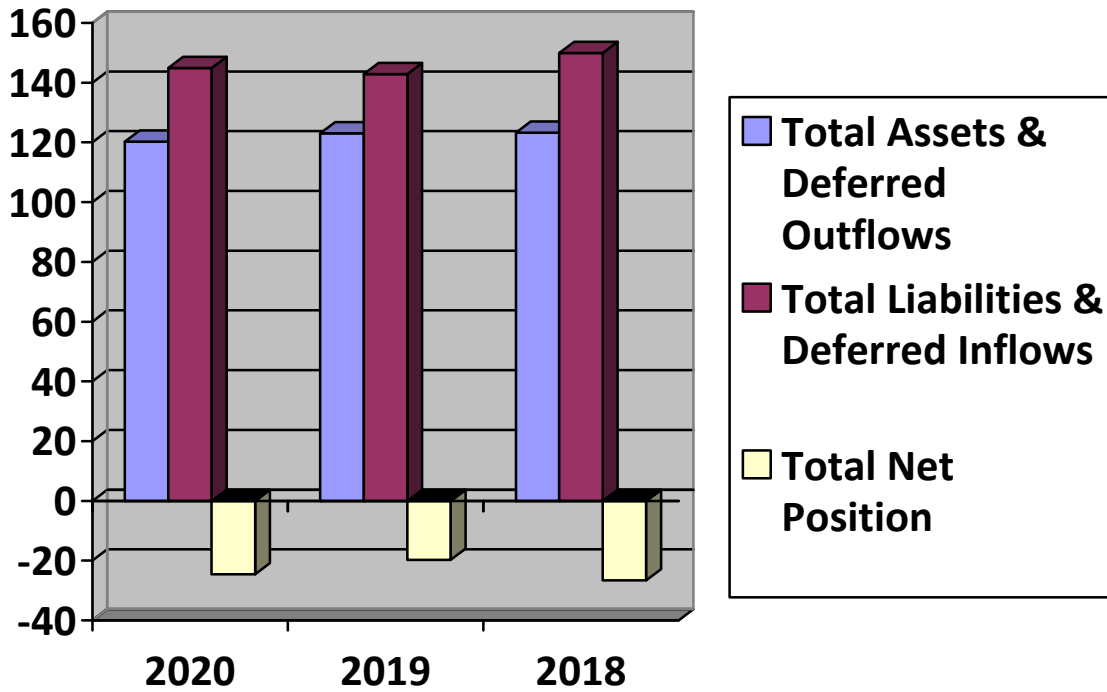
**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Graph 1 below shows the District's governmental activities assets, liabilities, deferred inflows and net position for fiscal year 2020, 2019 and 2018.

Graph 1
Net Position Governmental Activities
(In millions)

	2020	(Restated) 2019	2018
Total Assets & deferred outflows	\$120.3	\$123.1	\$123.3
Total Liabilities & deferred inflows	144.9	142.9	149.9
Total Net Position	<u>(\$24.6)</u>	<u>(\$19.8)</u>	<u>(\$26.6)</u>



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Table 2 below shows the change in net position for fiscal years 2020, 2019 and 2018. Due to practicality, 2019 revenues and expenses in the table below have not been adjusted to reflect the implementation of GASB No. 84 (see Note 3). Rather, the cumulative impact of applying GASB No. 84 is reflected in the beginning net position for 2019.

Table 2
Changes in Net position
(In millions)

	Governmental Activities		
	2020	2019	2018
<u>Revenues</u>			
Program revenues:			
Charges for Services and Sales	\$ 1.6	\$ 1.7	\$ 1.6
Operating Grants and Contributions	3.3	3.1	3.0
Capital Grants and Contributions	0.3	-	-
General revenues:			
Property Taxes	34.8	38.1	35.5
Payments in lieu of taxes	0.4	0.3	0.1
Grants and Entitlements	5.9	6.3	6.4
Other	0.7	0.6	0.4
Total revenues	<u>47.0</u>	<u>50.1</u>	<u>47.0</u>
<u>Expenses</u>			
Program expenses:			
Instruction	29.5	24.5	12.4
Support Services:			
Pupils and Instructional staff	4.0	3.7	2.1
Board of Education, Administration, Fiscal and Business	4.5	3.8	2.4
Operations and Maintenance of Plant	5.3	3.4	3.2
Pupil Transportation	1.9	1.8	1.0
Central	1.3	1.2	0.9
Operation of Non-Instructional Services:			
Food Service Operations	0.5	0.5	0.3
Other Non-Instructional Services	1.4	1.3	1.6
Extracurricular Activities	1.7	1.6	1.1
Interest and Fiscal Charges	1.7	1.7	1.8
Total expenses	<u>51.8</u>	<u>43.5</u>	<u>26.8</u>
Change in Net Position	(4.8)	6.6	20.2
Net Position, at beginning of year	<u>(19.8)</u>	<u>(26.4)</u>	<u>(46.6)</u>
Net Position, at end of year	<u>\$ (24.6)</u>	<u>\$ (19.8)</u>	<u>\$ (26.4)</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Governmental Activities

During fiscal year 2020, change in net position decreased \$4.8 million compared to an \$6.6 million increase in fiscal year 2019.

Total revenue for *governmental activities* decreased \$3.1 million primarily due to a decrease in property tax revenue. The District's property taxes decreased \$3.3 million in 2020 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, 2020, June 30, 2019 and June 30, 2018 was \$2.0 million, \$6.0 million and \$4.1 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.

Overall, expenses of the governmental activities increased \$8.3 million or 19.08%. This increase is primarily the result of the STRS indefinitely suspending the Cost of Living Adjustment ("COLA") and the School Employee Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in fiscal year 2019.

On an accrual basis, the District reported \$7.2 million and \$4.6 million in pension expense for fiscal year 2020 and 2019, respectively. In addition, the District reported (\$0.8 million) and (\$5.6 million) in OPEB expense for fiscal year 2020 and 2019, respectively. The increase in both the net pension expense and the OPEB expense from fiscal year 2019 to fiscal year 2020 was \$7.4 million. This increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities.

Interest expenses stayed the same as the District realized interest savings from making scheduled principal payments which lowers interest and the addition of a lease purchase transaction.

Total program revenues supporting governmental activities increased from 2019; the percentage of program revenue support increased to 11.07% from 9.59% in 2019. The vast majority of revenue supporting governmental activities, over 88%, continues to be general revenue. 74.04% of total revenue, \$34.8 million for 2020, was property taxes paid by the residents in the District. Only \$5.9 million (12.56% of total revenue) came from unrestricted state or federal sources (general revenue source).

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

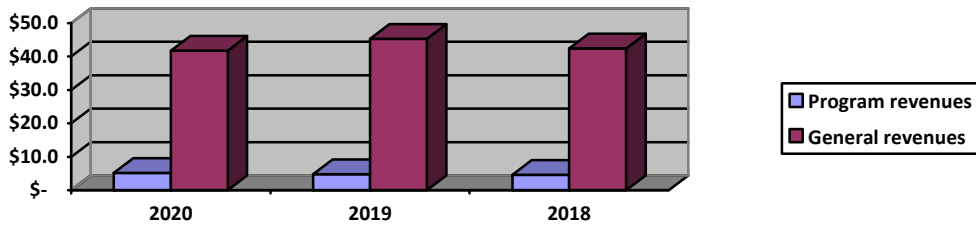
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Graph 2 below shows a comparison of program revenues versus general revenue for the governmental activities for fiscal year 2020, 2019 and 2017.

Graph 2
Revenues for Governmental Activities
(In millions)

	2020	2019	2018
Program Revenue	\$5.2	\$4.8	\$4.6
General Revenue	41.8	45.3	42.4

Revenue For Governmental Activities (In Millions)



The District’s property taxes decreased \$3.3 million in 2020 due to fluctuations in taxes collected by the Cuyahoga County Fiscal Officer and available as advance at year-end. In response to the COVID-19 pandemic, Cuyahoga County, Ohio received approval from the Ohio Tax Commissioner to extend the due date of the second half 2019 real estate tax payments for 45 days. As a result of the extension, the amount of property taxes collected by Cuyahoga County and available as advance to the District at June 30, 2020 decreased dramatically, leading to a large decrease in property taxes. 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, school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 74.04% of revenues for governmental activities for the District in fiscal year 2020.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(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. As stated earlier, fluctuations in pension expense reported under GASB 68 and GASB 75 make it difficult to compare financial information between years.

Table 3 below shows the governmental activities total cost of services and net cost of services for fiscal year 2020, 2019 and 2018.

Table 3
Governmental Activities
(In millions)

	2020		2019		2018	
	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	\$ 29.5	\$ 27.9	\$ 24.5	\$ 23.0	\$ 12.4	\$ 10.9
Support Services:						
Pupils and Instructional Staff	4.0	3.5	3.7	3.2	2.1	1.7
Board of Education, Administration, Fiscal and Business	4.5	4.5	3.8	3.8	2.4	2.4
Operation and Maintenance	5.3	5.0	3.4	3.2	3.2	3.0
Pupil Transportation	1.9	1.7	1.8	1.6	1.0	0.8
Central	1.3	1.3	1.2	1.2	0.9	0.9
Operation of Non-Instructional Services:						
Food Service Operations	0.5	0.1	0.5	0.0	0.3	(0.2)
Other Non-Instructional Services	1.4	(0.1)	1.3	(0.1)	1.6	0.1
Extracurricular Activities	1.7	1.0	1.6	1.2	1.1	0.7
Interest and Fiscal Charges	1.7	1.7	1.7	1.7	1.8	1.8
Total	\$ 51.8	\$ 46.6	\$ 43.5	\$ 38.8	\$ 26.8	\$ 22.1

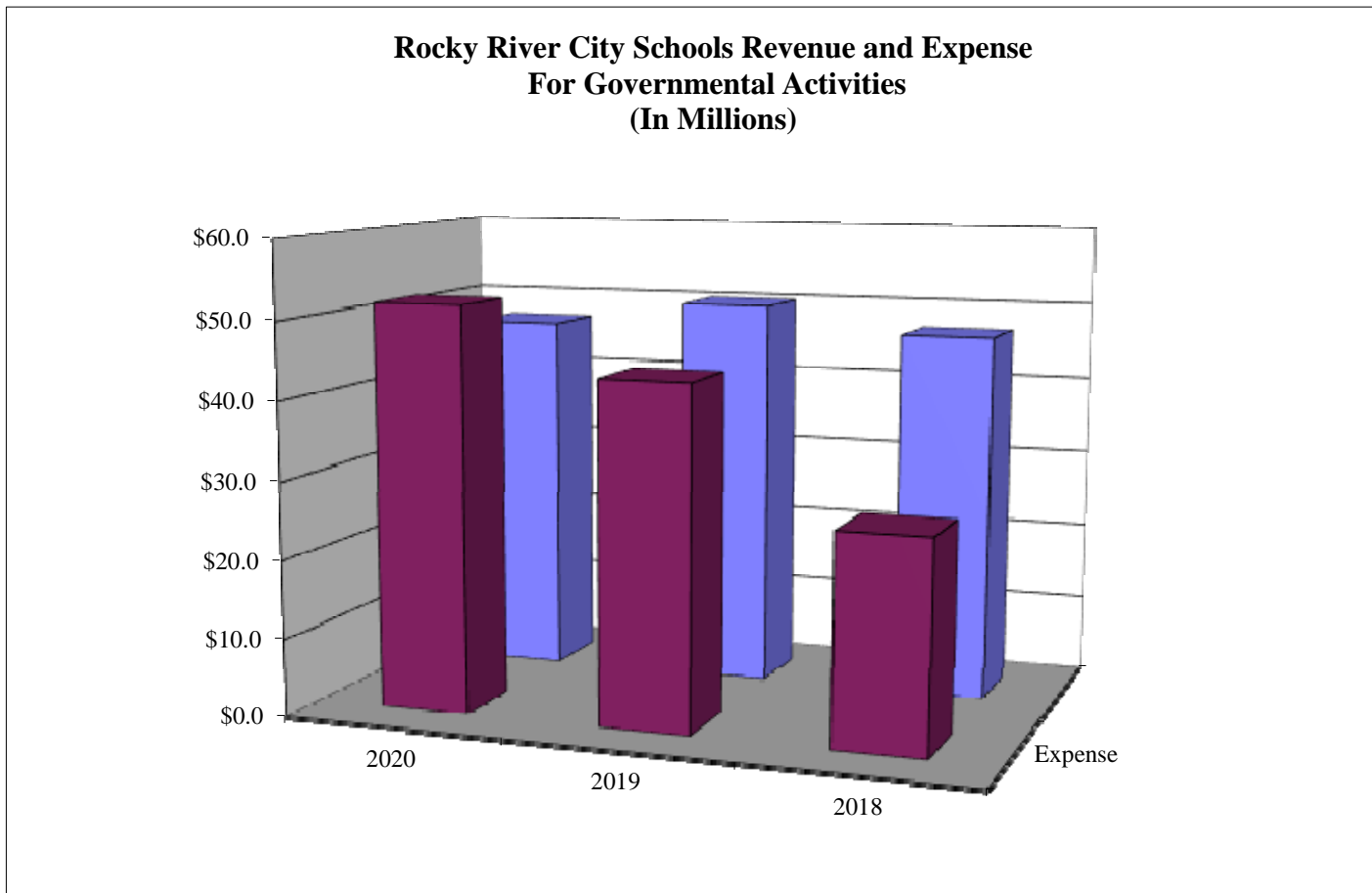
**ROCKY RIVER CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

Graph 3 below shows the governmental activities revenues and expenses for fiscal year 2020, 2019 and 2017.

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

	2020	2019	2018
Revenue	\$47.0	\$50.1	\$47.0
Expense	51.8	43.5	26.8



Program revenue for governmental activities in 2019 was \$4.8 million, or 9.58% of all revenue. For 2020, program revenue was \$5.2 million, or 11.07% of all revenue. The largest expense area was instruction, comprising \$29.5 million, 56.95% of all governmental activities expenses.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

The District's Governmental Funds

The District's major governmental fund is reported on pages 43 and 45. All governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$48.7 million and expenditures and other financing uses of \$51.3 million. The general fund balance decreased \$2.7 million as expenditures exceeded revenues. Expenditures increased \$.1 million from 2019.

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 year 2020, 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 and other financing sources was \$.5 million lower than the original budget estimates of \$41.5 million. Final budgeted revenues and other financing sources were over \$41.5 million which was less than \$.5 million lower than actual budget basis revenues and other financing sources of \$42.0 million.

Total expenditures on the budget basis (cash outlays plus encumbrances) were \$42.3 million. Actual expenditures and other financing uses were lower than original budgeted expenditures and other financing uses of \$42.8 million and were also lower than final budgeted expenditures and other financing uses of \$42.3 million. The actual expenditures and other financing uses were less than the final budgeted amounts primarily due to less than anticipated spending on instruction.

The general fund budgetary statement can be found on page 47.

Capital Assets and Debt Administration

Capital Assets

Table 4 below reports the District's capital assets, net of accumulated depreciation, for fiscal year 2020, 2019 and 2018.

Table 4
Capital Assets, Net
(In millions)

	Governmental Activities		
	2020	2019	2018
Land	\$0.8	\$0.8	\$0.8
Construction in progress	0.7	0.6	0.0
Land Improvements	2.4	2.3	2.4
Building/Improvements	43.7	45.6	45.1
Furniture/Equipment	3.0	2.1	2.3
Vehicles	0.9	0.9	0.9
<i>Total</i>	\$51.5	\$52.3	\$51.5

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(UNAUDITED)**

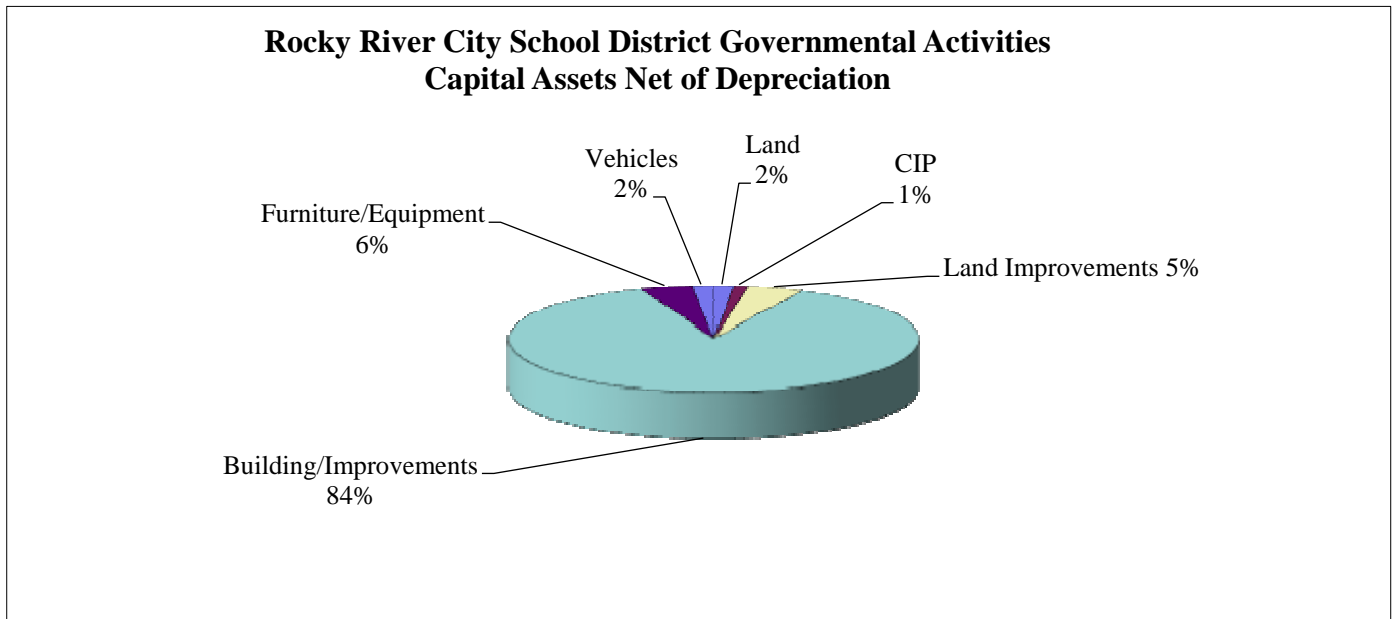
At June 30, 2020, the District had \$51.5 million in total capital assets. This is the value of land, construction in progress, land improvements, building/improvements, furniture/equipment and vehicles after depreciation is taken off their value. The largest component of these capital assets is building/improvements.

Total capital assets decreased from \$52.3 million in 2019 to \$51.5 million for 2020. This decrease was the result of depreciation expense exceeding capital acquisitions. The District acquired \$2.7 million in capital assets in fiscal year 2020. For additional information on capital assets, see Note 9 to the basic financial statements.

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, 2020.

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

	June 30, 2020
Land	\$0.8
Construction in Progress	0.7
Land Improvements	2.4
Building/Improvements	43.7
Furniture/Equipment	3.0
Vehicles	0.9
Total	\$51.5



**ROCKY RIVER CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
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Debt

At June 30, 2020, the District had \$34.9 million in bonds outstanding. Table 5 below summarizes the District's bonds outstanding at June 30, 2020, 2019 and 2018.

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

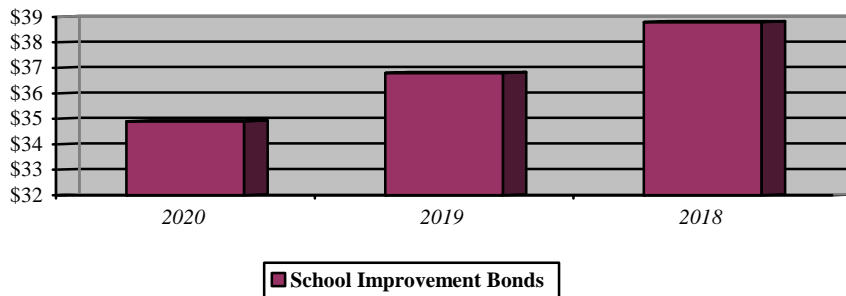
	Governmental Activities		
	2020	2019	2018
School Building General Obligation Bonds	\$34.9	\$36.8	\$38.8

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 2018 School Improvement bonds in the amount of \$7.4 million.

For additional information on debt, see Note 11 to the basic financial statements. Graph 5 below shows the District's outstanding bonded debt at June 30, 2020, 2019 and 2018.

Graph 5
Outstanding Bonded Debt at Year End
(In millions)



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

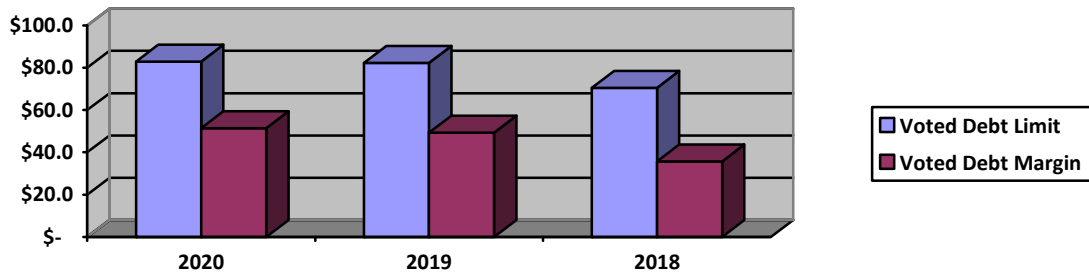
**MANAGEMENT’S DISCUSSION AND ANALYSIS
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(UNAUDITED)**

Graph 6 below shows the District’s legal debt limit and debt margin at June 30, 2020, 2019 and 2018.

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

	2020	2019	2018
Voted Debt Limit	\$82.9	\$82.3	\$70.5
Voted Debt Margin	51.4	49.3	35.7

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



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 2018. 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.

With the worldwide pandemic due to COVID-19 currently ongoing as of the date of this report, the District is facing challenges on multiple fronts pertaining to its operations and financial matters. Although there has been some financial assistance provided by state and federal sources to assist with these issues, it is unknown what continuing effect the pandemic will have on operations and long-term finances.

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 was projected to produce an estimated \$3.44 million annually, starting with first collection in January 2018, 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. As the current five year forecast projects outward as of November 2020, the District will again need to ask voters to support an operating levy in either 2021 or 2022. Given the current state of the economy due to the pandemic, this will be challenging.

**ROCKY RIVER CITY SCHOOL DISTRICT
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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
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In looking forward to major expenditure areas, the District's personnel contracts and policies would be the main drivers. In April and May of 2017, 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, 2018. These extensions include base salary increases of 2% annually and retained step/experience increments from the prior contract while including additional employee health insurance concessions in the way of increased deductibles, co-pays and co-insurance maximums. These provisions have been applied to all non-bargaining employees as well. Most recently, the District reached an agreement for a contract extension with its teaching union in May 2018, and then subsequently agreed to an extension with both classified OAPSE unions. These extensions call for 2% base raises for a three year period starting July 1, 2019 and running through June 30, 2022. The extensions also call for additional insurance plan design changes that took effect on October 1, 2018 that increase employee out of pocket costs for deductibles and co-pays and institutes a wellness premium rebate/incentive program. The deductible portion will increase slightly in the third year of the agreement along with the premium rebate that can be earned for meeting certain wellness goals. These extensions provide labor certainty going forward and will allow the District to plan its finances accordingly.

These changes piggyback the District's decision to join the Suburban Health Consortium as of July 1, 2010, which enabled the District to self-fund employee medical and prescription drug insurance plan with a group of 5,000+ lives. This arrangement has provided leverage in keeping annual increases to levels below general trending and even out increases when high claim years are experienced.

The District also reduced projected salary costs by hiring in certificated staff replacements at a lower placement on the teacher salary schedule wherever possible. This was significant going into fiscal year 2012 as the District had 23 employees (17 teachers, one administrator and five support staff) retire as of the end of fiscal year 2011, producing over \$700,000 in first-year savings for the District. As the District continues to look for cost savings measures moving forward to fiscal year 2020 and beyond, the District is considering re-calibration of personnel levels based on student enrollment and programmatic needs as well as other operational efficiencies. These efforts include a one-time retirement incentive plan that was offered to teaching staff as of November 2019, which offered an additional contribution to a post-retirement health reimbursement account for an eligible teacher that would elect to retire or resign as of June 30, 2020, by providing their notice of retirement or resignation by January 10, 2020. Based on four additional teachers electing to opt into this plan, the district reasonably projects a savings of over \$600,000 over five years starting in fiscal year 2021.

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.

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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 (\$7.44 million) were then advanced refunded in March of 2018 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 2018, 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 plan and work on smaller-scale capital projects and major equipment replacements that were not addressed with the aforementioned bond issue such as an upgrade to the District’s food service server area and related equipment. The District plans to fund these improvements mainly from available cash in the permanent improvement fund produced by the inside millage and net lease revenue along with funds to be generated from the new 0.5 mill permanent improvement levy.

Some of these capital projects have and will require borrowing against these funds in the form of tax anticipation notes and/or capital lease/purchase arrangements. One recent project that was completed using permanent improvement fund resources through a capital lease/purchase obligation consisted of building improvements and renovations at the Beach Board of Education’s south wing in order to provide adequate space for the District’s special education preschool program. Another project that was funded through a capital lease/purchase borrowing and was recently completed was an energy conservation/capital improvement project that addressed needed upgrades to building lighting and HVAC systems throughout all of the District buildings. This energy project is already yielding substantial savings on energy consumption and costs, and is expected to continue to do so going forward. There were also recent projects completed that included a new ornamental fence surrounding the high school stadium, a major facelift to the high school auditorium, needed masonry repair/restoration work on the high school and Kensington Intermediate school, as well as high school baseball dugout improvements and sanitary sewer improvements at Kensington Intermediate School. The fencing and auditorium portions of this project were funded in large part by private funds from The Rocky River Campus Foundation and generous individuals within the community.

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. A ten-year history of the District’s Performance Index Score (a weighted average of State “report card” performance levels across subject areas and each tested grade) is as follows:

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
108.1	110.9	110.8	111.5	111.3	107.1	107.1	109.4	108.0	109.4

Please note that The 2019-2020 State of Ohio report card did not contain grades or ratings. Limited data is available due to the coronavirus pandemic and ordered school-building closure in March of 2020. Information for academic years 2018-2019 and prior are shown here.

The 109.4 earned for 2018-19 ranked second overall in the State of Ohio and second in Cuyahoga County. The five-year graduation rate for academic year 2017-18 was 99.0%, resulting in a grade of A from the State of Ohio.

**ROCKY RIVER CITY SCHOOL DISTRICT
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**MANAGEMENT’S DISCUSSION AND ANALYSIS
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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. An End of Course Retake Improvement standard was added for 2018-19, while 10th grade-specific standards were merged into the high school standards. The District’s overall component grade for achievement for 2018-19 was an A.

The breakdown of the District’s final student test results and performance index for the 2018-19 academic year from the Ohio Department of Education is summarized in the following chart:

**2019 Achievement Results
(80% proficiency percentage is the State of Ohio minimum standard)**

Assessment Grade Level	Assessment Subject	School Year	2018-2019 School Year		
		Metrics	Students At Least Proficient	Students Tested	Proficient Percentage
Third Grade	English Language Arts		151.0	162.0	93.2%
	Mathematics		149.0	161.0	92.5%
Fourth Grade	English Language Arts		183.0	199.0	92.0%
	Mathematics		198.0	199.0	99.5%
Fifth Grade	English Language Arts		185.0	199.0	93.0%
	Mathematics		188.0	199.0	94.5%
	Science		190.0	199.0	95.5%
Sixth Grade	English Language Arts		188.0	212.0	88.7%
	Mathematics		193.0	211.0	91.5%
Seventh Grade	English Language Arts		200.0	207.0	96.6%
	Mathematics		166.0	183.0	90.7%
Eighth Grade	English Language Arts		209.0	232.0	90.1%
	Mathematics		126.0	136.0	92.6%
	Science		212.0	232.0	91.4%
High School	Algebra I		203.0	219.0	92.7%
	Biology		228.0	237.0	96.2%
	English Language Arts I		210.0	219.0	95.9%
	English Language Arts II		203.0	221.0	91.9%
	End of Course Retake Improvement		5.3	10.0	53.0%
	Geometry		198.0	228.0	86.8%
	American US Government		187.0	197.0	94.9%
American US History		213.0	217.0	98.2%	

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Please visit <https://reportcard.education.ohio.gov/district/overview/044701> for the complete District report card and links to all data subsets.

The District also continued moving forward in fiscal year 2020 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% 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 2019. The District began receiving these “hold harmless” payments in May of 2006.

However, the revenue guarantee through fiscal year 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, 2018. 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 fiscal year 2018 funding levels if any student enrollment decrease between fiscal year 2014 and 2017 is less than 5%.

On July 18, 2019, Amended Substitute House Bill 166 was signed into law for the new state biennium that took effect July 1, 2019. This legislation added “Student Wellness and Success Funding” for Ohio Districts, of which \$98,357 is anticipated to be received by the District in fiscal 2020, and \$138,507 being expected for fiscal year 2021. However, the District’s overall state foundation aid was reduced by approximately \$62,000 for fiscal years 20 and 21 due to a change in Ohio Administrative Code. Specifically, the state calculation of special education transportation in FY 2020 is now predicated on the greater of the state share index of the district or 25%. Prior to this change, this calculation was based on the greater of the state share index or 60%. This change will result in school districts that have a state share index less than 60% to see a drop in their special education transportation funding.

**ROCKY RIVER CITY SCHOOL DISTRICT
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**MANAGEMENT’S DISCUSSION AND ANALYSIS
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There is excellent work being done by a group of school officials and state legislators under the Ohio Fair School Funding Plan (<https://sites.google.com/view/ohiofairschoolfunding/home?authuser=0>). This funding plan did not make its way into the recent state budget legislation, but was widely publicized and its merits were considered by the legislature and the Governor. Currently, there is momentum for consideration of this plan by the Ohio House and Senate in their “lame duck” session as of November 2020. If this plan would be enacted in whole or part, it could provide Ohio school districts with additional state support over the next six fiscal years.

Based on all of challenges that the District faces, and in order to keep its excellent educational programming in place for the future, the District must consider an operating and permanent improvement initiative in the near future. As the district’s latest five year forecast issued in November 2020 shows, a need for an additional operating levy will be needed most likely in calendar year 2021 or 2022, or cost reductions will be needed to be put into place as soon as fiscal year 2022 to eliminate a projected operating fund deficit.

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

Contacting the District’s Financial Management

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

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

STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 13,472,329
Cash with escrow agent	1,600,302
Receivables:	
Property taxes	39,793,056
Accounts	20,671
Accrued interest	22,984
Intergovernmental	242,661
Prepayments	70,447
Materials and supplies inventory.	77,576
Inventory held for resale.	14,828
Net OPEB asset (Note 15)	2,726,507
Capital assets:	
Nondepreciable capital assets	1,469,889
Depreciable capital assets, net.	49,999,444
Capital assets, net	<u>51,469,333</u>
Total assets.	<u>109,510,694</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refundings	967,100
Pension (Note 14).	8,961,702
OPEB (Note 15)	826,186
Total deferred outflows of resources	<u>10,754,988</u>
Liabilities:	
Accounts payable.	455,699
Accrued wages and benefits payable	4,126,624
Intergovernmental payable	282,966
Pension and postemployment benefits payable	628,184
Accrued interest payable	129,810
Long-term liabilities:	
Due within one year.	3,378,635
Due in more than one year:	
Net pension liability (Note 14).	45,285,442
Net OPEB liability (Note 15).	3,821,580
Other amounts	44,018,385
Total liabilities	<u>102,127,325</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year.	36,027,153
Pension (Note 14).	2,174,522
OPEB (Note 15)	4,520,226
Total deferred inflows of resources	<u>42,721,901</u>
Net position:	
Net investment in capital assets	11,651,505
Restricted for:	
Capital projects	487,174
Debt service.	2,637,478
Locally funded programs	44,312
State funded programs.	304,169
Federally funded programs	8,203
Student activities	217,622
Other purposes	122,440
Unrestricted (deficit)	(40,056,447)
Total net position (deficit).	<u>\$ (24,583,544)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction:					
Regular	\$ 20,346,432	\$ 519,051	\$ 157,435	\$ -	\$ (19,669,946)
Special	7,894,961	51,621	892,123	-	(6,951,217)
Vocational	724,604	-	2,964	-	(721,640)
Other	477,700	-	-	-	(477,700)
Support services:					
Pupil.	3,053,681	92,425	362,331	-	(2,598,925)
Instructional staff	969,685	1,312	47,833	-	(920,540)
Board of education	39,096	-	-	-	(39,096)
Administration.	2,707,337	-	4,649	-	(2,702,688)
Fiscal.	1,253,823	35	-	-	(1,253,788)
Business.	473,683	-	-	-	(473,683)
Operations and maintenance	5,334,295	245,540	45,986	-	(5,042,769)
Pupil transportation.	1,882,075	42,985	143,948	-	(1,695,142)
Central	1,338,267	4,883	24	-	(1,333,360)
Operation of non-instructional services:					
Food service operations.	492,439	342,651	107,589	-	(42,199)
Other non-instructional services	1,398,257	25,005	1,480,998	-	107,746
Extracurricular activities.	1,668,819	236,971	87,752	313,548	(1,030,548)
Interest and fiscal charges.	1,747,184	-	-	-	(1,747,184)
Total governmental activities	\$ 51,802,338	\$ 1,562,479	\$ 3,333,632	\$ 313,548	(46,592,679)

General revenues:

Property taxes levied for:	
General purposes	31,575,162
Debt service.	2,510,297
Capital outlay.	701,820
Payments in lieu of taxes.	424,190
Grants and entitlements not restricted to specific programs	5,871,435
Investment earnings	503,779
Miscellaneous	245,280
Total general revenues	41,831,963
Change in net position	(4,760,716)
Net position (deficit) at beginning of year (restated)	(19,822,828)
Net position (deficit) at end of year	\$ (24,583,544)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 9,417,142	\$ 4,028,988	\$ 13,446,130
Cash with escrow agent	-	1,600,302	1,600,302
Receivables:			
Property taxes.	36,163,917	3,629,139	39,793,056
Accounts	16,901	3,770	20,671
Accrued interest	22,984	-	22,984
Interfund loans	521,478	589,104	1,110,582
Intergovernmental.	107,511	135,150	242,661
Prepayments.	69,513	934	70,447
Materials and supplies inventory.	76,342	1,234	77,576
Inventory held for resale.	7,511	7,317	14,828
Total assets	<u>\$ 46,403,299</u>	<u>\$ 9,995,938</u>	<u>\$ 56,399,237</u>
Liabilities:			
Accounts payable	\$ 243,433	\$ 209,545	\$ 452,978
Accrued wages and benefits payable	4,031,259	95,365	4,126,624
Compensated absences payable	282,793	1,390	284,183
Intergovernmental payable	281,749	1,217	282,966
Pension and postemployment benefits payable	619,142	9,042	628,184
Interfund loans payable.	-	1,098,676	1,098,676
Total liabilities.	<u>5,458,376</u>	<u>1,415,235</u>	<u>6,873,611</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	32,764,409	3,262,744	36,027,153
Delinquent property tax revenue not available.	1,424,757	143,066	1,567,823
Intergovernmental revenue not available.	7,210	49,172	56,382
Interest revenue not available.	8,892	-	8,892
Miscellaneous revenue not available.	100,000	-	100,000
Total deferred inflows of resources	<u>34,305,268</u>	<u>3,454,982</u>	<u>37,760,250</u>
Fund balances:			
Nonspendable:			
Materials and supplies inventory.	76,342	1,234	77,576
Prepays.	69,513	934	70,447
Unclaimed monies	1,997	-	1,997
Restricted:			
Debt service	-	3,002,620	3,002,620
Capital improvements	-	487,174	487,174
Food service operations	-	152,592	152,592
Non-public schools	-	281,848	281,848
Other purposes.	-	66,625	66,625
Extracurricular	-	217,613	217,613
Committed:			
Capital improvements	-	895,039	895,039
Other purposes.	-	38,245	38,245
Assigned:			
Student instruction	255,394	-	255,394
Student and staff support.	690,349	-	690,349
Extracurricular activities	14,055	-	14,055
Facilities acquisition and construction	6,069	-	6,069
Subsequent year's appropriations	3,011,488	-	3,011,488
School supplies	52,333	-	52,333
Unassigned (deficit)	2,462,115	(18,203)	2,443,912
Total fund balances	<u>6,639,655</u>	<u>5,125,721</u>	<u>11,765,376</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 46,403,299</u>	<u>\$ 9,995,938</u>	<u>\$ 56,399,237</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, 2020

Total governmental fund balances		\$	11,765,376
<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.			51,469,333
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	\$	1,567,823	
Accrued interest receivable		8,892	
Intergovernmental receivable		156,382	
Total		1,733,097	1,733,097
Unamortized premiums on bonds issued are not recognized in the funds.			(1,267,582)
Unamortized deferred charges on debt refundings are not recognized in the funds.			967,100
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(129,810)
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.			11,572
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		8,961,702	
Deferred Inflows - Pension		(2,174,522)	
Net pension liability		(45,285,442)	
Total		(38,498,262)	(38,498,262)
The net OPEB liability/asset is not due and payable in the current period; therefore, liability/asset and related deferred inflows are not reported in governmental funds.			
Net OPEB asset		2,726,507	
Deferred outflows - OPEB		826,186	
Deferred Inflows - OPEB		(4,520,226)	
Net OPEB liability		(3,821,580)	
Total		(4,789,113)	(4,789,113)
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		(34,865,866)	
Lease-purchase obligations		(5,872,316)	
Compensated absences		(5,107,073)	
Total		(45,845,255)	(45,845,255)
Net position of governmental activities		\$	(24,583,544)

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, 2020

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
From local sources:			
Property taxes	\$ 31,265,600	\$ 3,187,707	\$ 34,453,307
Payment in lieu of taxes	396,320	27,870	424,190
Tuition	413,700	-	413,700
Transportation fees	42,982	-	42,982
Earnings on investments	490,024	26,463	516,487
Charges for services	-	342,651	342,651
Extracurricular activities	32,633	235,156	267,789
Classroom materials and fees	191,681	-	191,681
Rental income	46,211	200,876	247,087
Contributions and donations	12,960	399,622	412,582
Contract services	56,589	-	56,589
Other local revenues	114,914	76,083	190,997
Intergovernmental - state	5,472,945	2,019,964	7,492,909
Intergovernmental - federal	-	1,495,906	1,495,906
Total revenues	<u>38,536,559</u>	<u>8,012,298</u>	<u>46,548,857</u>
Expenditures:			
Current:			
Instruction:			
Regular	17,698,018	559,926	18,257,944
Special	6,466,932	685,401	7,152,333
Vocational	692,332	-	692,332
Other	424,512	-	424,512
Support services:			
Pupil	2,434,617	347,973	2,782,590
Instructional staff	784,747	48,653	833,400
Board of education	35,222	-	35,222
Administration	2,383,056	12,688	2,395,744
Fiscal	1,140,350	51,351	1,191,701
Business	436,916	-	436,916
Operations and maintenance	4,251,828	709,360	4,961,188
Pupil transportation	1,531,546	198,582	1,730,128
Central	837,231	22,031	859,262
Operation of non-instructional services:			
Food service operations	-	459,372	459,372
Other non-instructional services	47,051	1,416,507	1,463,558
Extracurricular activities	865,550	530,330	1,395,880
Facilities acquisition and construction	49,690	1,073,901	1,123,591
Debt service:			
Principal retirement	723,701	2,138,383	2,862,084
Interest and fiscal charges	101,755	1,627,683	1,729,438
Total expenditures	<u>40,905,054</u>	<u>9,882,141</u>	<u>50,787,195</u>
Excess of revenues over (under) expenditures	<u>(2,368,495)</u>	<u>(1,869,843)</u>	<u>(4,238,338)</u>
Other financing sources (uses):			
Insurance proceeds	130,366	-	130,366
Transfers in	-	466,953	466,953
Transfers (out)	(471,953)	-	(471,953)
Inception of lease-purchase transaction	-	1,595,995	1,595,995
Total other financing sources (uses)	<u>(341,587)</u>	<u>2,062,948</u>	<u>1,721,361</u>
Net change in fund balances	(2,710,082)	193,105	(2,516,977)
Fund balances at			
beginning of year (restated)	<u>9,349,737</u>	<u>4,932,616</u>	<u>14,282,353</u>
Fund balances at end of year	<u>\$ 6,639,655</u>	<u>\$ 5,125,721</u>	<u>\$ 11,765,376</u>

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, 2020

Net change in fund balances - total governmental funds	\$	(2,516,977)
<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	\$ 2,735,529	
Current year depreciation	<u>(3,504,420)</u>	
Total		(768,891)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(17,044)
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	333,972	
Earnings on investments	(1,619)	
Intergovernmental	<u>(77,523)</u>	
Total		254,830
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	2,020,000	
Lease-purchase obligations	<u>842,084</u>	
Total		2,862,084
Issuances of 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.		
		(1,595,995)
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	2,479	
Accreted interest on capital appreciation bonds	(46,099)	
Amortization of bond premiums	94,512	
Amortization of deferred charges on debt refundings	<u>(68,638)</u>	
Total		(17,746)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		3,474,274
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability/(asset) are reported as pension expense in the statement of activities.		
		(7,156,019)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		97,457
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		
		756,632
An internal service fund used by management to charge the costs of employee benefit programs is not reported in the government-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal is allocated among the governmental activities.		
		20,585
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>(153,906)</u>
Change in net position of governmental activities	\$	<u>(4,760,716)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
From local sources:				
Property taxes	\$ 34,516,862	\$ 34,589,549	\$ 34,471,207	\$ (118,342)
Payment in lieu of taxes.	-	286,079	396,320	110,241
Tuition.	392,000	348,400	363,075	14,675
Transportation fees.	61,000	61,000	42,982	(18,018)
Earnings on investments	297,525	297,525	326,992	29,467
Classroom materials and fees	-	-	55	55
Rental income	40,000	40,000	60,496	20,496
Contributions and donations	-	-	5,000	5,000
Contract services.	55,000	55,000	56,589	1,589
Other local revenues	5,000	5,000	11,065	6,065
Intergovernmental - state	5,921,172	4,988,338	5,409,905	421,567
Total revenues	<u>41,288,559</u>	<u>40,670,891</u>	<u>41,143,686</u>	<u>472,795</u>
Expenditures:				
Current:				
Instruction:				
Regular	18,624,486	18,098,340	18,070,819	27,521
Special.	6,426,075	6,679,464	6,679,464	-
Vocational.	730,228	692,332	692,332	-
Other.	630,820	447,641	447,641	-
Support services:				
Pupil.	2,630,632	2,441,948	2,441,948	-
Instructional staff	899,707	826,115	826,115	-
Board of education	45,090	36,398	36,398	-
Administration.	2,451,806	2,450,382	2,450,382	-
Fiscal	1,296,360	1,167,730	1,167,730	-
Business	526,230	469,310	469,310	-
Operations and maintenance.	4,113,394	4,839,747	4,839,747	-
Pupil transportation	1,730,474	1,637,390	1,637,390	-
Central.	990,070	831,381	831,381	-
Operation of non-instructional services:				
Other non-instructional services	17,090	16,568	16,568	-
Extracurricular activities.	1,179,535	997,917	997,917	-
Facilities acquisition and construction	46,338	55,759	55,759	-
Total expenditures	<u>42,338,335</u>	<u>41,688,422</u>	<u>41,660,901</u>	<u>27,521</u>
Excess of revenues over (under) expenditures	<u>(1,049,776)</u>	<u>(1,017,531)</u>	<u>(517,215)</u>	<u>500,316</u>
Other financing sources (uses):				
Refund of prior year's expenditures	50,000	413,635	408,777	(4,858)
Transfers in	175,000	175,000	175,000	-
Transfers (out).	(452,000)	(651,953)	(651,953)	-
Advances in.	-	125,641	113,735	(11,906)
Sale of capital assets	15,000	141,000	141,530	530
Total other financing sources (uses)	<u>(212,000)</u>	<u>203,323</u>	<u>187,089</u>	<u>(16,234)</u>
Net change in fund balance	<u>(1,261,776)</u>	<u>(814,208)</u>	<u>(330,126)</u>	<u>484,082</u>
Fund balance at beginning of year	8,182,644	8,182,644	8,182,644	-
Prior year encumbrances appropriated	653,132	653,132	653,132	-
Fund balance at end of year	\$ 7,574,000	\$ 8,021,568	\$ 8,505,650	\$ 484,082

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2020

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Equity in pooled cash and investments . . .	\$ 26,199
Total assets	26,199
Liabilities:	
Current liabilities:	
Accounts payable.	2,721
Interfund loans payable	11,906
Total liabilities	14,627
Net position:	
Unrestricted.	11,572
Total net position.	\$ 11,572

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, 2020

	<u>Governmental Activities - Internal Service Fund</u>
Operating revenues:	
Charges for services.	\$ 211,217
Operating expenses:	
Personal services.	50,566
Purchased services.	145,066
Total operating expenses.	<u>195,632</u>
Operating income before transfers.	<u>15,585</u>
Transfer in	<u>5,000</u>
Change in net position	20,585
Net position at beginning of year	<u>(9,013)</u>
Net position at end of year	<u><u>\$ 11,572</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from charges for services.	\$ 211,217
Cash payments for personal services.	(47,845)
Cash payments for contractual services	<u>(145,066)</u>
Net cash provided by operating activities	<u>18,306</u>
Cash flows from noncapital financing activities:	
Cash received from transfers in	<u>5,000</u>
Net cash provided by noncapital financing activities.	<u>5,000</u>
Net increase in cash and cash equivalents	23,306
Cash and cash equivalents at beginning of year	<u>2,893</u>
Cash and cash equivalents at end of year	<u><u>\$ 26,199</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 15,585
Changes in assets and liabilities:	
Increase in accounts payable	<u>2,721</u>
Net cash provided by operating activities	<u><u>\$ 18,306</u></u>

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, 2020

	Custodial
Additions:	
Extracurricular collections for OHSAA	\$ 6,525
Deductions:	
Extracurricular distributions to OHSAA	6,525
Change in net position	-
Net position at beginning of year (restated)	-
Net position at end of year	\$ -

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, 2020

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 209 certified, 146 non-certified and 20 administrative personnel who provide services from Pre-K through Grade 12 to 2,744 students and other community members. The District currently operates a primary school, a preschool, 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, 2020

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 2020. 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 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 \$210,594 to Connect during fiscal year 2020. 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 241 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 2020, the District paid \$5,595 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, 2020**

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 163 program members 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 Power4Schools electric purchase program. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating in the program for either a two-year period or an eight and one-half year period depending upon electric generation area. There are currently 256 program members in the program. 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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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 Todd Puster, 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 13.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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The following is the District's major governmental fund:

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.

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, (b) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects and (c) financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The District does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for collections for and distributions to the Ohio High School Athletic Association (OHSAA).

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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.

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.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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, payment in lieu of taxes, 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 6).

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 represent 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 14 and 15 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. 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.

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, payment in lieu of taxes and unavailable revenue. Property taxes and payment in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

For the District, see Note 14 and 15 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. 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 custodial 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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

During fiscal year 2020, investments were limited to Federal Home Loan Bank (FHLB), commercial paper, negotiable certificates of deposit (negotiable CD's), U.S Treasury bills, municipal bonds, 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.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted 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 a NAV per share that approximates fair value.

For fiscal year 2020, 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 \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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 2020 amounted to \$490,024 which includes \$142,291 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 4.

G. Inventory

On government-wide and fund financial statements, inventories of supplies are reported at cost while inventories held for resale are reported at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expensed/expensed when used. Donated commodities are recorded at their entitlement value. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a 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.

Inventory consists of expendable supplies held for consumption and food service inventory held for resale.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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 and construction in progress 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

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 5 for detail on the District's interfund balances at June 30, 2020.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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, 2020 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.

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 from current financial resources are reported as obligations of the funds. However, claims and judgements and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and lease-purchase obligations are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

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

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

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

N. Non-Public Schools

Within the District's boundaries, St. Christopher and St. Thomas Schools, Lutheran West, and Magnificat High Schools 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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. The District had no capital contributions in fiscal year 2020.

Q. Estimates

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

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

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

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 11.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

S. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans 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 2020.

U. Operating Revenues and Expenses

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

V. Fair Value Measurements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2020, the District has implemented GASB Statement No. 84, "*Fiduciary Activities*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds or private-purpose trust funds. The District reviewed its agency funds and private-purpose trust funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District's financial statements.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)

GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

B. Restatement of Net Position and Fund Balances

The implementation of GASB 84 had the following effect on fund balance as reported at June 30, 2019:

	General	Other Governmental Funds	Total Governmental Funds
Fund Balance as previously reported	\$ 9,349,737	\$ 4,720,134	\$ 14,069,871
GASB Statement No. 84	-	212,482	212,482
Restated Fund Balance, at June 30, 2019	\$ 9,349,737	\$ 4,932,616	\$ 14,282,353

The implementation of the GASB 84 pronouncement had the following effect on the net position as reported at June 30, 2019:

	Governmental Activities
Net position as previously reported	\$ (20,035,310)
GASB Statement No. 84	212,482
Restated net position at June 30, 2019	\$ (19,822,828)

Due to the implementation of GASB Statement No.84, the new classification of custodial funds is reporting a beginning net position of \$0. Also, related to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds or private-purpose trust funds. At June 30, 2019, agency funds reported assets and liabilities of \$294,250 and the private-purpose trust funds reported net position of \$26,841.

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

C. Deficit Fund Balances

Fund balances at June 30, 2020 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
Title VI-B	\$ 10,072
Title I	7,689

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.

NOTE 4 - 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, and Government National Mortgage 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 fair 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;

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial 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. Except as noted above, 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, 2020, the District had \$1,600,392 held by Key Government Finance, Inc. and PNC Equipment Finance, LLC. as escrow agents related to lease-purchase obligations entered into during fiscal years 2014, 2017, 2018, 2019, and 2020 (see Note 8). This amount is not included in "Deposits with Financial Institutions" below.

B. Deposits with Financial Institutions

At June 30, 2020, the carrying amount of all District deposits was \$4,779,869 and the bank balance of all District deposits was \$5,370,005. Of the bank balance, \$2,087,978 was covered by the FDIC, \$1,641,014 was covered by the Ohio Pooled Collateral System, and \$1,641,013 was uninsured and uncollateralized.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, two of the District's financial institutions were approved for a collateral rate of 102 percent through the OPCS and one was approved for a reduced collateral rate of 50 percent through the OPCS. Although 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.

C. Investments

As of June 30, 2020, 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
<i>Fair Value:</i>						
Negotiable CDs	\$ 4,128,595	\$ -	\$ 251,392	\$ 252,155	\$ 1,286,571	\$ 2,338,477
Commercial paper	654,632	654,632	-	-	-	-
Municipal bonds	410,111	-	410,111	-	-	-
FHLB	326,702	-	-	-	-	326,702
U.S. Treasury Bills	1,139,970	1,139,970	-	-	-	-
U.S. Government Money						
Market Mutual Fund	1,076	1,076	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	2,031,284	2,031,284	-	-	-	-
Total	\$ 8,692,370	\$ 3,826,962	\$ 661,503	\$ 252,155	\$ 1,286,571	\$ 2,665,179

The weighted average maturity of investments is 1.30 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, FHLB securities, municipal bonds, U.S. Treasury bills, 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Credit Risk: The District's investments in FHLB securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. The District's investments in Municipal bonds were rated Aa2 by Moody's Investor Services. Investments in U.S. Treasury bills were rated A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. STAR Ohio and the U.S. government money market mutual fund were 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 CDs 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 FHLB securities, municipal bonds, U.S. Treasury bills, and commercial paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type at June 30, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Negotiable CDs	\$ 4,128,595	47.50 %
Commercial paper	654,632	7.53 %
Municipal bonds	410,111	4.72 %
FHLB	326,702	3.76 %
U.S. Treasury bills	1,139,970	13.11 %
U.S. Government Money Market Mutual Fund	1,076	0.01 %
<i>Amortized Cost:</i>		
STAR Ohio	<u>2,031,284</u>	<u>23.37 %</u>
Total	<u>\$ 8,692,370</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, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 4,779,869
Cash with escrow agent	1,600,392
Investments	<u>8,692,370</u>
Total	<u>\$ 15,072,631</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 15,072,631</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund loans receivable/payable consisted of the following at June 30, 2020, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 509,572
General fund	Internal service funds	11,906
Nonmajor governmental funds	Nonmajor governmental funds	<u>589,104</u>
Total		<u>\$ 1,110,582</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.

- B. Interfund transfers for the year ended June 30, 2020, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from general fund to:</u>	
Nonmajor governmental funds	\$ 466,953
Internal service funds	<u>5,000</u>
	<u>\$ 471,953</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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair 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 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, 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, 2020, are available to finance fiscal year 2020 operations. The amount available as an advance at June 30, 2020 was \$1,883,293 in the general fund, \$170,205 in the bond retirement fund and \$46,173 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2019 was \$5,343,961 in the general fund, \$511,012 in the bond retirement fund and \$130,974 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, 2020 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 903,744,990	98.81	\$ 910,033,840	98.74
Public utility personal	<u>10,880,040</u>	<u>1.19</u>	<u>11,618,400</u>	<u>1.26</u>
Total	<u>\$ 914,625,030</u>	<u>100.00</u>	<u>\$ 921,652,240</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 91.57		\$ 91.37	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2020 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	\$ 39,793,056
Accounts	20,671
Intergovernmental	242,661
Accrued interest	<u>22,984</u>
Total governmental activities	<u>\$ 40,079,372</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 8 - 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 was \$470,275. The lease-purchase agreement bears an interest rate of 2.87%.

**ROCKY RIVER CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 8 - LEASE-PURCHASE OBLIGATIONS - (Continued)

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%.

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%.

During fiscal year 2018, 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 \$500,000. The lease-purchase agreement bears an interest rate of 2.87%.

During fiscal year 2018, the District entered into lease-purchase agreements with Key Government Finance, Inc. to finance the renovation of lighting, HVAC and acquisition of other 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 \$2,500,000. The lease-purchase agreement bears an interest rate of 3.12%.

During fiscal year 2019, 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 \$345,422. The lease-purchase agreement bears an interest rate of 2.72%.

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 8 - LEASE-PURCHASE OBLIGATIONS - (Continued)

During fiscal year 2019, the District entered into lease-purchase agreements with Key Government Finance, Inc. to finance a high school stadium fence and roof renovations. 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 \$290,000. The lease-purchase agreement bears an interest rate of 2.89%.

During fiscal year 2020, 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 \$305,981. The lease-purchase agreement bears an interest rate of 1.38%.

During fiscal year 2020, the District entered into lease-purchase agreements with Key Government Finance, Inc. to finance HVAC restoration projects. 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 \$1,290,014. The lease-purchase agreement bears an interest rate of 2.89%.

Capital assets consisting of computers, land improvements (field turf project), equipment (HVACs) 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 2020 of \$842,084 and \$139,075, respectively, were paid by the general fund and the permanent improvement fund (a nonmajor governmental 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, 2020 based upon amounts actually drawn:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 1,066,979
2022	903,366
2023	754,445
2024	641,176
2025	565,350
2026 - 2030	<u>2,666,821</u>
Total minimum lease payments	6,598,137
Less amount representing interest	<u>(725,821)</u>
Total obligation at June 30, 2020	<u>\$ 5,872,316</u>

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2020</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 770,821	\$ -	\$ -	\$ 770,821
CIP	572,889	712,458	(586,279)	699,068
Total capital assets, not being depreciated	<u>1,343,710</u>	<u>712,458</u>	<u>(586,279)</u>	<u>1,469,889</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	6,015,751	331,872	-	6,347,623
Building/improvements	87,813,304	672,146	-	88,485,450
Furniture/equipment	7,380,275	1,402,722	(21,218)	8,761,779
Vehicles	2,096,684	202,610	(140,438)	2,158,856
Total capital assets, being depreciated	<u>103,306,014</u>	<u>2,609,350</u>	<u>(161,656)</u>	<u>105,753,708</u>
<i>Accumulated depreciation:</i>				
Land improvements	(3,687,186)	(214,719)	-	(3,901,905)
Building/improvements	(42,184,999)	(2,628,200)	-	(44,813,199)
Furniture/equipment	(5,313,309)	(491,658)	18,118	(5,786,849)
Vehicles	(1,208,962)	(169,843)	126,494	(1,252,311)
Total accumulated depreciation	<u>(52,394,456)</u>	<u>(3,504,420)</u>	<u>144,612</u>	<u>(55,754,264)</u>
Governmental activities capital assets, net	<u>\$ 52,255,268</u>	<u>\$ (182,612)</u>	<u>\$ (603,323)</u>	<u>\$ 51,469,333</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 9 - CAPITAL ASSETS - (Continued)

Depreciation expense was charged to governmental activities as follows:

Instruction:	
Regular	\$ 1,329,668
Special	334,471
Vocational	32,272
Other	17,492
Support Services:	
Pupil	123,609
Instructional staff	78,575
Board of education	2,470
Administration	110,309
Fiscal	48,511
Business	18,928
Operations and maintenance	346,494
Pupil transportation	227,431
Central	486,509
Operation of non-instructional:	
Food service operations	24,361
Other non-instructional services	91,396
Extracurricular activities	<u>231,924</u>
Total depreciation expense	<u>\$ 3,504,420</u>

NOTE 10 - 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	\$ 609,888
Nonmajor Governmental Funds	<u>1,103,382</u>
Total	<u>\$ 1,713,270</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - LONG-TERM OBLIGATIONS

A. During fiscal year 2020, the following changes occurred in governmental activities long-term obligations.

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Amounts Due in One Year
Governmental Activities:					
General obligation bonds:					
Series 2014 refunding bonds:					
Current interest bonds	\$ 20,805,000	\$ -	\$ -	\$ 20,805,000	\$ -
Series 2010 school improvement:					
Current interest bonds	9,635,000	-	(1,205,000)	8,430,000	1,205,000
Capital appreciation bonds	420,000	-	-	420,000	-
Accretion on capital appreciation bonds	299,767	46,099	-	345,866	-
Series 2017 refunding bonds:					
Current interest bonds	5,680,000	-	(815,000)	4,865,000	845,000
Total general obligation bonds	<u>36,839,767</u>	<u>46,099</u>	<u>(2,020,000)</u>	<u>34,865,866</u>	<u>2,050,000</u>
Net pension liability	44,575,030	710,412	-	45,285,442	-
Net OPEB liability	<u>4,162,246</u>	<u>-</u>	<u>(340,666)</u>	<u>3,821,580</u>	<u>-</u>
Total liability	<u>48,737,276</u>	<u>710,412</u>	<u>(340,666)</u>	<u>49,107,022</u>	<u>-</u>
Lease-purchase obligations	5,118,405	1,595,995	(842,084)	5,872,316	919,834
Compensated absences	<u>5,172,558</u>	<u>549,405</u>	<u>(330,707)</u>	<u>5,391,256</u>	<u>408,801</u>
Total governmental activities long-term liabilities	95,868,006	<u>\$ 2,901,911</u>	<u>\$ (3,533,457)</u>	95,236,460	<u>\$ 3,378,635</u>
Add: Unamortized premiums on bonds	<u>1,362,094</u>			<u>1,267,582</u>	
Total on statement of net position	<u>\$ 97,230,100</u>			<u>\$ 96,504,042</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, 2020

NOTE 11 - 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, 2020, 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 \$345,866 has been included in the statement of net position at June 30, 2020.

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, 2020

NOTE 11 - 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>
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>\$ 8,430,000</u>

The Bond Registrar Agreement provided for the creation of a separate escrow account (the “Sinking Fund Account”) as a separate deposit account in the custody of the Bond Registrar. Money in the Sinking Fund Account will be applied to the payment of the principal of the QSCBs at maturity. There will be deposited in the Sinking Fund Account the mandatory sinking fund requirements to be paid by the District to the Bond Registrar pursuant to the Bond proceedings in accordance with the schedule above.

The above Mandatory Sinking Fund Requirements will be gross funded. However, the District will receive as a credit against the amount of the final mandatory sinking fund requirement when due the amount by which the balance in the Sinking Fund Account on that payment date exceeds the sum of all mandatory sinking fund requirements for prior payment dates.

The Bond Registrar Agreement provides that money and investments in the Sinking Fund Account shall be irrevocably held in trust by the Bond Registrar for and pledged for the benefit, equally and ratably, of the owners of the QSCBs, and such money, together with any income or interest earned thereon, shall not be subject to levy or attachment or lien by or for the benefit of any other creditor of the District. The Bond Registrar shall use the money deposited in the Sinking Fund Account and all investment earnings thereon solely and exclusively to pay the principal of the QSCBs when due at maturity or redemption.

All money held in the Sinking Fund Account will be invested or reinvested by the Bond Registrar in obligations in which the Treasurer may deposit or invest interim money of the District in accordance with Section 135.14 of the Ohio Revised Code (ORC) and “active deposits” as defined in Section 135.01 of the ORC and that mature or are subject to redemption by and at the option of the holder not later than the date when the moneys, together with interest or other investment income accrued on those moneys, will be required for the payment of principal of the QSCBs.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

As of June 30, 2020, the District has made the following deposits to the Sinking Fund Account and the balance of the Sinking Fund Account at June 30, 2020 follows:

District Deposits to Sinking Fund Account	Balance of Sinking Fund Account	Excess
\$ 2,830,000	\$ 2,886,016	\$ 56,016

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, 2020.

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.

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.

Compensated Absences

Compensated absences will be paid from the fund which the employee is paid which, for the District, is primarily the general fund.

Lease-Purchase Obligations

The lease-purchase obligations will be repaid from the general fund and the permanent improvement fund (a nonmajor governmental fund). See Note 8 for further detail on the District's lease-purchase obligations.

Net Pension Liability

The District's net pension liability is described in Note 14. The District pays obligations related to employee compensation from the fund benefitting from their service which, for the District, is primarily the general fund.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

Net OPEB Liability/Asset

The District's net OPEB liability/asset is described in Note 15. The District pays obligations related to employee compensation from the fund benefitting from their service which, for the District, is primarily the general fund.

- 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
2021	\$ 2,050,000	\$ 1,542,296	\$ 3,592,296	\$ -	\$ -	\$ -
2022	2,080,000	1,510,906	3,590,906	-	-	-
2023	1,350,000	1,492,291	2,842,291	-	-	-
2024	1,360,000	1,486,816	2,846,816	-	-	-
2025	1,365,000	1,481,068	2,846,068	-	-	-
2026 - 2030	4,480,000	5,257,859	9,737,859	420,000	800,000	1,220,000
2031 - 2035	2,630,000	3,957,915	6,587,915	-	-	-
2036 - 2040	8,485,000	2,873,894	11,358,894	-	-	-
2041 - 2045	10,300,000	1,018,100	11,318,100	-	-	-
Total	<u>\$ 34,100,000</u>	<u>\$ 20,621,145</u>	<u>\$ 54,721,145</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, 2020, are a voted debt margin of \$51.4 million (including available funds of \$3.0 million) and an unvoted debt margin of \$0.9 million.

NOTE 12 - 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 35 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 31st of the subsequent year.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 12 - COMPENSATED ABSENCES - (Continued)

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 \$600 and \$1,800 for each year. Teachers may choose between plans for which they are eligible. During fiscal year 2020, the District offered full-time teachers a one-time retirement incentive of \$20,000 if they retired/resigned as of June 30, 2020 and met certain experience requirements. This amount was above and beyond the severance payment mentioned previously and is to be directed to a Health Reimbursement Account through a medical trust set up by the District for eligible teachers. Six teachers were eligible for this additional incentive. Up to \$30,000 of otherwise earned severance was eligible for contribution to this Health Reimbursement Account as well.

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, 2020

NOTE 13 - 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 2020, 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 equipment breakdown coverage is provided by Liberty Mutual Fire Insurance Company. The coverage provides a \$200,000,000 limit and a \$1,000 deductible.

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

<u>Coverage</u>	<u>Amount</u>
Building and Contents- replacement cost	\$ 135,931,627
Equipment Breakdown	Policy limit
Automobile Liability	1,000,000
General Liability:	
Per occurrence	1,000,000
General Aggregate	2,000,000
Umbrella	10,000,000
Commercial Excess	
In Excess of Commercial Umbrella	5,000,000

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

For fiscal year 2020, 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, 2020**

NOTE 13 - 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 \$500 single/\$1,000 family for network services and \$1,000 single/\$2,000 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, 2018, the District was responsible for 85% of the monthly funding rates (15% is employee portion of the funding rate contribution) of \$1,336.53 for family coverage and \$628.96 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 lower percentage level of UCR coverage as it is based upon network provider participation. These plans provide dental benefits with a \$50 family and \$25 single deductible per year. For fiscal year 2020, premium rates were \$127.91 for a family plan and \$38.41 for a single plan per employee per month for the "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 2020, premium rates were \$87.53 for a family plan and \$26.28 for a single plan per employee per month for the "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% "high" plan/20% "low" plan employee premium contribution. The premium is generally paid by the fund that pays the salary for the employee.

A group life with accidental death and dismemberment insurance plan administered by CoreSource through the OASIS Trust 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 13 - RISK MANAGEMENT - (Continued)

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 CompManagement, LLC provides administrative, cost control and actuarial services to the GRP.

NOTE 14 - 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.

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or 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; or 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 years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% 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, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District’s contractually required contribution to SERS was \$695,158 for fiscal year 2020. Of this amount, \$64,697 is reported as pension and postemployment benefits payable.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers 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 website at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% 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, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member 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 service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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 to 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2019, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$2,779,116 for fiscal year 2020. Of this amount, \$470,284 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, 2019, 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 projected contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.14776650%	0.16423764%	
Proportion of the net pension liability current measurement date	<u>0.14842700%</u>	<u>0.16462032%</u>	
Change in proportionate share	<u>0.00066050%</u>	<u>0.00038268%</u>	
Proportionate share of the net pension liability	\$ 8,880,648	\$ 36,404,794	\$ 45,285,442
Pension expense	\$ 1,279,132	\$ 5,876,887	\$ 7,156,019

At June 30, 2020, 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>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 225,195	\$ 296,399	\$ 521,594
Changes of assumptions	-	4,276,446	4,276,446
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	30,400	658,988	689,388
Contributions subsequent to the measurement date	<u>695,158</u>	<u>2,779,116</u>	<u>3,474,274</u>
Total deferred outflows of resources	<u>\$ 950,753</u>	<u>\$ 8,010,949</u>	<u>\$ 8,961,702</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 157,588	\$ 157,588
Net difference between projected and actual earnings on pension plan investments	113,992	1,779,270	1,893,262
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	112,839	10,833	123,672
Total deferred inflows of resources	\$ 226,831	\$ 1,947,691	\$ 2,174,522

\$3,474,274 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, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	\$ 158,378	\$ 2,841,624	\$ 3,000,002
2022	(186,678)	472,923	286,245
2023	(7,586)	(243,480)	(251,066)
2024	64,650	213,075	277,725
Total	\$ 28,764	\$ 3,284,142	\$ 3,312,906

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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2019, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the 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.

The most recent experience study was completed for the five year period ended June 30, 2015.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	10.00	3.00
Total	<u>100.00 %</u>	

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. 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%). 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%, 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%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 12,444,962	\$ 8,880,648	\$ 5,891,524

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	July 1, 2019
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 14 - DEFINED BENEFIT PENSION PLANS - (Continued)

STRS Ohio's investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2019. 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, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

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 7.45%, 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 (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 53,201,551	\$ 36,404,794	\$ 22,185,479

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

The net OPEB liability/asset reported on the statement of net position represents a liability/asset to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability/asset represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability/asset 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 these estimates 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 OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded/funded benefits is presented as a long-term *net OPEB liability* or *net OPEB asset* on the accrual basis of accounting. Any liability for the contractually-required OPEB 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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

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 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, 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 pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was \$97,457.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$97,457 for fiscal year 2020. Of this amount, \$97,457 is reported as pension and postemployment benefits payable.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered 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 partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2019, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.15003030%	0.16423764%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.15196420%</u>	<u>0.16462032%</u>	
Change in proportionate share	<u>0.00193390%</u>	<u>0.00038268%</u>	
Proportionate share of the net OPEB liability	\$ 3,821,580	\$ -	\$ 3,821,580
Proportionate share of the net OPEB asset	\$ -	\$ 2,726,507	\$ 2,726,507
OPEB expense	\$ 73,562	\$ (830,194)	\$ (756,632)

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	\$ 56,097	\$ 247,178	\$ 303,275
Net difference between projected and actual earnings on OPEB plan investments	9,172	-	9,172
Changes of assumptions	279,123	57,310	336,433
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	43,402	36,447	79,849
Contributions subsequent to the measurement date	97,457	-	97,457
Total deferred outflows of resources	\$ 485,251	\$ 340,935	\$ 826,186
	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 839,575	\$ 138,716	\$ 978,291
Net difference between projected and actual earnings on OPEB plan investments	-	171,243	171,243
Changes of assumptions	214,148	2,989,299	3,203,447
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	167,245	-	167,245
Total deferred inflows of resources	\$ 1,220,968	\$ 3,299,258	\$ 4,520,226

\$97,457 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	\$ (263,447)	\$ (646,289)	\$ (909,736)
2022	(138,791)	(646,289)	(785,080)
2023	(136,101)	(577,658)	(713,759)
2024	(136,537)	(553,583)	(690,120)
2025	(113,008)	(542,704)	(655,712)
Thereafter	(45,290)	8,200	(37,090)
Total	\$ (833,174)	\$ (2,958,323)	\$ (3,791,497)

**ROCKY RIVER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each 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 terminations). 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 OPEB liability in the latest actuarial valuation date of June 30, 2019 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120% of male rates and 110% of female rates. RP-2000 Disabled Mortality Table with 90% for male rates and 100% for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015 and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<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	10.00	3.00
Total	<u>100.00 %</u>	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.62% was used as of June 30, 2018. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 4,638,673	\$ 3,821,580	\$ 3,171,895

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 3,061,860	\$ 3,821,580	\$ 4,829,545

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
	Initial	Ultimate	Initial	Ultimate
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	4.00%

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Assumption Changes Since the Prior Measurement Date - There were no changes in assumptions since the prior measurement date of June 30, 2018.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

Benefit Term Changes Since the Prior Measurement Date - There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,326,531	\$ 2,726,507	\$ 3,062,794

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 15 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,091,734	\$ 2,726,507	\$ 2,279,193

NOTE 16 - 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 tax appeals of certain assessed valuations. The District is appealing certain business' assessed valuations to have the values increased. District management believes that ultimate outcome of this litigation will result in either no action taken, a tax settlement, or an increase in the respective business' assessed valuations and owed tax payments on the new valuations. 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. The final adjustment was not material and is not reflected in the accompanying financial statements.

NOTE 17 - 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);

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 17 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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

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	\$ (330,126)
Net adjustment for revenue accruals	(2,975,653)
Net adjustment for expenditure accruals	376,050
Net adjustment for other sources/uses	(533,676)
Funds budgeted elsewhere	66,828
Adjustment for encumbrances	686,495
GAAP basis	<u>\$ (2,710,082)</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 building rotary fund, the employee withholding fund, and the public school support fund.

NOTE 18 - SET-ASIDES

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 18 - SET-ASIDES - (Continued)

	<u>Capital Improvements</u>
Set-aside balance June 30, 2019	\$ -
Current year set-aside requirement	475,177
Current year qualifying expenditures	<u>(1,587,418)</u>
Total	<u>\$ (1,112,241)</u>
Balance carried forward to fiscal year 2021	<u>\$ -</u>
Set-aside balance June 30, 2020	<u>\$ -</u>

NOTE 19 - 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 \$79,089 in fiscal year 2020. The District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

NOTE 20 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the District. The District’s investment portfolio and the investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

NOTE 21 - SIGNIFICANT SUBSEQUENT EVENTS

On July 3, 2020, the District issued bus acquisition notes (manuscript notes) in the amount of \$123,016. The notes bear an interest rate of 1.00% and mature on July 2, 2021.

On July 3, 2020, the District issued bus acquisition notes (manuscript notes) in the amount of \$166,599. The notes bear an interest rate of 1.00% and mature on July 2, 2021.

On July 6, 2020, the District issued bus acquisition notes (manuscript notes) in the amount of \$186,034. The notes bear an interest rate of 1.00% and mature on July 6, 2021.

On October 1, 2020, the District entered into a capital lease/purchase agreement for the acquisition of computers and related equipment. The present value of the future minimum lease payments under the capital lease obligation is \$709,569 bearing an annual interest rate of 1.29% over a term of 45.5 months, with an interest-only payment due in July 2021, and semi-annual payments comprised of principal and interest due thereafter.

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 SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.14842700%	0.14776650%	0.15382220%	0.15661080%
District's proportionate share of the net pension liability	\$ 8,880,648	\$ 8,462,861	\$ 9,190,537	\$ 11,462,466
District's covered payroll	\$ 5,219,052	\$ 4,980,563	\$ 4,592,379	\$ 5,269,743
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.16%	169.92%	200.13%	217.51%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%

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.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2016	2015	2014
0.15155960%	0.15519200%	0.15519200%
\$ 8,648,138	\$ 7,854,179	\$ 9,228,770
\$ 4,562,739	\$ 4,509,574	\$ 4,438,288
189.54%	174.17%	207.94%
69.16%	71.70%	65.52%

**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 SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.16462032%	0.16423764%	0.16362292%	0.16309969%
District's proportionate share of the net pension liability	\$ 36,404,794	\$ 36,112,169	\$ 38,868,975	\$ 54,594,383
District's covered payroll	\$ 19,397,207	\$ 18,817,021	\$ 18,220,479	\$ 17,246,364
District's proportionate share of the net pension liability as a percentage of its covered payroll	187.68%	191.91%	213.33%	316.56%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

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.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.15338616%	0.15187486%	0.15187486%
\$ 42,391,448	\$ 36,941,222	\$ 44,004,142
\$ 16,003,279	\$ 15,517,415	\$ 15,700,946
264.89%	238.06%	280.26%
72.10%	74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 695,158	\$ 704,572	\$ 672,376	\$ 642,933
Contributions in relation to the contractually required contribution	<u>(695,158)</u>	<u>(704,572)</u>	<u>(672,376)</u>	<u>(642,933)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,965,414	\$ 5,219,052	\$ 4,980,563	\$ 4,592,379
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 737,764	\$ 601,369	\$ 625,027	\$ 614,259	\$ 611,902	\$ 576,893
<u>(737,764)</u>	<u>(601,369)</u>	<u>(625,027)</u>	<u>(614,259)</u>	<u>(611,902)</u>	<u>(576,893)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,269,743	\$ 4,562,739	\$ 4,509,574	\$ 4,438,288	\$ 4,549,457	\$ 4,589,443
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,779,116	\$ 2,715,609	\$ 2,634,383	\$ 2,550,867
Contributions in relation to the contractually required contribution	<u>(2,779,116)</u>	<u>(2,715,609)</u>	<u>(2,634,383)</u>	<u>(2,550,867)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 19,850,829	\$ 19,397,207	\$ 18,817,021	\$ 18,220,479
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 2,414,491	\$ 2,240,459	\$ 2,017,264	\$ 2,041,123	\$ 2,005,911	\$ 1,990,622
<u>(2,414,491)</u>	<u>(2,240,459)</u>	<u>(2,017,264)</u>	<u>(2,041,123)</u>	<u>(2,005,911)</u>	<u>(1,990,622)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,246,364	\$ 16,003,279	\$ 15,517,415	\$ 15,700,946	\$ 15,430,085	\$ 15,312,477
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.15196420%	0.15003030%	0.15590980%	0.15844465%
District's proportionate share of the net OPEB liability	\$ 3,821,580	\$ 4,162,246	\$ 4,184,209	\$ 4,516,259
District's covered payroll	\$ 5,219,052	\$ 4,980,563	\$ 4,592,379	\$ 5,269,743
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	73.22%	83.57%	91.11%	85.70%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE 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 OPEB LIABILITY/(ASSET)
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.16462032%	0.16423764%	0.16362292%	0.16309969%
District's proportionate share of the net OPEB liability/(asset)	\$ (2,726,507)	\$ (2,639,131)	\$ 6,383,963	\$ 8,722,614
District's covered payroll	\$ 19,397,207	\$ 18,817,021	\$ 18,220,479	\$ 17,246,364
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.06%	14.03%	35.04%	50.58%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.70%	176.00%	47.10%	37.33%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 97,457	\$ 118,173	\$ 106,494	\$ 84,123
Contributions in relation to the contractually required contribution	<u>(97,457)</u>	<u>(118,173)</u>	<u>(106,494)</u>	<u>(84,123)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,965,414	\$ 5,219,052	\$ 4,980,563	\$ 4,592,379
Contributions as a percentage of covered payroll	1.96%	2.26%	2.14%	1.83%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 79,044	\$ 113,122	\$ 80,846	\$ 89,165	\$ 89,525	\$ 131,627
<u>(79,044)</u>	<u>(113,122)</u>	<u>(80,846)</u>	<u>(89,165)</u>	<u>(89,525)</u>	<u>(131,627)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,269,743	\$ 4,562,739	\$ 4,509,574	\$ 4,438,288	\$ 4,549,457	\$ 4,589,443
1.50%	2.48%	1.79%	2.01%	1.97%	2.87%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 19,850,829	\$ 19,397,207	\$ 18,817,021	\$ 18,220,479
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 157,374	\$ 157,009	\$ 154,301	\$ 153,125
-	-	(157,374)	(157,009)	(154,301)	(153,125)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,246,364	\$ 16,003,279	\$ 15,517,415	\$ 15,700,946	\$ 15,430,085	\$ 15,312,477
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PENSION

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. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2020.

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, (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 and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2020.

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. For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero. There were no changes in benefit terms from amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017. For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) 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 the following: 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, (g) mortality among disabled members was updated to the following: 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, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal year 2017. For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. For fiscal year 2020, STRS increase the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate. For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

SUPPLEMENTAL INFORMATION

ROCKY RIVER CITY SCHOOL DISTRICT

MAJOR FUND

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.

**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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 34,516,862	\$ 34,589,549	\$ 34,471,207	\$ (118,342)
Revenue in lieu of taxes	-	286,079	396,320	110,241
Tuition	392,000	348,400	363,075	14,675
Transportation	61,000	61,000	42,982	(18,018)
Earnings on investments	297,525	297,525	326,992	29,467
Classroom materials and fees	-	-	55	55
Rentals	40,000	40,000	60,496	20,496
Contributions and donations	-	-	5,000	5,000
Contract services	55,000	55,000	56,589	1,589
Other local revenues	5,000	5,000	11,065	6,065
Intergovernmental - state	5,921,172	4,988,338	5,409,905	421,567
<i>Total revenues.</i>	<u>41,288,559</u>	<u>40,670,891</u>	<u>41,143,686</u>	<u>472,795</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	12,999,087	12,586,115	12,558,594	27,521
Fringe benefits	3,551,915	3,521,138	3,521,138	-
Purchased services	1,284,606	1,199,599	1,199,599	-
Materials and supplies	607,825	557,059	557,059	-
Capital outlay	139,506	206,839	206,839	-
Other	41,547	27,590	27,590	-
<i>Total instruction-regular.</i>	<u>18,624,486</u>	<u>18,098,340</u>	<u>18,070,819</u>	<u>27,521</u>
Instruction-special:				
Salaries and wages	3,798,336	3,912,261	3,912,261	-
Fringe benefits	1,147,872	1,222,366	1,222,366	-
Purchased services	1,455,496	1,513,007	1,513,007	-
Materials and supplies	22,511	20,919	20,919	-
Capital outlay	1,860	9,057	9,057	-
Other	-	1,854	1,854	-
<i>Total instruction-special.</i>	<u>6,426,075</u>	<u>6,679,464</u>	<u>6,679,464</u>	<u>-</u>
Instruction-vocational:				
Purchased services	730,228	692,332	692,332	-
<i>Total instruction-vocational.</i>	<u>730,228</u>	<u>692,332</u>	<u>692,332</u>	<u>-</u>
Instruction-other:				
Salaries and wages	479,970	318,587	318,587	-
Fringe benefits	147,837	126,108	126,108	-
Purchased services	3,013	2,946	2,946	-
<i>Total instruction-other.</i>	<u>630,820</u>	<u>447,641</u>	<u>447,641</u>	<u>-</u>
Support services-pupil:				
Salaries and wages	1,483,156	1,440,009	1,440,009	-
Fringe benefits	412,785	401,575	401,575	-
Purchased services	670,029	531,515	531,515	-
Materials and supplies	25,652	23,466	23,466	-
Capital outlay	30,299	31,436	31,436	-
Other	8,711	13,947	13,947	-
<i>Total support services-pupil.</i>	<u>2,630,632</u>	<u>2,441,948</u>	<u>2,441,948</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Support services-instructional staff:				
Salaries and wages	\$ 407,103	\$ 422,914	\$ 422,914	\$ -
Fringe benefits	211,784	197,833	197,833	-
Purchased services	256,352	192,497	192,497	-
Materials and supplies.	8,598	8,233	8,233	-
Capital outlay	15,330	4,094	4,094	-
Other	540	544	544	-
Total support services-instructional staff	899,707	826,115	826,115	-
Support services-board of education:				
Salaries and wages	12,500	12,500	12,500	-
Fringe benefits	2,090	2,329	2,329	-
Purchased services	12,900	8,130	8,130	-
Materials and supplies.	500	54	54	-
Capital outlay	3,700	-	-	-
Other	13,400	13,385	13,385	-
Total support services-board of education	45,090	36,398	36,398	-
Support services-administration:				
Salaries and wages	1,661,647	1,686,763	1,686,763	-
Fringe benefits	743,094	730,011	730,011	-
Purchased services	28,148	19,937	19,937	-
Materials and supplies.	11,188	7,060	7,060	-
Capital outlay	2,094	2,363	2,363	-
Other	5,635	4,248	4,248	-
Total support services-administration.	2,451,806	2,450,382	2,450,382	-
Support services-fiscal:				
Salaries and wages	282,228	339,006	339,006	-
Fringe benefits	253,338	118,735	118,735	-
Purchased services	159,414	151,555	151,555	-
Materials and supplies.	9,750	13,568	13,568	-
Capital outlay	848	7,675	7,675	-
Other	590,782	537,191	537,191	-
Total support services-fiscal	1,296,360	1,167,730	1,167,730	-
Support services-business:				
Salaries and wages	163,631	158,460	158,460	-
Fringe benefits	63,675	44,003	44,003	-
Purchased services	189,129	198,268	198,268	-
Materials and supplies.	40,095	42,542	42,542	-
Capital outlay	7,700	1,307	1,307	-
Other	62,000	24,730	24,730	-
Total support services-business	526,230	469,310	469,310	-

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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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Support services-operations and maintenance:				
Salaries and wages	\$ 1,536,533	\$ 1,589,960	\$ 1,589,960	\$ -
Fringe benefits	605,487	610,980	610,980	-
Purchased services	1,630,827	2,050,947	2,050,947	-
Materials and supplies.	277,640	290,578	290,578	-
Capital outlay	62,607	297,007	297,007	-
Other	300	275	275	-
Total support services-operations and maintenance	<u>4,113,394</u>	<u>4,839,747</u>	<u>4,839,747</u>	<u>-</u>
Support services-pupil transportation:				
Salaries and wages	917,610	900,946	900,946	-
Fringe benefits	293,303	295,428	295,428	-
Purchased services	403,363	325,633	325,633	-
Materials and supplies.	89,284	98,397	98,397	-
Capital outlay	26,854	16,986	16,986	-
Other	60	-	-	-
Total support services-pupil transportation	<u>1,730,474</u>	<u>1,637,390</u>	<u>1,637,390</u>	<u>-</u>
Support services-central:				
Salaries and wages	552,839	450,372	450,372	-
Fringe benefits	192,155	175,204	175,204	-
Purchased services	227,042	192,368	192,368	-
Materials and supplies.	6,414	5,667	5,667	-
Capital outlay	7,625	4,474	4,474	-
Other	3,995	3,296	3,296	-
Total support services-central	<u>990,070</u>	<u>831,381</u>	<u>831,381</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Salaries and wages	14,040	14,030	14,030	-
Fringe benefits	250	138	138	-
Other	2,800	2,400	2,400	-
Total operation on non-instructional services - other non-instructional services	<u>17,090</u>	<u>16,568</u>	<u>16,568</u>	<u>-</u>
Extracurricular activities:				
Salaries and wages	852,009	751,338	751,338	-
Fringe benefits	192,962	120,459	120,459	-
Purchased services	119,962	110,576	110,576	-
Materials and supplies.	8,352	6,500	6,500	-
Capital outlay	2,000	1,360	1,360	-
Other	4,250	7,684	7,684	-
Total extracurricular activities.	<u>1,179,535</u>	<u>997,917</u>	<u>997,917</u>	<u>-</u>
Facilities acquisition and construction				
Materials and supplies.	46,338	55,759	55,759	-
Total facilities acquisition and construction	<u>46,338</u>	<u>55,759</u>	<u>55,759</u>	<u>-</u>
<i>Total expenditures</i>	<u>42,338,335</u>	<u>41,688,422</u>	<u>41,660,901</u>	<u>27,521</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Excess of revenues (under) expenditures</i>	\$ (1,049,776)	\$ (1,017,531)	\$ (517,215)	\$ 500,316
Other financing sources (uses):				
Refund of prior year's expenditures	50,000	413,635	408,777	(4,858)
Transfers in	175,000	175,000	175,000	-
Transfers out.	(452,000)	(651,953)	(651,953)	-
Advances in.	-	125,641	113,735	(11,906)
Sale of assets	15,000	141,000	141,530	530
<i>Total other financing sources (uses)</i>	<u>(212,000)</u>	<u>203,323</u>	<u>187,089</u>	<u>(16,234)</u>
<i>Net change in fund balance</i>	(1,261,776)	(814,208)	(330,126)	484,082
<i>Fund balance at beginning of year</i>	8,182,644	8,182,644	8,182,644	-
<i>Prior year encumbrances appropriated.</i>	653,132	653,132	653,132	-
<i>Fund balance at end of year.</i>	<u>\$ 7,574,000</u>	<u>\$ 8,021,568</u>	<u>\$ 8,505,650</u>	<u>\$ 484,082</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 831,726	\$ 2,238,236	\$ 959,026	\$ 4,028,988
Cash with escrow agent	-	-	1,600,302	1,600,302
Receivables:				
Property taxes	-	2,803,616	825,523	3,629,139
Accounts	-	-	3,770	3,770
Interfund loans receivable	-	589,104	-	589,104
Intergovernmental	135,150	-	-	135,150
Prepayments	934	-	-	934
Materials and supplies inventory	1,234	-	-	1,234
Inventory held for resale	7,317	-	-	7,317
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ 976,361	\$ 5,630,956	\$ 3,388,621	\$ 9,995,938
	<hr/>	<hr/>	<hr/>	<hr/>
Liabilities:				
Accounts payable	\$ 50,002	\$ -	\$ 159,543	\$ 209,545
Accrued wages and benefits payable	95,365	-	-	95,365
Compensated absences payable	1,390	-	-	1,390
Intergovernmental payable	1,217	-	-	1,217
Pension and postemployment benefits payable	9,042	-	-	9,042
Interfund loans payable	29,285	-	1,069,391	1,098,676
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	186,301	-	1,228,934	1,415,235
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred inflows of resources:				
Property tax levied for the next fiscal year	-	2,517,802	744,942	3,262,744
Delinquent property tax revenue not available	-	110,534	32,532	143,066
Intergovernmental revenue not available	49,172	-	-	49,172
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Total deferred inflows of resources	49,172	2,628,336	777,474	3,454,982
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances:				
Nonspendable:				
Materials and supplies inventory	1,234	-	-	1,234
Prepays	934	-	-	934
Restricted:				
Debt Service	-	3,002,620	-	3,002,620
Food service operations	152,592	-	-	152,592
Non-public schools	281,848	-	-	281,848
Capital improvements	-	-	487,174	487,174
Other purposes	66,625	-	-	66,625
Extracurricular	217,613	-	-	217,613
Committed:				
Capital improvements	-	-	895,039	895,039
Other purposes	38,245	-	-	38,245
Unassigned (deficit)	(18,203)	-	-	(18,203)
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	740,888	3,002,620	1,382,213	5,125,721
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows and fund balances	\$ 976,361	\$ 5,630,956	\$ 3,388,621	\$ 9,995,938
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**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, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ -	\$ 2,493,159	\$ 694,548	\$ 3,187,707
Payment in lieu taxes	-	21,005	6,865	27,870
Earnings on investments	11,089	-	15,374	26,463
Charges for services	342,651	-	-	342,651
Extracurricular activities	235,156	-	-	235,156
Rental income	-	-	200,876	200,876
Contributions and donations	86,074	-	313,548	399,622
Other local revenues	76,083	-	-	76,083
Intergovernmental - state	1,589,770	371,431	58,763	2,019,964
Intergovernmental - federal	1,120,458	261,713	113,735	1,495,906
Total revenue	3,461,281	3,147,308	1,403,709	8,012,298
Expenditures:				
Current:				
Instruction:				
Regular	89,008	-	470,918	559,926
Special	656,731	-	28,670	685,401
Support services:				
Pupil	345,383	-	2,590	347,973
Instructional staff	47,321	-	1,332	48,653
Administration	1,540	-	11,148	12,688
Fiscal	-	40,461	10,890	51,351
Operations and maintenance	37,482	-	671,878	709,360
Pupil transportation	3,369	-	195,213	198,582
Central	-	-	22,031	22,031
Operation of non-instructional services:				
Food service operations	459,372	-	-	459,372
Other non-instructional services	1,416,507	-	-	1,416,507
Extracurricular activities	486,180	-	44,150	530,330
Facilities acquisition and construction	-	-	1,073,901	1,073,901
Debt service:				
Principal retirement	-	2,020,000	118,383	2,138,383
Interest and fiscal charges	-	1,572,591	55,092	1,627,683
Total expenditures	3,542,893	3,633,052	2,706,196	9,882,141
Excess of revenues (under) expenditures	(81,612)	(485,744)	(1,302,487)	(1,869,843)
Other financing sources:				
Transfers in	175,000	-	291,953	466,953
Inception of lease-purchase transaction	-	-	1,595,995	1,595,995
Total other financing sources	175,000	-	1,887,948	2,062,948
Net change in fund balances	93,388	(485,744)	585,461	193,105
Fund balances at beginning of year (restated)	647,500	3,488,364	796,752	4,932,616
Fund balances at end of year	\$ 740,888	\$ 3,002,620	\$ 1,382,213	\$ 5,125,721

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.

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.

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.

Student Wellness and Success Fund

This fund accounts for revenues received from the State to be used for students well being and success, such as providing mental health services for students.

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.

FUND DESCRIPTIONS - NONMAJOR SPECIAL REVENUE FUNDS - (Continued)

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.

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.

Employee Withholding Fund

This fund accounts for Workers' Compensation premiums collected from employees and remitted to the Ohio Bureau of Workers' Compensation.

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Food Service	Special Trust	Other Grants	Student Managed Activity	District Managed Activity
Assets:					
Equity in pooled cash and investments	\$ 180,471	\$ 38,245	\$ 44,312	\$ 191,418	\$ 26,815
Receivables:					
Intergovernmental	-	-	-	-	-
Prepayments	454	-	-	-	9
Materials and supplies inventory	1,234	-	-	-	-
Inventory held for resale	7,317	-	-	-	-
Total assets	<u>\$ 189,476</u>	<u>\$ 38,245</u>	<u>\$ 44,312</u>	<u>\$ 191,418</u>	<u>\$ 26,824</u>
Liabilities:					
Accounts payable	\$ 3,077	\$ -	\$ -	\$ -	\$ 620
Accrued wages and benefits	25,540	-	-	-	-
Compensated absences payable	1,390	-	-	-	-
Intergovernmental payable	320	-	-	-	-
Pension and postemployment benefits payable	4,869	-	-	-	-
Interfund loans payable	-	-	-	-	-
Total liabilities	<u>35,196</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620</u>
Deferred inflows of resources:					
Intergovernmental revenue not available	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable:					
Materials and supplies inventory	1,234	-	-	-	-
Prepays	454	-	-	-	9
Restricted:					
Food service operations	152,592	-	-	-	-
Non-public schools	-	-	-	-	-
Other purposes	-	-	44,312	-	-
Extracurricular	-	-	-	191,418	26,195
Committed:					
Other purposes	-	38,245	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>154,280</u>	<u>38,245</u>	<u>44,312</u>	<u>191,418</u>	<u>26,204</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 189,476</u>	<u>\$ 38,245</u>	<u>\$ 44,312</u>	<u>\$ 191,418</u>	<u>\$ 26,824</u>

Auxiliary Services	Miscellaneous State Grants	Title VI-B	Title III	Title I	Preschool Disability	Title II-A
\$ 328,153	\$ 22,312	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	102,736	504	28,920	2,315	675
9	-	250	13	192	7	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 328,162</u>	<u>\$ 22,312</u>	<u>\$ 102,986</u>	<u>\$ 517</u>	<u>\$ 29,112</u>	<u>\$ 2,322</u>	<u>\$ 675</u>
\$ 46,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	41,553	-	28,272	-	-
-	-	-	-	-	-	-
-	-	516	-	381	-	-
-	-	1,247	-	2,926	-	-
-	-	23,813	444	3,131	1,222	675
<u>46,305</u>	<u>-</u>	<u>67,129</u>	<u>444</u>	<u>34,710</u>	<u>1,222</u>	<u>675</u>
-	-	45,929	59	2,091	1,093	-
-	-	45,929	59	2,091	1,093	-
-	-	-	-	-	-	-
9	-	250	13	192	7	-
-	-	-	-	-	-	-
281,848	-	-	-	-	-	-
-	22,312	-	1	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(10,322)	-	(7,881)	-	-
<u>281,857</u>	<u>22,312</u>	<u>(10,072)</u>	<u>14</u>	<u>(7,689)</u>	<u>7</u>	<u>-</u>
<u>\$ 328,162</u>	<u>\$ 22,312</u>	<u>\$ 102,986</u>	<u>\$ 517</u>	<u>\$ 29,112</u>	<u>\$ 2,322</u>	<u>\$ 675</u>

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
JUNE 30, 2020

	Total Nonmajor Special Revenue Funds
Assets:	
Equity in pooled cash and investments	\$ 831,726
Receivables:	
Intergovernmental	135,150
Prepayments	934
Materials and supplies inventory	1,234
Inventory held for resale	7,317
	7,317
Total assets.	\$ 976,361
Liabilities:	
Accounts payable.	\$ 50,002
Accrued wages and benefits	95,365
Compensated absences payable	1,390
Intergovernmental payable	1,217
Pension and postemployment benefits payable.	9,042
Interfund loans payable	29,285
	29,285
Total liabilities.	186,301
Deferred inflows of resources:	
Intergovernmental revenue not available.	49,172
	49,172
Total deferred inflows of resources	49,172
Fund Balances:	
Nonspendable:	
Materials and supplies inventory.	1,234
Prepays	934
Restricted:	
Food service operations	152,592
Non-public schools	281,848
Other purposes.	66,625
Extracurricular	217,613
Committed:	
Other purposes.	38,245
Unassigned (deficit)	(18,203)
	(18,203)
Total fund balances	740,888
Total liabilities, deferred inflows, and fund balances	\$ 976,361

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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, 2020

	Food Service	Special Trust	Other Grants	Student Managed Activity	District Managed Activity
Revenues:					
From local sources:					
Earnings on investments	\$ 6,549	\$ 804	\$ -	\$ -	\$ -
Charges for services.	342,651	-	-	-	-
Extracurricular activities	-	-	-	79,918	155,238
Contributions and donations	-	10,623	55,024	352	20,075
Other local revenues	9,456	-	-	2,998	63,629
Intergovernmental - state	-	-	-	-	-
Intergovernmental - federal	91,584	-	-	-	-
Total revenue	450,240	11,427	55,024	83,268	238,942
Expenditures:					
Current:					
Instruction:					
Regular.	-	-	44,008	-	-
Special	-	-	2,542	-	-
Support services:					
Pupil	-	-	4,854	-	-
Instructional staff.	-	-	-	-	-
Administration	-	-	1,540	-	-
Operations and maintenance	-	-	-	-	-
Pupil transportation	-	-	-	-	-
Operation of non-instructional services:					
Food service operations	459,372	-	-	-	-
Other non-instructional services.	-	18,825	-	-	-
Extracurricular activities	-	-	672	77,491	408,017
Total expenditures	459,372	18,825	53,616	77,491	408,017
Excess of revenues over (under) expenditures	(9,132)	(7,398)	1,408	5,777	(169,075)
Other financing sources:					
Transfers in.	-	-	-	-	175,000
Net change in fund balances	(9,132)	(7,398)	1,408	5,777	5,925
Fund balances (deficit)					
at beginning of year (restated)	163,412	45,643	42,904	185,641	20,279
Fund balances (deficit) at end of year	\$ 154,280	\$ 38,245	\$ 44,312	\$ 191,418	\$ 26,204

Auxiliary Services	Data Communications	Student Wellness and Success	Miscellaneous State Grants	Title VI-B	Title III	Title I
\$ 3,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,363,588	9,000	98,394	118,788	-	-	-
-	-	-	-	699,762	13,175	221,394
<u>1,367,324</u>	<u>9,000</u>	<u>98,394</u>	<u>118,788</u>	<u>699,762</u>	<u>13,175</u>	<u>221,394</u>
-	9,000	-	36,000	-	-	-
-	-	-	11,353	392,696	11,875	224,146
-	-	98,394	12,156	218,008	1,206	-
-	-	-	-	-	150	500
-	-	-	-	-	-	-
-	-	-	33,598	-	-	-
-	-	-	3,369	-	-	-
-	-	-	-	-	-	-
1,299,135	-	-	-	77,755	-	58
-	-	-	-	-	-	-
<u>1,299,135</u>	<u>9,000</u>	<u>98,394</u>	<u>96,476</u>	<u>688,459</u>	<u>13,231</u>	<u>224,704</u>
<u>68,189</u>	<u>-</u>	<u>-</u>	<u>22,312</u>	<u>11,303</u>	<u>(56)</u>	<u>(3,310)</u>
-	-	-	-	-	-	-
68,189	-	-	22,312	11,303	(56)	(3,310)
213,668	-	-	-	(21,375)	70	(4,379)
<u>\$ 281,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,312</u>	<u>\$ (10,072)</u>	<u>\$ 14</u>	<u>\$ (7,689)</u>

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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, 2020

	Preschool Disability	Title II-A	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ -	\$ -	\$ 11,089
Charges for services	-	-	-	342,651
Extracurricular activities	-	-	-	235,156
Contributions and donations	-	-	-	86,074
Other local revenues	-	-	-	76,083
Intergovernmental - state	-	-	-	1,589,770
Intergovernmental - federal	15,308	62,720	16,515	1,120,458
Total revenue	15,308	62,720	16,515	3,461,281
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	89,008
Special	14,119	-	-	656,731
Support services:				
Pupil	-	-	10,765	345,383
Instructional staff	1,222	45,449	-	47,321
Administration	-	-	-	1,540
Operations and maintenance	-	-	3,884	37,482
Pupil transportation	-	-	-	3,369
Operation of non-instructional services:				
Food service operations	-	-	-	459,372
Other non-instructional services	-	17,270	3,464	1,416,507
Extracurricular activities	-	-	-	486,180
Total expenditures	15,341	62,719	18,113	3,542,893
Excess of revenues over (under) expenditures	(33)	1	(1,598)	(81,612)
Other financing sources:				
Transfers in	-	-	-	175,000
Net change in fund balances	(33)	1	(1,598)	93,388
Fund balances (deficit)				
at beginning of year (restated)	40	(1)	1,598	647,500
Fund balances (deficit) at end of year	\$ 7	\$ -	\$ -	\$ 740,888

**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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ 3,000	\$ 3,000	\$ 6,549	\$ 3,549
Charges for services	416,000	416,000	342,651	(73,349)
Other local revenue	11,400	11,400	9,456	(1,944)
Intergovernmental - state	2,000	2,000	-	(2,000)
Intergovernmental - federal	67,000	67,000	76,454	9,454
<i>Total revenues.</i>	<u>499,400</u>	<u>499,400</u>	<u>435,110</u>	<u>(64,290)</u>
Expenditures:				
Current:				
Operation of non-instructional services - food service operations:				
Salaries and wages	195,925	206,652	206,652	-
Fringe benefits	60,173	57,246	57,246	-
Purchased services	13,500	9,264	9,264	-
Materials and supplies	203,443	196,739	187,739	9,000
Capital outlay	22,090	24,321	23	24,298
Other	14,975	15,884	15,884	-
Total operation of non-instructional services - food service operations	<u>510,106</u>	<u>510,106</u>	<u>476,808</u>	<u>33,298</u>
<i>Total expenditures</i>	<u>510,106</u>	<u>510,106</u>	<u>476,808</u>	<u>33,298</u>
<i>Excess of revenues over (under) expenditures</i> .	<u>(10,706)</u>	<u>(10,706)</u>	<u>(41,698)</u>	<u>(30,992)</u>
Other financing sources:				
Refund of prior year's expenses	-	-	1,947	1,947
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>1,947</u>	<u>1,947</u>
<i>Net change in fund balance</i>	(10,706)	(10,706)	(39,751)	(29,045)
<i>Fund balance at beginning of year</i>	197,648	197,648	197,648	-
<i>Prior year encumbrances appropriated.</i> . . .	93	93	93	-
<i>Fund balance at end of year.</i>	<u>\$ 187,035</u>	<u>\$ 187,035</u>	<u>\$ 157,990</u>	<u>\$ (29,045)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$ 300	\$ 415	\$ 804	\$ 389
Contributions and donations	<u>27,500</u>	<u>17,917</u>	<u>10,623</u>	<u>(7,294)</u>
<i>Total revenues</i>	<u>27,800</u>	<u>18,332</u>	<u>11,427</u>	<u>(6,905)</u>
Expenditures:				
Operation of non-instructional services - other non-instructional services:				
Other	<u>27,500</u>	<u>39,500</u>	<u>28,458</u>	<u>11,042</u>
Total operation on non-instructional services - other non-instructional services	<u>27,500</u>	<u>39,500</u>	<u>28,458</u>	<u>11,042</u>
<i>Total expenditures</i>	<u>27,500</u>	<u>39,500</u>	<u>28,458</u>	<u>11,042</u>
<i>Net change in fund balance</i>	300	(21,168)	(17,031)	4,137
<i>Fund balance at beginning of year (restated).</i>	<u>45,643</u>	<u>45,643</u>	<u>45,643</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 45,943</u>	<u>\$ 24,475</u>	<u>\$ 28,612</u>	<u>\$ 4,137</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Contributions and donations	\$ -	\$ 58,288	\$ 55,024	\$ (3,264)
<i>Total revenues</i>	<u>-</u>	<u>58,288</u>	<u>55,024</u>	<u>(3,264)</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	-	2,000	2,000	-
Materials and supplies	4,954	11,567	11,269	298
Capital outlay	-	37,164	34,172	2,992
<i>Total instruction-regular</i>	<u>4,954</u>	<u>50,731</u>	<u>47,441</u>	<u>3,290</u>
Instruction-special:				
Materials and supplies	-	1,464	1,563	(99)
Capital outlay	-	987	978	9
<i>Total instruction-special</i>	<u>-</u>	<u>2,451</u>	<u>2,541</u>	<u>(90)</u>
Support services-pupil:				
Purchased services	277	6,268	1,500	4,768
Materials and supplies	-	3,009	3,301	(292)
<i>Total support services-pupil</i>	<u>277</u>	<u>9,277</u>	<u>4,801</u>	<u>4,476</u>
Support services-administration:				
Materials and supplies	-	1,560	1,540	20
<i>Total support services-administration</i>	<u>-</u>	<u>1,560</u>	<u>1,540</u>	<u>20</u>
Extracurricular activities:				
Materials and supplies	684	934	424	510
Capital outlay	93	343	248	95
<i>Total extracurricular activities</i>	<u>777</u>	<u>1,277</u>	<u>672</u>	<u>605</u>
<i>Total expenditures</i>	<u>6,008</u>	<u>65,296</u>	<u>56,995</u>	<u>8,301</u>
<i>Net change in fund balance</i>	(6,008)	(7,008)	(1,971)	5,037
<i>Fund balance at beginning of year</i>	39,736	39,736	39,736	-
<i>Prior year encumbrances appropriated</i>	6,007	6,007	6,007	-
<i>Fund balance at end of year</i>	<u>\$ 39,735</u>	<u>\$ 38,735</u>	<u>\$ 43,772</u>	<u>\$ 5,037</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)
STUDENT MANAGED ACTIVITY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Extracurricular	\$ 105,250	\$ 77,895	\$ 79,918	\$ 2,023
Contributions and donations	5,350	3,350	352	(2,998)
Other local revenues	9,900	9,900	2,998	(6,902)
Total revenues	<u>120,500</u>	<u>91,145</u>	<u>83,268</u>	<u>(7,877)</u>
Expenditures:				
Current:				
Extracurricular activities				
Salaries and wages	1,950	357	357	-
Fringe benefits	150	-	-	-
Purchased services	3,000	214	214	-
Other	106,150	90,333	77,320	13,013
Total extracurricular activities	<u>111,250</u>	<u>90,904</u>	<u>77,891</u>	<u>13,013</u>
<i>Total expenditures</i>	<u>111,250</u>	<u>90,904</u>	<u>77,891</u>	<u>13,013</u>
<i>Net change in fund balance</i>	9,250	241	5,377	5,136
<i>Fund balance at beginning of year</i>	154,171	154,171	154,171	-
<i>Prior year encumbrances appropriated.</i>	31,470	31,470	31,470	-
<i>Fund balance at end of year</i>	<u>\$ 194,891</u>	<u>\$ 185,882</u>	<u>\$ 191,018</u>	<u>\$ 5,136</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Extracurricular activities	\$ 278,800	\$ 213,398	\$ 155,238	\$ (58,160)
Contributions and donations	45,675	27,631	20,075	(7,556)
Other local revenue	105,830	105,830	63,629	(42,201)
<i>Total revenues.</i>	<u>430,305</u>	<u>346,859</u>	<u>238,942</u>	<u>(107,917)</u>
Expenditures:				
Current:				
Extracurricular activities:				
Salaries and wages	16,950	20,023	20,023	-
Fringe benefits	1,576	533	533	-
Purchased services	235,523	195,563	180,534	15,029
Materials and supplies	140,006	134,052	134,052	-
Capital outlay	104,019	63,463	43,463	20,000
Other	79,812	49,982	49,982	-
<i>Total extracurricular activities.</i>	<u>577,886</u>	<u>463,616</u>	<u>428,587</u>	<u>35,029</u>
<i>Total expenditures</i>	<u>577,886</u>	<u>463,616</u>	<u>428,587</u>	<u>35,029</u>
<i>Excess of revenues (under) expenditures</i>	<u>(147,581)</u>	<u>(116,757)</u>	<u>(189,645)</u>	<u>(72,888)</u>
Other financing sources:				
Refund of prior year's expenditures	-	-	1,925	1,925
Transfers in	133,576	133,576	175,000	41,424
<i>Total other financing sources</i>	<u>133,576</u>	<u>133,576</u>	<u>176,925</u>	<u>43,349</u>
<i>Net change in fund balance</i>	(14,005)	16,819	(12,720)	(29,539)
<i>Fund balance at beginning of year</i>	23,594	23,594	23,594	-
<i>Prior year encumbrances appropriated.</i>	14,285	14,285	14,285	-
<i>Fund balance at end of year.</i>	<u>\$ 23,874</u>	<u>\$ 54,698</u>	<u>\$ 25,159</u>	<u>\$ (29,539)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Earnings on investments	\$ -	\$ 3,259	\$ 3,736	\$ 477
Intergovernmental - state	648,600	1,363,588	1,363,588	-
<i>Total revenues.</i>	<u>648,600</u>	<u>1,366,847</u>	<u>1,367,324</u>	<u>477</u>
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Salaries and wages	11,771	11,771	9,885	1,886
Fringe benefits	4,948	4,997	4,390	607
Purchased services	491,325	824,912	833,392	(8,480)
Materials and supplies.	201,484	360,911	241,932	118,979
Capital outlay	149,270	330,869	323,564	7,305
<i>Total operation on non-instructional services - other non-instructional services</i>	<u>858,798</u>	<u>1,533,460</u>	<u>1,413,163</u>	<u>120,297</u>
<i>Total expenditures</i>	<u>858,798</u>	<u>1,533,460</u>	<u>1,413,163</u>	<u>120,297</u>
<i>Excess of revenues (under) expenditures</i>	<u>(210,198)</u>	<u>(166,613)</u>	<u>(45,839)</u>	<u>120,774</u>
Other financing sources (uses):				
Refund of prior year expenditure.	-	30	30	-
Refund of prior year's receipts	-	(58,447)	(58,447)	-
Sale of assets	-	77	78	1
<i>Total other financing sources (uses).</i>	<u>-</u>	<u>(58,340)</u>	<u>(58,339)</u>	<u>1</u>
<i>Net change in fund balance</i>	<u>(210,198)</u>	<u>(224,953)</u>	<u>(104,178)</u>	<u>120,775</u>
<i>Fund balance at beginning of year</i>	14,660	14,660	14,660	-
<i>Prior year encumbrances appropriated.</i>	213,175	213,175	213,175	-
<i>Fund balance at end of year.</i>	<u>\$ 17,637</u>	<u>\$ 2,882</u>	<u>\$ 123,657</u>	<u>\$ 120,775</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - state	\$ -	\$ 9,000	\$ 9,000	\$ -
Total revenues	-	9,000	9,000	-
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	-	9,000	9,000	-
Total instruction-regular	-	9,000	9,000	-
<i>Total expenditures</i>	-	9,000	9,000	-
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year</i>	\$ -	\$ -	\$ -	\$ -

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STUDENT WELLNESS AND SUCCESS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - State	\$ -	\$ 98,394	\$ 98,394	\$ -
<i>Total revenues.</i>	<u>-</u>	<u>98,394</u>	<u>98,394</u>	<u>-</u>
Expenditures:				
Current:				
Support services-pupil				
Purchased services	-	98,394	98,394	-
<i>Total support services-pupil.</i>	<u>-</u>	<u>98,394</u>	<u>98,394</u>	<u>-</u>
<i>Total expenditures</i>	<u>-</u>	<u>98,394</u>	<u>98,394</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental - state	\$ -	\$ 118,788	\$ 118,788	\$ -
<i>Total revenues.</i>	-	118,788	118,788	-
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	-	36,000	36,000	-
Total instruction-regular.	-	36,000	36,000	-
Instruction-special				
Capital outlay	-	11,241	11,353	(112)
Total instruction-special	-	11,241	11,353	(112)
Support services-pupil				
Purchased services	-	12,156	12,156	-
Total support services-pupil.	-	12,156	12,156	-
Support services-operations and maintenance:				
Capital outlay	-	55,911	33,598	22,313
Total support services-operations and maintenance	-	55,911	33,598	22,313
Support services-pupil transportation				
Capital outlay	-	3,480	3,369	111
Total support services-pupil transportation	-	3,480	3,369	111
<i>Total expenditures</i>	-	118,788	96,476	22,424
<i>Net change in fund balance</i>	-	-	22,312	22,424
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance at end of year.</i>	\$ -	\$ -	\$ 22,312	\$ 22,424

**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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - federal	\$ 816,602	\$ 819,216	\$ 716,480	\$ (102,736)
<i>Total revenues.</i>	<u>816,602</u>	<u>819,216</u>	<u>716,480</u>	<u>(102,736)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	75,126	92,006	62,553	29,453
Fringe benefits	20,849	20,144	11,339	8,805
Purchased services	325,000	321,077	321,073	4
<i>Total instruction-special.</i>	<u>420,975</u>	<u>433,227</u>	<u>394,965</u>	<u>38,262</u>
Support services-pupil:				
Salaries and wages	156,943	186,806	159,341	27,465
Fringe benefits	51,493	59,700	46,504	13,196
Purchased services	13,442	11,689	11,689	-
<i>Total support services-pupil.</i>	<u>221,878</u>	<u>258,195</u>	<u>217,534</u>	<u>40,661</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	57,146	77,755	77,755	-
<i>Total operation of non-instructional services - other non-instructional services.</i>	<u>57,146</u>	<u>77,755</u>	<u>77,755</u>	<u>-</u>
<i>Total expenditures.</i>	<u>699,999</u>	<u>769,177</u>	<u>690,254</u>	<u>78,923</u>
<i>Net change in fund balance.</i>	116,603	50,039	26,226	(23,813)
<i>Fund (deficit) at beginning of year.</i>	(50,039)	(50,039)	(50,039)	-
<i>Fund balance (deficit) at end of year.</i>	<u>\$ 66,564</u>	<u>\$ -</u>	<u>\$ (23,813)</u>	<u>\$ (23,813)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - federal	\$ 23,634	\$ 24,817	\$ 23,404	\$ (1,413)
<i>Total revenues.</i>	<u>23,634</u>	<u>24,817</u>	<u>23,404</u>	<u>(1,413)</u>
Expenditures:				
Current:				
Instruction-special				
Salaries and wages	10,000	9,545	9,545	-
Fringe benefits	1,660	1,532	1,473	59
Purchased services	<u>1,300</u>	<u>800</u>	<u>800</u>	<u>-</u>
<i>Total instruction-special.</i>	<u>12,960</u>	<u>11,877</u>	<u>11,818</u>	<u>59</u>
Support services-pupil				
Purchased services	-	1,184	1,184	-
Materials and supplies	<u>-</u>	<u>50</u>	<u>22</u>	<u>28</u>
<i>Total support services-pupil.</i>	<u>-</u>	<u>1,234</u>	<u>1,206</u>	<u>28</u>
Support services-instructional staff:				
Purchased services	<u>-</u>	<u>1,032</u>	<u>150</u>	<u>882</u>
<i>Total support services-instructional</i> <i>staff.</i>	<u>-</u>	<u>1,032</u>	<u>150</u>	<u>882</u>
<i>Total expenditures.</i>	<u>12,960</u>	<u>14,143</u>	<u>13,174</u>	<u>969</u>
<i>Net change in fund balance.</i>	10,674	10,674	10,230	(444)
<i>Fund (deficit) at beginning of year.</i>	(10,674)	(10,674)	(10,674)	-
<i>Fund (deficit) at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (444)</u>	<u>\$ (444)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - federal	\$ 234,953	\$ 249,987	\$ 221,066	\$ (28,921)
<i>Total revenues</i>	<u>234,953</u>	<u>249,987</u>	<u>221,066</u>	<u>(28,921)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	202,433	150,931	133,171	17,760
Fringe benefits	-	32,162	24,132	8,030
Purchased services	-	40,332	40,332	-
Materials and supplies	-	2,714	2,715	(1)
Capital outlay	-	17,110	17,110	-
<i>Total instruction-special</i>	<u>202,433</u>	<u>243,249</u>	<u>217,460</u>	<u>25,789</u>
Support services-instructional staff:				
Purchased services	-	500	500	-
<i>Total support services-instructional staff</i>	<u>-</u>	<u>500</u>	<u>500</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Materials and supplies	58	58	58	-
<i>Total operation of non-instructional services - other non-instructional services</i>	<u>58</u>	<u>58</u>	<u>58</u>	<u>-</u>
<i>Total expenditures</i>	<u>202,491</u>	<u>243,807</u>	<u>218,018</u>	<u>25,789</u>
<i>Net change in fund balance</i>	32,462	6,180	3,048	(3,132)
<i>Fund (deficit) at beginning of year</i>	(6,237)	(6,237)	(6,237)	-
<i>Prior year encumbrances appropriated</i>	58	58	58	-
<i>Fund balance (deficit) at end of year</i>	<u>\$ 26,283</u>	<u>\$ 1</u>	<u>\$ (3,131)</u>	<u>\$ (3,132)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - federal	\$ 19,371	\$ 19,371	\$ 14,091	\$ (5,280)
<i>Total revenues.</i>	<u>19,371</u>	<u>19,371</u>	<u>14,091</u>	<u>(5,280)</u>
Expenditures:				
Current:				
Instruction-special:				
Salaries and wages	10,354	10,518	10,354	164
Fringe benefits	<u>3,650</u>	<u>4,665</u>	<u>3,737</u>	<u>928</u>
Total instruction-special	<u>14,004</u>	<u>15,183</u>	<u>14,091</u>	<u>1,092</u>
Support services-instructional staff:				
Purchased services	-	4,188	1,222	2,966
Total support services-instructional staff	<u>-</u>	<u>4,188</u>	<u>1,222</u>	<u>2,966</u>
<i>Total expenditures</i>	<u>14,004</u>	<u>19,371</u>	<u>15,313</u>	<u>4,058</u>
<i>Net change in fund balance</i>	5,367	-	(1,222)	(1,222)
<i>Fund balance at beginning of year</i>	-	-	-	-
<i>Fund balance (deficit) at end of year.</i>	<u>\$ 5,367</u>	<u>\$ -</u>	<u>\$ (1,222)</u>	<u>\$ (1,222)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - federal	\$ 65,488	\$ 67,892	\$ 63,801	\$ (4,091)
<i>Total revenues.</i>	<u>65,488</u>	<u>67,892</u>	<u>63,801</u>	<u>(4,091)</u>
Expenditures:				
Current:				
Support services-instructional staff:				
Purchased services	<u>29,257</u>	<u>45,449</u>	<u>45,449</u>	<u>-</u>
Total support services-instructional staff	<u>29,257</u>	<u>45,449</u>	<u>45,449</u>	<u>-</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	<u>34,474</u>	<u>20,686</u>	<u>17,270</u>	<u>3,416</u>
Total operation of non-instructional services - other non-instructional services	<u>34,474</u>	<u>20,686</u>	<u>17,270</u>	<u>3,416</u>
<i>Total expenditures</i>	<u>63,731</u>	<u>66,135</u>	<u>62,719</u>	<u>3,416</u>
<i>Net change in fund balance</i>	1,757	1,757	1,082	(675)
<i>Fund (deficit) at beginning of year</i>	<u>(1,757)</u>	<u>(1,757)</u>	<u>(1,757)</u>	<u>-</u>
<i>Fund (deficit) at end of year.</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (675)</u>	<u>\$ (675)</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental - federal	\$ 19,246	\$ 21,873	\$ 16,530	\$ (5,343)
<i>Total revenues.</i>	<u>19,246</u>	<u>21,873</u>	<u>16,530</u>	<u>(5,343)</u>
Expenditures:				
Current:				
Support services-pupil				
Purchased services	6,074	9,227	9,227	-
Materials and supplies.	-	2,434	1,538	896
<i>Total support services-pupil.</i>	<u>6,074</u>	<u>11,661</u>	<u>10,765</u>	<u>896</u>
Support services-operations and maintenance				
Purchased services	1,011	7,204	3,884	3,320
Capital outlay	-	245	-	245
<i>Total support services-operations and maintenance</i>	<u>1,011</u>	<u>7,449</u>	<u>3,884</u>	<u>3,565</u>
Operation of non-instructional services - other non-instructional services:				
Purchased services	6,002	2,761	2,761	-
Materials and supplies.	1,155	1,585	703	882
<i>Total operation of non-instructional services - other non-instructional services</i>	<u>7,157</u>	<u>4,346</u>	<u>3,464</u>	<u>882</u>
<i>Total expenditures</i>	<u>14,242</u>	<u>23,456</u>	<u>18,113</u>	<u>5,343</u>
<i>Net change in fund balance</i>	5,004	(1,583)	(1,583)	-
<i>Fund balance at beginning of year</i>	572	572	572	-
<i>Prior year encumbrances appropriated.</i>	1,011	1,011	1,011	-
<i>Fund balance at end of year.</i>	<u>\$ 6,587</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)
UNCLAIMED MONIES FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local revenues.	\$ -	\$ -	\$ 475	\$ 475
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>475</u>	<u>475</u>
 <i>Net change in fund balance</i>	 -	 -	 475	 475
 <i>Fund balance at beginning of year</i>	 <u>1,522</u>	 <u>1,522</u>	 <u>1,522</u>	 <u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 1,522</u>	<u>\$ 1,522</u>	<u>\$ 1,997</u>	<u>\$ 475</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Classroom materials and fees	\$ 285,775	\$ 29,750	\$ 25,005	\$ (4,745)
<i>Total revenues.</i>	<u>285,775</u>	<u>29,750</u>	<u>25,005</u>	<u>(4,745)</u>
Expenditures:				
Current:				
Operation of non-instructional services - other non-instructional services:				
Materials and supplies.	23,475	24,835	19,480	5,355
Total operation of non-instructional services - other non-instructional services	<u>23,475</u>	<u>24,835</u>	<u>19,480</u>	<u>5,355</u>
<i>Total expenditures</i>	<u>23,475</u>	<u>24,835</u>	<u>19,480</u>	<u>5,355</u>
<i>Net change in fund balance</i>	262,300	4,915	5,525	610
<i>Fund balance at beginning of year</i>	39,297	39,297	39,297	-
<i>Fund balance at end of year.</i>	<u>\$ 301,597</u>	<u>\$ 44,212</u>	<u>\$ 44,822</u>	<u>\$ 610</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Extracurricular activities	\$ 43,460	\$ 31,460	\$ 31,248	\$ (212)
Classroom materials and fees	194,975	181,037	166,621	(14,416)
Contributions and donations.	8,000	1,400	962	(438)
Other local revenues.	63,238	63,238	77,628	14,390
<i>Total revenues.</i>	<u>309,673</u>	<u>277,135</u>	<u>276,459</u>	<u>(676)</u>
Expenditures:				
Current:				
Instruction-regular:				
Salaries and wages	9,000	10,333	10,333	-
Fringe benefits	1,445	858	858	-
Purchased services	21,781	28,654	15,739	12,915
Materials and supplies.	96,113	98,652	88,189	10,463
Capital outlay	1,700	3,580	3,580	-
Other	5,794	8,938	8,938	-
<i>Total instruction-regular.</i>	<u>135,833</u>	<u>151,015</u>	<u>127,637</u>	<u>23,378</u>
Support services-pupil:				
Salaries and wages	500	-	-	-
Fringe benefits	80	-	-	-
Purchased services	76,291	57,792	45,792	12,000
Materials and supplies.	47,082	60,244	60,244	-
Capital outlay	8,600	5,073	5,073	-
Other	18,126	11,431	11,431	-
<i>Total support services-pupil.</i>	<u>150,679</u>	<u>134,540</u>	<u>122,540</u>	<u>12,000</u>
Support services-instructional staff:				
Materials and supplies.	2,193	1,561	1,561	-
<i>Total support services-instructional staff.</i>	<u>2,193</u>	<u>1,561</u>	<u>1,561</u>	<u>-</u>
Support services-central:				
Other	6,100	5,879	5,879	-
<i>Total support services-central.</i>	<u>6,100</u>	<u>5,879</u>	<u>5,879</u>	<u>-</u>
Extracurricular activities:				
Materials and supplies.	3,600	2,012	2,012	-
Capital outlay	4,500	-	-	-
<i>Total extracurricular activities.</i>	<u>8,100</u>	<u>2,012</u>	<u>2,012</u>	<u>-</u>
<i>Total expenditures</i>	<u>302,905</u>	<u>295,007</u>	<u>259,629</u>	<u>35,378</u>
<i>Excess of revenues over (under) expenditures</i>	<u>6,768</u>	<u>(17,872)</u>	<u>16,830</u>	<u>34,702</u>
Other financing sources:				
Transfers in	-	-	5,000	5,000
Sale of capital assets	550	550	331	(219)
<i>Total other financing sources</i>	<u>550</u>	<u>550</u>	<u>5,331</u>	<u>4,781</u>
<i>Net change in fund balance.</i>	7,318	(17,322)	22,161	39,483
<i>Fund balance at beginning of year</i>	152,346	152,346	152,346	-
<i>Prior year encumbrances appropriated.</i>	13,491	13,491	13,491	-
<i>Fund balance at end of year</i>	<u>\$ 173,155</u>	<u>\$ 148,515</u>	<u>\$ 187,998</u>	<u>\$ 39,483</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Tuition	\$ 46,250	\$ 46,250	\$ 50,625	\$ 4,375
Extracurricular activities	5,500	2,100	1,385	(715)
Contributions and donations	28,300	12,800	6,998	(5,802)
Other local revenues	10,694	11,312	7,579	(3,733)
<i>Total revenues.</i>	<u>90,744</u>	<u>72,462</u>	<u>66,587</u>	<u>(5,875)</u>
Expenditures:				
Current:				
Instruction-regular:				
Purchased services	9,750	10,057	10,057	-
Materials and supplies.	10,266	3,212	3,212	-
Capital outlay	1,285	2,800	2,800	-
Total instruction-regular.	<u>21,301</u>	<u>16,069</u>	<u>16,069</u>	<u>-</u>
Instruction-special:				
Purchased services	1,019	11,660	11,660	-
Materials and supplies.	44	8,786	8,786	-
Capital outlay	-	7,048	251	6,797
Other	-	1,354	1,354	-
Total instruction-special	<u>1,063</u>	<u>28,848</u>	<u>22,051</u>	<u>6,797</u>
Support services-pupil:				
Salaries and wages	96	-	-	-
Fringe benefits	13	-	-	-
Purchased services	11,645	8,840	8,840	-
Materials and supplies.	12,982	10,947	10,947	-
Capital outlay	500	-	-	-
Other	15,678	16,269	6,269	10,000
Total support services-pupil.	<u>40,914</u>	<u>36,056</u>	<u>26,056</u>	<u>10,000</u>
Support services-instructional staff:				
Purchased services	50	629	629	-
Total support services-instructional staff	<u>50</u>	<u>629</u>	<u>629</u>	<u>-</u>
Support services-operations and maintenance				
Capital outlay	-	1,324	1,324	-
Total support services-operations and maintenance	<u>-</u>	<u>1,324</u>	<u>1,324</u>	<u>-</u>
<i>Total expenditures</i>	<u>63,328</u>	<u>82,926</u>	<u>66,129</u>	<u>16,797</u>
<i>Net change in fund balance</i>	27,416	(10,464)	458	10,922
<i>Fund balance at beginning of year</i>	162,809	162,809	162,809	-
<i>Prior year encumbrances appropriated.</i>	4,714	4,714	4,714	-
<i>Fund balance at end of year.</i>	<u>\$ 194,939</u>	<u>\$ 157,059</u>	<u>\$ 167,981</u>	<u>\$ 10,922</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)
EMPLOYEE WITHHOLDING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Other local revenues	\$ 126,927	\$ 126,927	\$ 127,579	\$ 652
<i>Total revenues.</i>	<u>126,927</u>	<u>126,927</u>	<u>127,579</u>	<u>652</u>
Expenditures:				
Current:				
Support services-central				
Purchased services	1,680	1,680	1,680	-
Total support services-central	<u>1,680</u>	<u>1,680</u>	<u>1,680</u>	<u>-</u>
<i>Total expenditures</i>	<u>1,680</u>	<u>1,680</u>	<u>1,680</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>125,247</u>	<u>125,247</u>	<u>125,899</u>	<u>652</u>
Other financing (uses):				
Miscellaneous use of funds	(125,247)	(125,247)	(113,462)	11,785
Total other financing (uses)	<u>(125,247)</u>	<u>(125,247)</u>	<u>(113,462)</u>	<u>11,785</u>
<i>Net change in fund balance</i>	-	-	12,437	12,437
<i>Fund balance at beginning of year</i>	108,609	108,609	108,609	-
<i>Fund balance at end of year.</i>	<u>\$ 108,609</u>	<u>\$ 108,609</u>	<u>\$ 121,046</u>	<u>\$ 12,437</u>

ROCKY RIVER CITY SCHOOL DISTRICT
FUND DESCRIPTION - NONMAJOR DEBT SERVICE FUND

Debt service funds are used to account for financial resources that are restricted, committed or assigned for the accumulation of resources for, and the payment of, general obligation debt principal and interest.

Debt Service Fund

The debt service 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)
BOND RETIREMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Property taxes	\$ 2,765,487	\$ 2,765,487	\$ 2,840,287	\$ 74,800
Intergovernmental - state	377,183	377,183	371,431	(5,752)
Intergovernmental - federal	521,757	521,757	261,713	(260,044)
<i>Total revenues.</i>	<u>3,664,427</u>	<u>3,664,427</u>	<u>3,473,431</u>	<u>(190,996)</u>
Expenditures:				
Current:				
Support services-fiscal				
Other	43,400	43,400	40,461	2,939
Total support services-fiscal	<u>43,400</u>	<u>43,400</u>	<u>40,461</u>	<u>2,939</u>
Debt service:				
Principal retirement.	2,020,000	2,020,000	2,020,000	-
Interest and fiscal charges	1,572,591	1,572,591	1,572,591	-
Total debt service	<u>3,592,591</u>	<u>3,592,591</u>	<u>3,592,591</u>	<u>-</u>
<i>Total expenditures</i>	<u>3,635,991</u>	<u>3,635,991</u>	<u>3,633,052</u>	<u>2,939</u>
<i>Excess of revenues (under) expenditures</i>	<u>28,436</u>	<u>28,436</u>	<u>(159,621)</u>	<u>(188,057)</u>
Other financing sources:				
Refund of prior year's expenditures	-	-	9,609	9,609
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>9,609</u>	<u>9,609</u>
<i>Net change in fund balance</i>	28,436	28,436	(150,012)	(178,448)
<i>Fund balance at beginning of year</i>	2,976,152	2,976,152	2,976,152	-
<i>Prior year encumbrances appropriated.</i>	1,200	1,200	1,200	-
<i>Fund balance at end of year.</i>	<u>\$ 3,005,788</u>	<u>\$ 3,005,788</u>	<u>\$ 2,827,340</u>	<u>\$ (178,448)</u>

ROCKY RIVER CITY SCHOOL DISTRICT

FUND DESCRIPTIONS - NONMAJOR CAPITAL PROJECTS FUNDS

The capital projects funds 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 funds 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, 2020

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and investments.	\$ 959,026	\$ -	\$ 959,026
Cash with escrow agent.	-	1,600,302	1,600,302
Receivables:			
Property taxes	825,523	-	825,523
Accounts.	3,770	-	3,770
Total assets	\$ 1,788,319	\$ 1,600,302	\$ 3,388,621
Liabilities:			
Accounts payable.	\$ 115,806	\$ 43,737	\$ 159,543
Interfund loans payable	-	1,069,391	1,069,391
Total liabilities.	115,806	1,113,128	1,228,934
Deferred inflows of resources:			
Property tax levied for the next fiscal year.	744,942	-	744,942
Delinquent property tax revenue not available	32,532	-	32,532
Total deferred inflows of resources	777,474	-	777,474
Fund Balances:			
Restricted:			
Capital improvements.	-	487,174	487,174
Committed:			
Capital improvements	895,039	-	895,039
Total fund balances	895,039	487,174	1,382,213
Total liabilities, deferred inflows and fund balances	\$ 1,788,319	\$ 1,600,302	\$ 3,388,621

**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, 2020

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues:			
From local sources:			
Property taxes	\$ 694,548	\$ -	\$ 694,548
Payment in lieu of taxes	6,865	-	6,865
Earnings on investments	15,374	-	15,374
Rental income	3,770	197,106	200,876
Contributions and donations	265,660	47,888	313,548
Intergovernmental - state	58,763	-	58,763
Intergovernmental - federal	-	113,735	113,735
	<hr/>	<hr/>	<hr/>
Total revenue	1,044,980	358,729	1,403,709
Expenditures:			
Current:			
Instruction:			
Regular	282,790	188,128	470,918
Special	16,426	12,244	28,670
Support services:			
Pupil	-	2,590	2,590
Instructional staff	-	1,332	1,332
Administration	-	11,148	11,148
Fiscal	10,890	-	10,890
Operations and maintenance	668,522	3,356	671,878
Pupil transportation	848	194,365	195,213
Central	-	22,031	22,031
Extracurricular activities	44,150	-	44,150
Facilities acquisition and construction	212,681	861,220	1,073,901
Debt service:			
Principal retirement	118,383	-	118,383
Interest and fiscal charges	37,320	17,772	55,092
	<hr/>	<hr/>	<hr/>
Total expenditures	1,392,010	1,314,186	2,706,196
Excess of revenues over (under) expenditures	<hr/> (347,030) <hr/>	<hr/> (955,457) <hr/>	<hr/> (1,302,487) <hr/>
Other financing sources (uses):			
Transfers in	291,953	-	291,953
Inception of lease-purchase transaction	-	1,595,995	1,595,995
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	291,953	1,595,995	1,887,948
Net change in fund balances	(55,077)	640,538	585,461
Fund balances at beginning of year	<hr/> 950,116 <hr/>	<hr/> (153,364) <hr/>	<hr/> 796,752 <hr/>
Fund balances at end of year	<hr/> <u>\$ 895,039</u> <hr/>	<hr/> <u>\$ 487,174</u> <hr/>	<hr/> <u>\$ 1,382,213</u> <hr/>

**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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Taxes	\$ 751,474	\$ 751,474	\$ 781,557	\$ 30,083
Earnings on investments	11,478	11,478	15,374	3,896
Rentals	197,106	197,106	197,106	-
Contributions and donations	-	313,548	313,548	-
Intergovernmental - state	72,832	72,832	58,763	(14,069)
<i>Total revenues.</i>	<u>1,032,890</u>	<u>1,346,438</u>	<u>1,366,348</u>	<u>19,910</u>
Expenditures:				
Current:				
Instruction-regular				
Purchased services	29,219	30,500	30,500	-
Capital outlay	386,435	334,307	334,307	-
Total instruction-regular.	<u>415,654</u>	<u>364,807</u>	<u>364,807</u>	<u>-</u>
Instruction-special				
Purchased services	138,117	138,117	138,117	-
Total instruction-special	<u>138,117</u>	<u>138,117</u>	<u>138,117</u>	<u>-</u>
Support services-fiscal:				
Other	-	10,890	10,890	-
Total support services-fiscal	<u>-</u>	<u>10,890</u>	<u>10,890</u>	<u>-</u>
Support services-operations and maintenance:				
Purchased services	293,165	292,541	292,541	-
Capital outlay	245,000	364,084	364,084	-
Total support services-operations and maintenance	<u>538,165</u>	<u>656,625</u>	<u>656,625</u>	<u>-</u>
Support services-pupil transportation:				
Capital outlay	1,400	848	848	-
Total support services-pupil transportation	<u>1,400</u>	<u>848</u>	<u>848</u>	<u>-</u>
Support services-extracurricular activities				
Capital outlay	41,500	44,150	44,150	-
Total support services-extracurricular activities	<u>41,500</u>	<u>44,150</u>	<u>44,150</u>	<u>-</u>
Facilities acquisition and construction:				
Supplies	244,340	336,162	336,126	36
Total facilities acquisition and construction.	<u>244,340</u>	<u>336,162</u>	<u>336,126</u>	<u>36</u>
Debt service:				
Principal retirement.	153,220	227,222	227,222	-
Interest and fiscal charges	10,963	17,772	17,772	-
Total debt service	<u>164,183</u>	<u>244,994</u>	<u>244,994</u>	<u>-</u>
<i>Total expenditures</i>	<u>1,543,359</u>	<u>1,796,593</u>	<u>1,796,557</u>	<u>36</u>
Deficiency of revenues under expenditures	(510,469)	(450,155)	(430,209)	19,946
Other financing sources:				
Sale of assets	5,250	5,250	5,250	-
Transfers in	128,350	291,953	291,953	-
Refund of prior year's expenditures	-	-	2,781	2,781
<i>Total other financing sources</i>	<u>133,600</u>	<u>297,203</u>	<u>299,984</u>	<u>2,781</u>
<i>Net change in fund balance</i>	(376,869)	(152,952)	(130,225)	22,727
<i>Fund balance at beginning of year</i>	389,177	389,177	389,177	-
<i>Prior year encumbrances appropriated.</i>	587,897	587,897	587,897	-
<i>Fund balance at end of year.</i>	<u>\$ 600,205</u>	<u>\$ 824,122</u>	<u>\$ 846,849</u>	<u>\$ 22,727</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
From local sources:				
Other revenue	\$ -	\$ 15,600	\$ -	\$ (15,600)
Intergovernmental-federal	-	113,735	113,735	-
<i>Total revenues.</i>	<u>-</u>	<u>129,335</u>	<u>113,735</u>	<u>(15,600)</u>
Expenditures:				
Current:				
Instruction-regular:				
Capital outlay	29,137	333,419	297,098	36,321
Total instruction-regular.	<u>29,137</u>	<u>333,419</u>	<u>297,098</u>	<u>36,321</u>
Instruction-special				
Capital outlay	72,808	46,424	12,244	34,180
Total instruction-special	<u>72,808</u>	<u>46,424</u>	<u>12,244</u>	<u>34,180</u>
Instruction-other				
Capital outlay	-	1,020	-	1,020
Total instruction-other	<u>-</u>	<u>1,020</u>	<u>-</u>	<u>1,020</u>
Support services-pupil				
Capital outlay	-	3,312	2,590	722
Total support services-pupil.	<u>-</u>	<u>3,312</u>	<u>2,590</u>	<u>722</u>
Support services-instructional staff				
Capital outlay	1,332	23,045	4,929	18,116
Total support services-instructional staff	<u>1,332</u>	<u>23,045</u>	<u>4,929</u>	<u>18,116</u>
Support services-administration				
Capital outlay	-	20,397	14,745	5,652
Total support services-administration.	<u>-</u>	<u>20,397</u>	<u>14,745</u>	<u>5,652</u>
Support services-operations and maintenance				
Capital outlay	-	3,356	3,356	-
Total support services-operations and maintenance	<u>-</u>	<u>3,356</u>	<u>3,356</u>	<u>-</u>
Support services-pupil transportation:				
Capital outlay	194,365	194,365	194,365	-
Total support services-pupil transportation	<u>194,365</u>	<u>194,365</u>	<u>194,365</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)
BUILDING FUND (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<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	\$ -	\$ 1,215	\$ 29,501	\$ (28,286)
Total support services-central	<u>-</u>	<u>1,215</u>	<u>29,501</u>	<u>(28,286)</u>
Facilities acquisition and construction:				
Capital outlay	773,313	2,168,511	1,974,207	194,304
Total facilities acquisition and construction.	<u>773,313</u>	<u>2,168,511</u>	<u>1,974,207</u>	<u>194,304</u>
<i>Total expenditures</i>	<u>1,070,955</u>	<u>2,795,064</u>	<u>2,533,035</u>	<u>262,029</u>
<i>Excess of revenues (under) expenditures . . .</i>	<u>(1,070,955)</u>	<u>(2,665,729)</u>	<u>(2,419,300)</u>	<u>246,429</u>
Other financing sources (uses):				
Transfers in	-	44,146	-	(44,146)
Advances (out)	-	-	(113,735)	(113,735)
Sale of notes	<u>194,365</u>	<u>1,790,360</u>	<u>1,790,360</u>	<u>-</u>
Total other financing sources (uses)	<u>194,365</u>	<u>1,834,506</u>	<u>1,676,625</u>	<u>(157,881)</u>
<i>Net change in fund balance</i>	(876,590)	(831,223)	(742,675)	88,548
<i>Fund balance at beginning of year</i>	99,638	99,638	99,638	-
<i>Prior year encumbrances appropriated. . . .</i>	<u>804,267</u>	<u>804,267</u>	<u>804,267</u>	<u>-</u>
<i>Fund balance at end of year.</i>	<u>\$ 27,315</u>	<u>\$ 72,682</u>	<u>\$ 161,230</u>	<u>\$ 88,548</u>

ROCKY RIVER CITY SCHOOL DISTRICT

NONMAJOR INTERNAL SERVICE FUND - FUND DESCRIPTION

Internal Service Fund

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services.	\$ 223,293	\$ 223,293	\$ 211,217	\$ (12,076)
<i>Total operating revenues</i>	<u>223,293</u>	<u>223,293</u>	<u>211,217</u>	<u>(12,076)</u>
Operating expenses:				
Fringe benefits	76,914	79,314	58,987	20,327
Other	<u>150,053</u>	<u>150,347</u>	<u>145,686</u>	<u>4,661</u>
<i>Total operating expenses</i>	<u>226,967</u>	<u>229,661</u>	<u>204,673</u>	<u>24,988</u>
<i>Operating income (loss)</i>	<u>(3,674)</u>	<u>(6,368)</u>	<u>6,544</u>	<u>12,912</u>
Nonoperating revenues:				
Transfers in	4,000	4,000	5,000	1,000
<i>Total nonoperating revenues</i>	<u>4,000</u>	<u>4,000</u>	<u>5,000</u>	<u>1,000</u>
<i>Net change in fund equity</i>	326	(2,368)	11,544	13,912
<i>Fund equity at beginning of year</i>	<u>2,893</u>	<u>2,893</u>	<u>2,893</u>	<u>-</u>
<i>Fund equity at end of year</i>	<u>\$ 3,219</u>	<u>\$ 525</u>	<u>\$ 14,437</u>	<u>\$ 13,912</u>

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020

Statistical Section



Sora Miyoshi

Grade 4

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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	174-185
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	186-193
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	194-197
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	198-199
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	200-211

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>2020</u>	<u>2019 (4)</u>	<u>2018</u>	<u>2017 (3)</u>
Governmental activities				
Net investment in capital assets	\$ 11,651,505	\$ 10,505,165	\$ 10,275,644	\$ 7,436,321
Restricted	3,821,398	4,156,644	5,936,405	6,300,947
Unrestricted	(40,056,447)	(34,484,637)	(42,794,371)	(60,499,543)
Total governmental activities net position	<u>\$ (24,583,544)</u>	<u>\$ (19,822,828)</u>	<u>\$ (26,582,322)</u>	<u>\$ (46,762,275)</u>

Source: School District financial records.

Note (1) New terminology in accordance with GASB Statement No. 63 which was implemented in 2013.

Amounts for 2012 and 2011 have been restated to reflect the implementation of GASB Statement No. 65.

Note (2) The District implemented GASB Statement No. 68 and 71 in 2015.

Amounts for 2014 have been restated to reflect the implementation of these statements.

Note (3) The District implemented GASB Statement No. 75 in 2018.

Amounts for 2017 have been restated to reflect the implementation of these statements.

Note (4) The District implemented GASB Statement No. 84 in 2020.

Amounts for 2019 have been restated to reflect the implementation of these statements.

2016	2015	2014 (2)	2013	2012 (1)	2011 (1)
\$ 7,937,930	\$ 7,029,479	\$ 8,623,122	\$ 9,527,711	\$ 9,666,718	\$ 9,282,817
5,459,290	4,432,950	3,210,557	2,786,843	2,925,573	4,054,466
(41,262,947)	(43,377,711)	(45,895,435)	658,256	(628,426)	(2,556,104)
<u>\$ (27,865,727)</u>	<u>\$ (31,915,282)</u>	<u>\$ (34,061,756)</u>	<u>\$ 12,972,810</u>	<u>\$ 11,963,865</u>	<u>\$ 10,781,179</u>

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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Expenses	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Governmental activities:				
Instruction:				
Regular	\$ 20,346,432	\$ 17,137,843	\$ 8,090,869	\$ 19,307,806
Special	7,894,961	6,217,377	3,509,742	6,713,613
Vocational	724,604	731,305	647,675	567,967
Other	477,700	458,388	188,841	549,894
Support services:				
Pupil	3,053,681	2,733,097	1,442,568	2,811,087
Instructional staff	969,685	918,793	666,999	953,686
Board of education	39,096	37,583	32,277	48,981
Administration	2,707,337	2,170,306	1,008,802	2,690,493
Fiscal	1,253,823	1,171,121	991,036	1,288,588
Business	473,683	442,729	328,344	336,886
Operations and maintenance	5,334,295	3,378,757	3,210,899	3,837,449
Pupil transportation	1,882,075	1,777,109	1,033,757	1,825,510
Central	1,338,267	1,221,385	938,451	1,249,020
Operation of non-instructional services:				
Food service operations	492,439	494,086	302,939	515,304
Other non-instructional services	1,398,257	1,282,629	1,542,790	1,673,845
Extracurricular activities	1,668,819	1,579,480	1,101,585	1,839,512
Interest and fiscal charges	1,747,184	1,760,346	1,766,519	1,845,834
Total governmental activities expenses	<u>51,802,338</u>	<u>43,512,334</u>	<u>26,804,093</u>	<u>48,055,475</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 17,091,513	\$ 16,546,508	\$ 16,298,898	\$ 15,417,387	\$ 14,736,546	\$ 16,667,445
5,528,063	5,294,245	5,449,465	4,540,779	4,255,107	4,360,242
575,640	571,305	626,356	524,835	559,365	423,993
482,378	378,902	31,647	40,578	38,196	30,088
2,271,806	2,278,495	2,314,205	2,161,345	2,160,361	2,639,569
958,588	898,872	859,521	1,472,831	1,470,997	677,425
39,207	43,966	37,217	33,534	37,005	36,911
2,393,423	2,262,717	2,096,746	1,995,774	1,841,920	2,104,742
1,151,899	1,127,433	1,042,007	1,011,056	1,056,593	814,365
621,087	672,249	596,468	602,245	533,510	548,013
3,903,847	3,894,476	4,499,876	3,923,545	3,565,530	4,085,468
1,696,185	1,852,909	2,210,219	1,791,764	1,804,987	1,803,409
1,098,364	1,101,607	1,078,882	1,104,954	870,089	678,328
455,659	435,311	486,890	449,119	433,770	459,911
1,538,558	1,746,340	1,322,546	1,583,653	1,439,606	1,731,691
1,723,651	1,925,428	1,697,129	1,480,834	1,291,766	1,394,445
1,992,131	2,588,663	2,852,591	2,932,133	3,085,191	2,738,383
<u>43,521,999</u>	<u>43,619,426</u>	<u>43,500,663</u>	<u>41,066,366</u>	<u>39,180,539</u>	<u>41,194,428</u>

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

CHANGES IN NET POSITION - (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Program Revenues	2020	2019	2018	2017
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 519,051	\$ 547,457	\$ 501,023	\$ 366,065
Special	51,621	39,930	70,624	13,226
Support services:				
Pupil	92,425	123,905	142,780	155,167
Instructional staff	1,312	1,178	2,572	305
Administration	-	-	-	-
Fiscal	35	4,490	5,324	7,593
Business	-	-	-	-
Operations and maintenance	245,540	213,232	182,604	139,807
Pupil transportation	42,985	69,320	80,920	72,333
Central	4,883	5,380	6,888	6,254
Operation of non-instructional services:				
Food service operations	342,651	391,257	365,509	367,643
Other non-instructional services	25,005	28,090	26,720	25,584
Extracurricular activities	236,971	241,357	256,651	248,770
Operating grants and contributions:				
Instruction:				
Regular	157,435	95,696	61,848	84,299
Special	892,123	867,605	927,270	938,068
Vocational	2,964	2,964	2,964	2,962
Support services:				
Pupil	362,331	269,727	192,810	198,734
Instructional staff	47,833	43,256	33,504	30,485
Administration	4,649	-	-	-
Business	-	-	1,038	-
Operations and maintenance	45,986	17,461	3,780	2,569
Pupil transportation	143,948	135,643	140,179	218,435
Central	24	205	103	324
Operation of non-instructional services:				
Food service operations	107,589	131,646	127,643	146,921
Other non-instructional services	1,480,998	1,382,850	1,390,846	1,582,125
Extracurricular activities	87,752	104,273	135,908	122,744
Capital grants and contributions:				
Instruction:				
Regular	-	-	-	-
Support services:				
Operations and maintenance	-	-	-	-
Extracurricular activities	313,548	-	-	-
Total governmental program revenues	<u>5,209,659</u>	<u>4,716,922</u>	<u>4,659,508</u>	<u>4,730,413</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (46,592,679)</u>	<u>\$ (38,795,412)</u>	<u>\$ (22,144,585)</u>	<u>\$ (43,325,062)</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	253,054	\$ 332,047	\$ 343,724	\$ 421,296	\$ 367,012	\$ 404,870
	3,799	7,528	-	6,176	30,042	-
	154,796	113,570	116,031	141,136	74,489	74,474
	1,744	777	201	-	-	-
	-	-	605	-	-	43,429
	288	1,212	1,188	3,198	12,151	9,619
	-	-	13,182	17,456	67,312	61,696
	184,144	367,036	14,899	-	16,646	53,775
	56,084	47,669	124,667	54,696	53,567	6,947
	4,349	5,818	9,416	11,999	-	-
	359,323	312,307	279,003	303,142	300,500	317,847
	28,150	32,031	39,280	27,531	26,738	29,156
	366,800	369,914	287,251	275,558	209,067	372,949
	86,272	59,751	94,731	89,649	48,282	228,097
	882,199	836,860	1,039,051	572,528	510,184	825,341
	3,022	3,782	4,438	-	-	-
	209,450	222,361	264,780	240,918	217,192	330,673
	29,155	33,347	43,232	121,831	115,283	86,519
	-	-	-	-	-	4,138
	-	-	-	2,334	-	-
	-	18,423	-	9,336	-	-
	124,038	150,268	142,774	119,369	110,365	95,618
	17	-	-	-	-	6,145
	103,178	119,743	99,674	90,694	116,327	112,829
	1,550,917	1,571,728	1,474,629	1,422,990	1,431,212	1,397,654
	132,802	116,957	114,758	117,985	87,435	18,441
	2,000	7,000	-	40,274	-	-
	-	16,175	142,070	-	-	-
	-	7,500	-	-	-	-
	<u>4,535,581</u>	<u>4,753,804</u>	<u>4,649,584</u>	<u>4,090,096</u>	<u>3,793,804</u>	<u>4,480,217</u>
	<u>\$ (38,986,418)</u>	<u>\$ (38,865,622)</u>	<u>\$ (38,851,079)</u>	<u>\$ (36,976,270)</u>	<u>\$ (35,386,735)</u>	<u>\$ (36,714,211)</u>

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

CHANGES IN NET POSITION - (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 31,575,162	\$ 34,704,733	\$ 32,438,618	\$ 26,689,995
Debt service	2,510,297	2,641,386	2,372,836	3,835,280
Capital outlay	701,820	776,002	634,832	298,684
Payments in lieu of taxes	424,190	334,634	107,689	-
Grants and entitlements not restricted to specific programs	5,871,435	6,341,196	6,352,566	6,474,502
Investment earnings	503,779	384,075	178,329	107,115
Gain on sale of lease revenue	-	-	-	-
Gain on sale of capital assets	-	-	-	-
Miscellaneous	245,280	160,398	239,668	177,688
Total governmental activities	<u>41,831,963</u>	<u>45,342,424</u>	<u>42,324,538</u>	<u>37,583,264</u>
 Change in Net Position				
Governmental activities	<u>\$ (4,760,716)</u>	<u>\$ 6,547,012</u>	<u>\$ 20,179,953</u>	<u>\$ (5,741,798)</u>

Source: School District financial records.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 31,323,703	\$ 29,517,041	\$ 30,643,867	\$ 26,812,721	\$ 25,455,709	\$ 25,017,106
4,661,835	4,170,723	4,289,516	3,757,568	3,876,812	3,494,806
359,481	320,871	249,019	-	-	-
-	-	-	-	-	-
6,413,061	6,698,371	6,770,388	6,615,122	6,828,628	7,196,864
95,231	73,717	46,764	64,417	158,482	166,881
-	-	-	495,579	-	-
47,358	-	-	-	-	-
135,304	231,373	407,580	239,808	249,790	203,200
<u>43,035,973</u>	<u>41,012,096</u>	<u>42,407,134</u>	<u>37,985,215</u>	<u>36,569,421</u>	<u>36,078,857</u>
<u>\$ 4,049,555</u>	<u>\$ 2,146,474</u>	<u>\$ 3,556,055</u>	<u>\$ 1,008,945</u>	<u>\$ 1,182,686</u>	<u>\$ (635,354)</u>

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

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019 (2)</u>	<u>2018</u>	<u>2017</u>
General Fund:				
Nonspendable	\$ 147,852	\$ 130,415	\$ 162,384	\$ 126,008
Assigned	4,029,688	1,404,909	737,205	789,323
Unassigned	<u>2,462,115</u>	<u>7,814,413</u>	<u>7,341,853</u>	<u>6,470,982</u>
Total general fund	<u>\$ 6,639,655</u>	<u>\$ 9,349,737</u>	<u>\$ 8,241,442</u>	<u>\$ 7,386,313</u>
All Other Governmental Funds:				
Nonspendable	\$ 2,168	\$ 3,142	\$ 1,318	\$ 2,960
Restricted	4,208,472	4,139,707	5,998,192	6,579,423
Committed	933,284	968,918	455,750	218,940
Unassigned (deficit)	<u>(18,203)</u>	<u>(179,151)</u>	<u>(29,139)</u>	<u>(22,498)</u>
Total all other governmental funds	<u>\$ 5,125,721</u>	<u>\$ 4,932,616</u>	<u>\$ 6,426,121</u>	<u>\$ 6,778,825</u>
Total governmental funds	<u>\$ 11,765,376</u>	<u>\$ 14,282,353</u>	<u>\$ 14,667,563</u>	<u>\$ 14,165,138</u>

Source: School District financial records.

Note (1): In fiscal year 2011, the District has implemented GASB 54, which reclassified fund balances and some fund types to the general fund.

Note (2) The District implemented GASB Statement No. 84 in 2020.
Amounts for 2019 have been restated to reflect the implementation of these statements.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>
\$ 199,985	\$ 185,417	\$ 58,976	\$ 44,111	\$ 56,091	\$ 65,417
1,348,877	1,845,865	528,029	541,757	1,219,015	1,220,021
9,432,384	7,097,332	6,883,904	2,546,542	733,396	359,644
<u>\$ 10,981,246</u>	<u>\$ 9,128,614</u>	<u>\$ 7,470,909</u>	<u>\$ 3,132,410</u>	<u>\$ 2,008,502</u>	<u>\$ 1,645,082</u>
\$ 974	\$ 718	\$ 790	\$ 873	\$ 9,808	\$ 14,767
5,667,592	4,758,961	3,768,459	8,582,860	22,932,638	41,177,372
9,065	23,970	437,820	602,245	68,519	56,079
(184,780)	(6,776)	(5,084)	(6,106)	(3,541)	(2,264)
<u>\$ 5,492,851</u>	<u>\$ 4,776,873</u>	<u>\$ 4,201,985</u>	<u>\$ 9,179,872</u>	<u>\$ 23,007,424</u>	<u>\$ 41,245,954</u>
<u>\$ 16,474,097</u>	<u>\$ 13,905,487</u>	<u>\$ 11,672,894</u>	<u>\$ 12,312,282</u>	<u>\$ 25,015,926</u>	<u>\$ 42,891,036</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues				
From local sources:				
Property taxes	\$ 34,453,307	\$ 38,044,761	\$ 35,548,181	\$ 30,837,750
Payment in lieu of taxes	424,190	334,634	107,689	-
Tuition	413,700	366,879	403,932	193,822
Transportation fees	42,982	65,568	65,898	74,079
Earnings on investments	516,487	391,447	186,883	118,459
Charges for services	342,651	391,257	365,509	367,643
Extracurricular activities	267,789	286,393	315,480	304,111
Classroom materials and fees	191,681	222,374	218,045	212,573
Rental income	247,087	267,355	218,904	214,859
Contributions and donations	412,582	138,605	105,213	125,642
Contract services	56,589	61,858	53,387	62,319
Other local revenues	190,997	267,366	231,473	243,526
Intergovernmental - Intermediate	-	-	-	-
Intergovernmental - State	7,492,909	7,532,988	7,558,465	7,776,501
Intergovernmental - Federal	1,495,906	1,629,339	1,603,030	1,792,070
Total revenues	<u>46,548,857</u>	<u>50,000,824</u>	<u>46,982,089</u>	<u>42,323,354</u>
Expenditures				
Current:				
Instruction:				
Regular	18,257,944	18,075,687	17,212,053	16,864,012
Special	7,152,333	6,645,516	6,391,689	5,955,869
Vocational	692,332	698,988	632,171	540,859
Other	424,512	500,038	515,141	515,041
Current:				
Pupil	2,782,590	2,866,410	2,624,818	2,512,204
Instructional staff	833,400	885,336	932,219	853,338
Board of education	35,222	37,330	39,939	45,599
Administration	2,395,744	2,391,032	2,334,012	2,279,442
Fiscal	1,191,701	1,186,227	1,266,821	1,156,463
Business	436,916	450,381	419,973	471,933
Operations and maintenance	4,961,188	4,428,517	4,264,023	3,918,522
Pupil transportation	1,730,128	1,862,885	1,601,581	1,892,881
Central	859,262	820,665	791,777	726,897
Operation of non-instructional services:				
Food service operations	459,372	505,545	468,705	458,771
Other non-instructional services	1,463,558	1,359,993	1,561,652	1,616,783
Extracurricular activities	1,395,880	1,557,131	1,615,369	1,561,844
Facilities acquisitions and construction	1,123,591	2,646,732	911,409	290,934
Debt service:				
Principal retirement	2,862,084	2,589,866	4,260,759	2,960,900
Interest and fiscal charges	1,729,438	1,745,512	1,762,830	1,800,365
Bond issuance costs	-	-	-	65,195
Total expenditures	<u>50,787,195</u>	<u>51,253,791</u>	<u>49,606,941</u>	<u>46,487,852</u>
Excess of revenues over (under) expenditures	(4,238,338)	(1,252,967)	(2,624,852)	(4,164,498)
Other Financing Sources (Uses)				
Transfers in	466,953	272,350	1,225,000	125,000
Transfers (out)	(471,953)	(277,350)	(1,225,000)	(125,000)
Inception of lease-purchase transactions	1,595,995	635,422	3,000,000	2,266,000
Insurance proceeds	130,366	24,853	127,277	-
Sale of capital assets	-	-	-	19,744
Premium on bonds issued	-	-	-	500,191
Issuance of bonds	-	-	-	7,440,000
Payment to refunded bond escrow agent	-	-	-	(8,370,396)
Total other financing sources (uses)	<u>1,721,361</u>	<u>655,275</u>	<u>3,127,277</u>	<u>1,855,539</u>
Net change in fund balances	<u>\$ (2,516,977)</u>	<u>\$ (597,692)</u>	<u>\$ 502,425</u>	<u>\$ (2,308,959)</u>
Capital expenditures (included in expenditures above)	2,735,529	4,199,217	1,092,816	1,523,070
Debt service principal and interest as a percentage of noncapital expenditures	9.56%	9.21%	12.42%	10.59%

Source: School District financial records.

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$	36,291,859	\$ 34,070,103	\$ 35,291,160	\$ 30,960,931	\$ 28,831,318	\$ 28,521,440
	-	-	-	-	-	-
	65,712	130,422	126,906	84,547	88,948	69,593
	64,073	57,891	54,372	78,071	9,088	7,004
	94,265	70,043	45,442	85,906	159,598	150,324
	348,458	312,307	279,003	303,142	300,500	317,847
	391,027	378,655	268,776	290,281	199,979	281,985
	236,165	194,115	212,639	200,480	247,676	257,072
	200,034	215,630	217,150	245,982	239,878	98,075
	157,015	138,762	163,651	168,669	70,922	269,203
	108,476	130,875	100,601	116,085	105,055	103,098
	230,771	314,300	537,491	785,111	312,798	287,160
	-	-	-	-	38,866	-
	7,656,758	7,731,072	7,618,520	6,952,881	7,071,095	7,711,068
	1,611,986	1,888,511	2,190,815	2,202,342	2,404,810	2,418,011
	<u>47,456,599</u>	<u>45,632,686</u>	<u>47,106,526</u>	<u>42,474,428</u>	<u>40,080,531</u>	<u>40,491,880</u>
	16,220,433	15,489,863	15,024,382	15,372,846	14,512,892	15,293,849
	5,393,621	5,115,014	5,158,739	4,334,903	4,068,858	4,228,153
	549,687	545,158	603,251	509,236	537,264	407,817
	459,907	322,928	30,480	39,439	40,233	28,808
	2,300,683	2,270,790	2,179,148	2,194,626	2,212,290	2,367,578
	944,928	838,728	813,764	1,419,784	1,417,043	712,031
	36,254	40,989	35,077	32,012	35,785	35,503
	2,349,706	2,195,048	1,986,935	1,880,084	1,818,026	2,059,252
	1,105,800	1,076,153	1,004,009	974,167	1,012,905	781,896
	526,389	546,672	614,260	597,525	520,189	492,901
	4,426,113	3,781,541	3,895,820	3,649,831	3,406,352	3,617,987
	1,667,101	1,621,945	2,036,363	1,635,614	1,733,713	1,635,298
	669,544	659,067	712,571	766,496	743,407	689,364
	427,629	398,302	420,881	419,234	433,324	442,084
	1,467,995	1,639,375	1,269,621	1,627,731	1,358,160	1,665,163
	1,564,410	1,727,562	1,481,407	1,496,981	1,191,961	1,343,061
	8,870	836,697	6,336,134	14,273,590	17,339,334	4,885,284
	2,811,936	1,947,298	1,892,300	1,758,871	2,583,193	2,526,880
	2,019,518	2,358,615	2,840,827	2,921,922	3,001,103	2,290,403
	-	300,739	-	-	-	435,150
	<u>44,950,524</u>	<u>43,712,484</u>	<u>48,335,969</u>	<u>55,904,892</u>	<u>57,966,032</u>	<u>45,938,462</u>
	2,506,075	1,920,202	(1,229,443)	(13,430,464)	(17,885,501)	(5,446,582)
	100,400	124,000	310,000	60,000	50,000	30,378
	(100,400)	(124,000)	(310,000)	(60,000)	(50,000)	(30,378)
	-	-	569,487	725,000	-	100,000
	-	-	-	-	-	-
	62,535	10,799	20,568	1,820	10,391	-
	-	837,902	-	-	-	443,449
	-	28,250,000	-	-	-	42,900,000
	-	(28,786,310)	-	-	-	-
	<u>62,535</u>	<u>312,391</u>	<u>590,055</u>	<u>726,820</u>	<u>10,391</u>	<u>43,443,449</u>
\$	<u>2,568,610</u>	<u>\$ 2,232,593</u>	<u>\$ (639,388)</u>	<u>\$ (12,703,644)</u>	<u>\$ (17,875,110)</u>	<u>\$ 37,996,867</u>
	1,210,801	850,762	5,792,412	15,119,412	17,631,972	4,885,284
	11.05%	10.05%	11.13%	11.48%	13.85%	11.73%

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

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

Collection Year	Real Property		Public Utility		Total	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value
2020	\$ 910,033,840	\$ 2,600,096,686	\$ 11,618,400	\$ 13,202,727	\$ 921,652,240	\$ 2,613,299,413
2019	903,744,990	2,582,128,543	10,880,040	12,363,682	914,625,030	2,594,492,225
2018	773,047,770	2,208,707,914	10,486,080	11,916,000	783,533,850	2,220,623,914
2017	773,143,600	2,208,981,714	9,792,220	11,127,523	782,935,820	2,220,109,237
2016 (3)	762,010,490	2,177,172,829	9,249,080	10,510,318	771,259,570	2,187,683,147
2015	705,022,610	2,014,350,314	9,091,230	10,330,943	714,113,840	2,024,681,257
2014	699,150,170	1,997,571,914	8,655,880	9,836,227	707,806,050	2,007,408,142
2013 (2)	697,315,460	1,992,329,886	7,754,640	8,812,091	705,070,100	2,001,141,977
2012	699,829,940	1,999,514,114	7,105,100	8,073,977	706,935,040	2,007,588,092
2011	703,240,090	2,009,257,400	6,831,460	7,763,023	710,071,550	2,017,020,423

Source: Cuyahoga County Fiscal Officer's Office.

Note (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.

Note (2): Reappraisal of property values.

Note (3): Triennial update of property values.

<u>%</u>	<u>Direct Tax Rates</u>
35.27%	\$ 91.37
35.25%	91.57
35.28%	90.97
35.27%	89.55
35.25%	89.55
35.27%	89.55
35.26%	89.55
35.23%	89.45
35.21%	84.35
35.20%	84.30

**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		
2019/2020	21.83	6.10	10.68	82.90	3.40	0.50	4.57	91.37
2018/2019	21.43	6.10	10.68	82.90	3.60	0.50	4.57	91.57
2017/2018	21.43	6.10	10.80	82.90	2.50	0.50	5.07	90.97
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

Source: Cuyahoga County Fiscal Officer's Office.

Note (1): Includes 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, 2019 AND DECEMBER 31, 2010

December 31, 2019			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Inland Westgate, LLC	\$ 23,633,910	1	2.60%
Rocky River Apartments, LLC	8,801,100	2	0.97%
Westwood Town Center LLC	7,390,680	3	0.81%
Normandy II Limited Partnership	4,849,460	4	0.53%
Beachcliff Market LLC	4,346,030	5	0.48%
Target Corporation	3,804,050	6	0.42%
SPK Perrysburg Associates LLC	3,797,050	7	0.42%
Presidential Apts Ltd	3,177,450	8	0.35%
Westwood Country Club Co.	3,121,130	9	0.34%
Beachcliff Place Apartments LLC	2,957,260	10	0.32%
Total	\$ 65,878,120		7.24%
Total Real Estate Valuation	\$ 910,033,840		

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Real Estate Assessed Value
Westgate Mall, LLC	\$ 13,003,730	1	1.85%
Westwood Town Center	7,274,720	2	1.03%
Normandy Associates, Ltd.	5,324,110	3	0.76%
Presidential Apartments Ltd.	3,992,940	4	0.57%
Beachcliff Properties	3,633,500	5	0.52%
Westwood Country Club	3,262,770	6	0.46%
W & F Plaza Investments	2,624,310	7	0.37%
Linden Apartments Co.	2,548,600	8	0.36%
Gross Management, Inc.	2,500,790	9	0.36%
SRK Perrysburg Association, LLC	2,456,580	10	0.35%
Total	\$ 46,622,050		6.63%
Total Real Estate Valuation	\$ 703,240,090		

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, 2019 AND DECEMBER 31, 2010

December 31, 2019			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Personal Property and Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 7,957,690	1	68.49%
American Transmission Systems Company	2,522,980	2	21.72%
East Ohio Gas Company	1,137,730	3	9.79%
Total	\$ 11,618,400		100.00%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 11,618,400		

December 31, 2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Tangible Personal Property and Public Utility Assessed Value
Cleveland Electric Illuminating Company	\$ 5,640,600	1	82.57%
East Ohio Gas Company	746,780	2	10.93%
American Transmission Systems Company	444,080	3	6.50%
Norfolk Southern	25,750	4	0.38%
Total	\$ 6,857,210		100.38%
Total Tangible Personal Property and Public Utility Assessed Valuation	\$ 6,831,460		

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2019/2020	\$ 42,503,602	\$ 990,680	\$ 43,494,282	\$ 41,146,189	96.81%
2018/2019	42,402,024	1,222,374	43,624,398	41,698,084	98.34%
2017/2018	40,342,966	1,197,680	41,540,646	39,543,266	98.02%
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%

Source: Cuyahoga County Fiscal Officer's Office.

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 701,979	\$ 41,848,168	96.22%
934,472	42,632,556	97.73%
701,407	40,244,673	96.88%
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%

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

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		(1) Total Primary Government	(2) Per Capita	(2) Per ADM	(3) Percentage of Personal Income
	General Obligation Bonds	Lease Purchase Obligations				
2020	\$ 36,133,448	\$ 5,872,316	\$ 42,005,764	\$ 2,078	\$ 15,308	4.05%
2019	38,201,861	5,118,405	43,320,266	2,143	15,793	4.27%
2018	40,243,049	5,082,849	45,325,898	2,242	16,800	5.44%
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%

Source: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Note (1): Bonded debt includes accreted interest on capital appreciation bonds and unamortized premiums.

Note (2): See schedule " Demographic and Economic Statistic, Last Ten Years" for per capita personal income, population and enrollment information.

Note (3): 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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (2)	Per Capita (2)
	General Obligation Bonds (1)	Less: Net Position Restricted for Debt Service (2)	Net General Bonded Debt (2)		
2020	\$ 36,133,448	\$ 2,637,478	\$ 33,495,970	1.28%	\$ 1,657
2019	38,201,861	3,149,704	35,052,157	1.35%	1,734
2018	40,243,049	3,334,779	36,908,270	1.66%	1,826
2017	44,186,845	4,582,656	39,604,189	1.78%	1,959
2016	46,563,956	4,850,278	41,713,678	1.91%	2,064
2015	49,305,578	3,756,997	45,548,581	2.25%	2,253
2014	50,342,460	2,849,477	47,492,983	2.37%	2,350
2013	51,853,680	2,681,951	49,171,729	2.46%	2,433
2012	52,866,086	2,630,774	50,235,312	2.50%	2,485
2011	55,237,640	3,740,133	51,497,507	2.55%	2,548

Source: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Note (1): Includes unamortized premiums and accreted interest on capital appreciation bonds.

Note (2): Amounts and calculations have been updated for 2017-2010 to reflect the net position restricted for debt service.

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt:			
Rocky River City School District (2)	\$ 42,005,764	100.00%	\$ 42,005,764
Total direct debt	<u>42,005,764</u>		<u>42,005,764</u>
Overlapping debt:			
City of Rocky River	6,050,684	100.00%	6,050,684
Cuyahoga County	200,766,146	3.02%	6,059,500
City of Fairview Park	18,715,794	8.09%	1,514,698
Total overlapping debt	<u>225,532,624</u>		<u>13,624,883</u>
Total direct and overlapping debt	<u>\$ 267,538,388</u>		<u>\$ 55,630,647</u>

Source: Cuyahoga County Fiscal Officer.

Note (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 2018 tax year/2019 collection year. Outstanding debt for all other subdivisions includes general obligation debt only as of 12/31/18.

Note (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

Fiscal Year (1)	Voted Debt Limit (2)	Total Debt Applicable to Limit (3)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin (2)	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2020	\$ 82,948,702	\$ 34,520,000	\$ 3,002,620	\$ 31,517,380	\$ 51,431,322	38.00%
2019	82,316,253	36,540,000	3,488,364	33,051,636	49,264,617	40.15%
2018	70,518,047	38,530,000	3,663,267	34,866,733	35,651,314	49.44%
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%

Voted Debt Limit Calculation for Fiscal Year 2020

Assessed Value	\$ 921,652,240
Debt Limit (9% of assessed value)	X 9%
Voted Debt Limit	<u>\$ 82,948,702</u>

Source: Cuyahoga County Fiscal Officer and District financial records.

Note (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 2010-2011.

Note (2): Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt.

Note (3): 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>
2020	20,213	\$ 51,300	\$1,036,926,900	46	2,744	6.6%	10.9%	6.7%
2019	20,213	50,217	1,015,036,221	46	2,743	4.9%	4.0%	3.7%
2018	20,213	41,207	832,917,091	46	2,698	4.7%	4.6%	3.7%
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%

Sources:

Note (1): U. S. Census Bureau - 2000 and 2010 Census

Note (2): District records

Note (3): www.economagic.com

Note (4): "population" times "per capital personal income"

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

<u>Employer</u>	<u>December 31, 2019</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment per Number of Employees</u>
City of Rocky River	657	6.81%
Rocky River Board of Education	549	5.69%
Normandy Manor of Rocky River	424	4.39%
Minute Men Select	365	3.78%
Westwood Country Club Co.	302	3.13%
Riser Foods Co.	276	2.86%
Magnificat High School	252	2.61%
The Women's Welsh club of America	244	2.53%
Cleveland Yacht Club Inc.	240	2.49%
Whole Foods Market Group, Inc.	240	2.49%
Total	<u>3,549</u>	<u>36.78%</u>
Total Number of Employees (1), (2)	<u>9,649</u>	

<u>Employer</u>	<u>December 31, 2010</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment per Number of Employees</u>
City of Rocky River	729	5.57%
Rocky River City School District	623	4.76%
Westwood Country Club Co.	240	1.83%
Marc Glassman Inc.	239	1.83%
Cleveland Yacht Club Inc.	237	1.81%
Magnificat High School	199	1.52%
Heinens Inc.	195	1.49%
Cuyahoga County SAW Inc.	190	1.45%
CRS Marketing Services, Inc.	159	1.22%
Riser Foods	143	1.09%
Total	<u>2,954</u>	<u>22.57%</u>
Total Number of Employees (1), (3)	<u>13,085</u>	

Source: City of Rocky River; City of Cleveland - Central Collection Agency (CCA)

Note (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

Note (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.

Note (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

Type	2020	2019	2018	2017	2016	2015
Professional Staff:						
Teaching Staff:						
Elementary	32.57	32.49	28.57	29.39	26.16	25.54
Intermediate	34.19	35.63	37.21	37.01	35.28	32.62
Middle	45.22	45.10	45.99	44.57	42.28	39.28
High	56.56	57.75	55.41	59.09	55.03	53.74
Tutors	24.74	22.43	27.52	29.89	29.12	27.17
Others						2.92
Administration	19.50	19.50	18.50	17.50	18.50	19.50
Auxiliary Positions:						
Counselors	7.00	7.00	7.00	7.00	7.00	7.00
Speech	3.00	3.00	3.00	4.00	2.80	2.80
Mental Health Specialists	3.00	3.00	3.00	3.00	2.00	2.00
Occupational/Physical Therapy	0.93	0.93	1.26	0.86	0.86	0.86
Support Staff:						
Secretarial	26.70	27.70	29.70	24.00	29.70	29.70
Aides	28.13	26.13	26.51	33.88	33.93	31.74
Learning Assistants	1.89	1.89	1.89	1.53	1.89	1.89
Lunch and Hall Monitors/Security	4.34	4.34	5.34	3.45	3.88	4.21
Cooks/Food Service	4.99	5.05	4.52	5.18	4.52	4.52
Custodial	23.90	23.90	23.90	22.90	22.90	22.37
Maintenance	6.00	6.00	6.00	6.00	6.00	6.00
Bus Driver	13.12	13.41	13.00	16.05	13.12	13.10
Mechanics	2.00	2.00	2.00	2.00	2.00	2.00
Athletic Trainer						*
Other Central Support	1.00	1.00	1.00	1.00	2.00	1.87
Total	338.78	338.25	341.32	348.30	338.97	330.83
Function	2020	2019	2018	2017	2016	2015
Instruction:						
Regular	142.43	136.76	138.76	142.69	150.23	144.65
Special	72.79	71.09	69.24	75.19	65.79	63.79
Vocational	**	**	**	**	**	**
Other	6.52	8.98	10.63	11.13	5.00	5.43
Support Services:						
Pupil	21.27	21.27	21.41	16.36	13.30	13.20
Instructional staff	7.70	7.70	8.70	7.70	9.00	9.00
Administration	20.00	19.50	19.50	19.50	19.50	19.00
Fiscal	4.00	4.00	5.00	5.00	7.00	5.00
Business	2.75	2.75	3.25	2.50	2.75	2.55
Operations and maintenance	32.15	32.90	32.90	31.90	30.90	31.37
Pupil transportation	17.68	20.50	18.97	20.05	20.15	21.16
Central	4.00	5.25	5.25	4.45	3.75	3.75
Food Service Operations	5.49	5.55	5.71	9.13	8.90	9.23
Extracurricular activities	2.00	2.00	2.00	2.70	2.70	2.70
Total	338.78	338.25	341.32	348.30	338.97	330.83

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.

2014	2013	2012	2011
25.84	25.48	25.58	26.00
32.02	32.25	33.24	33.67
36.68	37.75	36.12	36.12
53.34	55.09	54.15	51.78
22.89	21.59	21.77	22.21
3.00	3.50	3.50	2.50
18.25	18.45	18.45	18.00
6.00	6.00	6.00	6.75
2.80	2.80	2.80	2.80
2.00	2.00	2.00	2.00
0.86	0.86	0.81	0.81
29.30	28.55	29.78	30.62
28.70	20.12	18.37	18.76
1.94	1.94	1.94	1.94
3.98	6.78	6.75	6.20
4.52	4.52	4.52	4.52
21.84	20.48	21.29	21.23
6.00	6.00	7.00	7.00
13.38	11.38	11.10	11.97
2.00	2.00	2.00	2.00
*	*	*	*
0.00	0.80	0.80	1.00
315.34	308.34	307.97	307.88

2014	2013	2012	2011
139.69	137.06	137.71	136.23
52.05	54.45	50.53	50.72
**	**	**	**
22.79	17.51	17.51	16.87
6.75	6.75	6.75	7.75
12.00	12.00	12.00	12.00
19.05	19.25	19.25	18.80
5.00	4.00	4.00	4.28
1.00	1.00	1.00	1.00
28.84	27.48	30.29	30.23
17.38	17.82	17.41	18.28
3.07	3.07	3.07	3.27
5.02	5.25	5.75	5.75
2.70	2.70	2.70	2.70
315.34	308.34	307.97	307.88

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

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2020	2019	2018	2017	2016
Instruction:					
Regular, Special and Vocational					
Enrollment (students)	2,744	2,743	2,698	2,693	2,749
Graduation Count	222	206	213	214	221
Graduation Rate	99.50%	98.60%	99.10%	99.00%	99.50%
Student attendance rate	96.90%	96.20%	94.80%	96.70%	96.90%
Support services:					
Board of education					
Regular meetings per year (based on calendar year)	22	22	21	21	22
Special meetings per year (based on calendar year)	22	23	12	15	6
Administration					
Teacher attendance rate	95.00%	94.90%	94.80%	95.10%	95.60%
Fiscal					
Nonpayroll checks issued	3,156	3,073	3,200	3,185	3,516
Payroll checks/direct deposits issued	9,699	10,416	10,305	10,378	10,126
Operations and maintenance					
Work orders completed (1)	1,455	1,241	1,117	1,179	572
Square footage maintained	537,975	537,975	537,975	537,975	537,975
Pupil transportation					
Avg. students transported daily	1,171	1,152	1,059	1,101	1,152
Food service operations					
Meals served to students (2)	36,769	68,470	60,115	63,558	64,460
Milk served to students (2)	46,171	66,239	68,546	66,938	66,662
Percentage of students receiving free/reduced cost meals	10.48%	11.82%	11.93%	10.75%	13.28%

Source: School District records and Ohio Department of Education.

Note (1): 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.

Note (2): The District does not operate a lunch program for its two elementary buildings, but does serve milk to students in these buildings.

2015	2014	2013	2012	2011
2,770	2,693	2,635	2,636	2,612
209	223	202	229	229
98.50%	99.55%	98.06%	99.13%	96.20%
96.70%	96.80%	96.30%	96.50%	96.40%
22	22	22	22	22
6	6	12	10	11
94.95%	95.70%	95.90%	96.50%	95.70%
3,970	4,225	3,990	4,131	4,239
9,813	10,273	10,868	10,941	10,958
573	615	1,200	1,200	1,000
537,975	537,095	537,975	535,015	504,168
1,193	1,170	1,202	1,116	1,110
64,539	62,605	60,711	77,879	82,408
49,221	43,235	42,000	54,393	38,498
13.18%	12.95%	12.83%	12.78%	11.03%

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Land	\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821
Construction in progress	699,068	572,889	44,550	649,050
Land improvements	2,445,718	2,328,565	2,437,595	3,536,900
Building/improvements	43,672,251	45,628,305	45,113,280	44,947,579
Furniture/equipment	2,974,930	2,066,966	2,263,804	1,753,428
Vehicles	906,545	887,722	918,391	1,030,255
Total Governmental Activities Capital Assets, net	<u><u>\$ 51,469,333</u></u>	<u><u>\$ 52,255,268</u></u>	<u><u>\$ 51,548,441</u></u>	<u><u>\$ 52,688,033</u></u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

2016	2015	2014	2013	2012	2011
\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821	\$ 770,821
-	-	-	25,327,818	18,357,047	4,572,353
3,722,609	3,816,389	3,924,636	1,536,262	1,163,807	1,192,029
47,252,361	49,264,283	51,305,610	25,051,022	20,143,772	18,722,146
1,802,707	1,735,042	2,004,474	2,476,517	1,635,959	1,076,685
812,480	726,158	744,293	477,868	562,458	568,269
<u>\$ 54,360,978</u>	<u>\$ 56,312,693</u>	<u>\$ 58,749,834</u>	<u>\$ 55,640,308</u>	<u>\$ 42,633,864</u>	<u>\$ 26,902,303</u>

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

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Goldwood Elementary (1927)						
Square feet	57,150	57,150	57,150	57,150	57,150	57,150
Capacity (students)	655	655	655	655	655	667
Enrollment	579	536	487	544	595	606
Kensington Intermediate (1926)						
Square feet	68,980	68,980	68,980	68,980	68,980	68,980
Capacity (students)	697	697	697	697	697	711
Enrollment	545	578	609	612	634	646
Rocky River Middle School (2000)						
Square feet	107,000	107,000	107,000	107,000	107,000	107,000
Capacity (students)	724	724	724	724	724	722
Enrollment	658	671	677	672	658	656
Rocky River High School (1950)						
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	876	876	850	844	854	855
Beach Education Center (1930)						
Square feet	37,780	37,780	37,780	37,780	37,780	37,780
Capacity (students)	120	120	120	-	-	-
Enrollment	86	82	75	N/A	N/A	N/A
Wooster Road Elementary (1955)						
Square feet	19,172	19,172	19,172	19,172	19,172	19,172
Capacity (students)	0	0	0	0	0	0
Enrollment	**	**	**	**	**	**
Total Square Feet	537,975	537,975	537,975	537,975	537,975	537,975
Total Capacity	3,296	3,296	3,296	3,176	3,176	3,199
Total Enrollment ***	2,744	2,743	2,698	2,672	2,741	2,763

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.

2014	2013	2012	2011
57,150	57,150	55,070	55,070
645	588	588	588
586	565	579	546
68,100	68,980	68,100	68,100
682	610	610	596
620	592	582	556
107,000	107,000	107,000	110,000
684	659	659	659
622	625	610	632
247,893	247,893	247,893	214,046
1,100	1,100	1,100	936
865	853	865	878
37,780	37,780	37,780	37,780
-	-	150	404
N/A	N/A	N/A	*
19,172	19,172	19,172	19,172
0	0	0	205
**	**	**	**
537,095	537,975	535,015	504,168
3,111	2,957	3,107	3,388
2,693	2,635	2,636	2,612

**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		
2020	\$ 46,195,673	\$ 16,835	\$ 50,055,154	\$ 18,242	2,744	0.04%
2019	46,918,413	17,105	41,751,988	15,221	2,743	1.67%
2018	43,583,352	16,154	25,037,574	9,280	2,698	0.19%
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%

Source: School District records.

Note (1): Debt Service totals have been excluded.

Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
185	14.83	96.90%
188	14.59	96.20%
188	14.35	94.80%
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%

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

CERTIFICATED TEACHING STAFF EDUCATION, EXPERIENCE AND AVERAGE SALARY INFORMATION
LAST TEN FISCAL YEARS

	2020		2019		2018		2017	
Education								
<i>College Degree Attained (Number of Staff/% of Total)</i>								
Bachelor's Degree	13	7.03%	13	6.91%	11	5.85%	11	5.85%
Bachelor's Degree + 9 hours	3	1.62%	3	1.60%	5	2.66%	8	4.26%
Bachelor's Degree + 18 hours	12	6.49%	13	6.91%	12	6.38%	11	5.85%
Master's Degree	72	38.92%	70	37.23%	72	38.30%	72	38.30%
Master's Degree + 9 hours	22	11.89%	26	13.83%	23	12.23%	26	13.83%
Master's Degree + 18 hours	22	11.89%	25	13.30%	26	13.83%	26	13.83%
Master's Degree + 27 hours	14	7.57%	12	6.38%	16	8.51%	11	5.85%
Master's Degree + 36 hours	26	14.05%	26	13.83%	23	12.23%	23	12.23%
PHD Ed	1	0.54%	0	0.00%	0	0.00%	0	0.00%
Total	185	100.00%	188	100.00%	188	100.00%	188	100.00%
Experience								
<i>Range of Years' Experience (Number of Staff/% of Total)</i>								
0 - 5	14	7.57%	14	7.45%	21	11.17%	24	12.77%
6 - 10	28	15.13%	37	19.68%	39	20.74%	41	21.81%
11 and over	143	77.30%	137	72.87%	128	68.09%	123	65.43%
Total	185	100.00%	188	100.00%	188	100.00%	188	100.00%
Average Teacher Salary	\$85,041		\$80,857		\$83,205		\$80,301	

Source: School District Records and Ohio Department of Education.

Note: Excludes administrators, tutors and other certificated personnel that are certified teachers under Ohio law.

2016		2015		2014		2013		2012		2011	
15	8.33%	8	4.68%	9	5.29%	10	5.88%	9	5.29%	4	2.41%
4	2.22%	4	2.34%	4	2.35%	4	2.35%	6	3.53%	9	5.42%
10	5.56%	16	9.36%	15	8.82%	19	11.18%	16	9.41%	18	10.84%
70	38.88%	61	35.67%	57	33.53%	55	32.35%	60	35.29%	55	33.13%
28	15.56%	29	16.96%	30	17.65%	28	16.47%	25	14.71%	23	13.86%
21	11.67%	20	11.70%	23	13.53%	21	12.35%	22	12.94%	21	12.65%
10	5.56%	11	6.43%	8	4.71%	9	5.29%	10	5.88%	13	7.83%
22	12.22%	22	12.86%	24	14.12%	24	14.12%	22	12.94%	23	13.86%
0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
180	100.00%	171	100.00%	170	100.00%	170	100.00%	170	100.00%	166	100.00%
24	13.33%	16	9.36%	18	10.59%	26	15.29%	29	17.06%	17	10.24%
38	21.11%	38	22.22%	42	24.71%	37	21.76%	37	21.76%	34	20.48%
118	65.56%	117	68.42%	110	64.71%	107	62.94%	104	61.18%	115	69.28%
180	100.00%	171	100.00%	170	100.00%	170	100.00%	170	100.00%	166	100.00%
\$77,195		\$75,969		\$70,512		\$72,456		\$72,800		\$73,950	

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Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020
Prepared by Treasurer's Office
Greg R. Markus, CPA, Treasurer/CFO



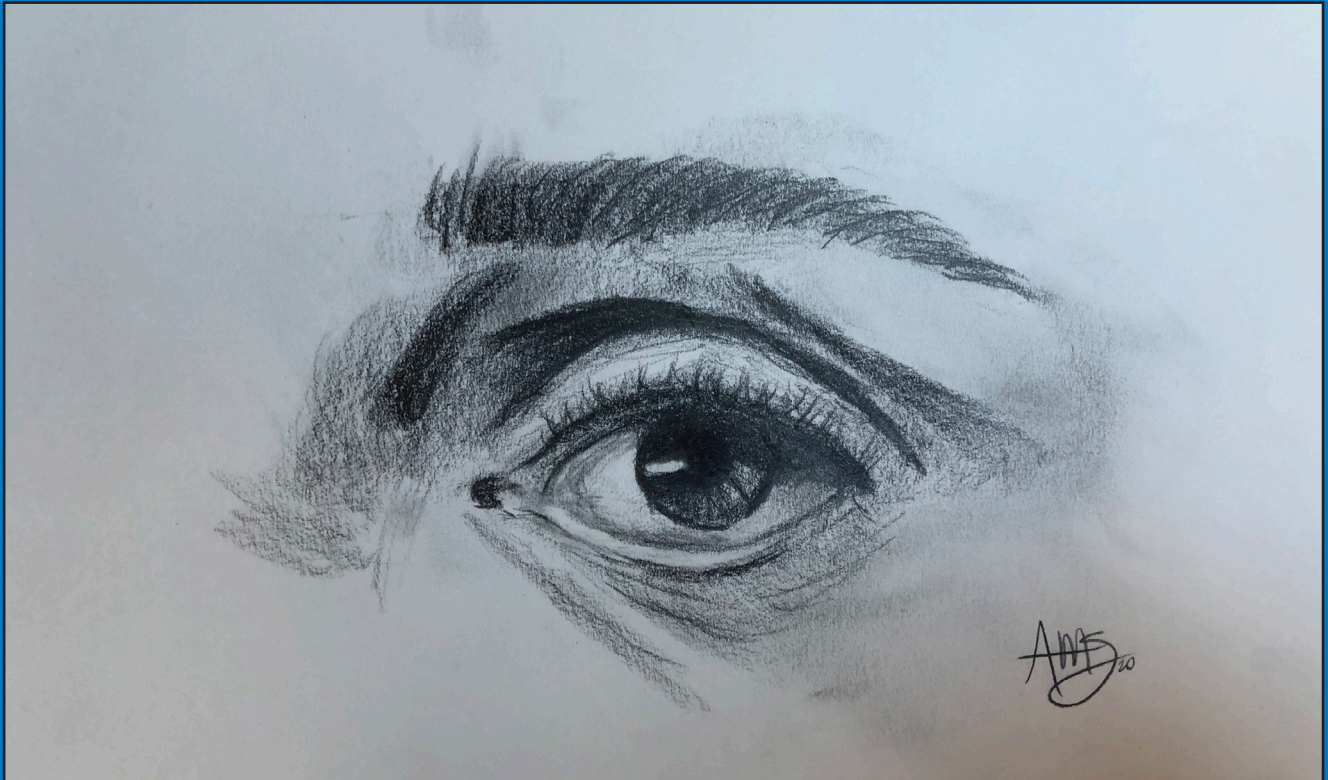
Kinley Lamb
Grade 3

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County | Ohio

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020
Prepared by Treasurer's Office
Greg R. Markus, CPA, Treasurer/CFO



Anna Skapoulas
RRHS Graduate

ROCKY RIVER CITY SCHOOL DISTRICT

Cuyahoga County | Ohio