



Dave Yost • Auditor of State



**ROOTSTOWN LOCAL SCHOOL DISTRICT  
STARK COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Rootstown Local School District  
Portage County  
4140 State Route 44  
Rootstown, Ohio 44272

To the Board of Education:

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rootstown Local School District, Portage County, Ohio (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Rootstown Local School District, Portage County, Ohio, as of June 30, 2014, and the respective changes in financial position thereof and the respective 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 2 to the financial statements, during the year ended June 30, 2014 the District adopted the provisions of Governmental Accounting Standard No. 65, *Items Previously Reported as Assets and Liabilities*. 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*, 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 Schedule of Federal Award Receipts and Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

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

January 28, 2015

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**Rootstown Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

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The discussion and analysis of the Rootstown Local School District's (the "School District") financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

***Financial Highlights***

Key financial highlights for 2014 are as follows:

- Net position increased \$1.2 million over fiscal year 2013.
- Capital assets increased \$95,637 during fiscal year 2014.
- During the year, outstanding notes decreased from \$200,000 to \$150,000 due to principal payments made by the School District.

***Using this Annual Report***

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the Rootstown Local School District as a whole 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 School District, presenting both an aggregate view of the School 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 as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the Rootstown Local School District, the general fund and the permanent improvement fund are by far the most significant funds.

***Reporting the School District as a Whole***

*Statement of Net Position and the Statement of Activities*

While the basic financial statements contain the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2014?" The *Statement of Net Position* and the *Statement of Activities* answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the *Statement of Net Position* and the *Statement of Activities*, Governmental Activities include the School District's programs and services, including instruction, support services, extracurricular activities, and non-instructional services, (e.g. food service operations).

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

***Fund Financial Statements***

The major funds financial statements begin on page 15. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions; however, these fund financial statements focus on the School District's most significant funds. The School District's only major governmental funds are the general fund and the permanent improvement fund.

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

***Reporting the School District's Fiduciary Responsibilities***

The School District is the trustee, or fiduciary, for some of its scholarship and foundation programs. This activity is presented as a private purpose trust fund. The School District also acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in three agency funds. The School District's fiduciary activities are reported in the separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position on pages 20 and 21. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's Net Position for 2014 compared to 2013:

**Table 1**  
**Net Position**

	Governmental Activities	
	2014	2013
<b>Assets</b>		
Current and Other Assets	\$ 9,328,090	\$ 8,897,548
Capital Assets	2,912,618	2,816,981
<i>Total Assets</i>	12,240,708	11,714,529
<b>Liabilities</b>		
Other Liabilities	1,315,652	1,352,005
Long-Term Liabilities	530,722	604,419
<i>Total Liabilities</i>	1,846,374	1,956,424
<b>Deferred Inflows of Resources</b>	4,782,212	5,297,297
<b>Net Position</b>		
Net Investment in Capital Assets	2,762,618	2,616,981
Restricted	1,088,110	1,176,387
Unrestricted	1,761,394	667,440
<i>Total Net Position</i>	\$ 5,612,122	\$ 4,460,808

At year-end, capital assets represented 24 percent of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, vehicles, and library and textbooks. Net investment in capital assets was \$2.8 million at June 30, 2014. These capital assets are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$1.1 million or 19 percent, represents resources that are subject to external restrictions on how they may be used. The balance of government-wide unrestricted net position of \$1.8 million may be used to meet the government's ongoing obligations to students and creditors.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
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Current and other assets increased \$.4 million from fiscal year 2013. There was a \$.4 million increase in cash over fiscal year 2013 partially due to an increase in foundation revenue.

Table 2 shows the changes in net position for fiscal year 2014 and 2013.

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	2014	2013
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for Services	\$ 688,978	\$ 772,975
Operating Grants	721,269	598,815
<b>Total Program Revenues</b>	<b>1,410,247</b>	<b>1,371,790</b>
<i>General Revenues:</i>		
Property Taxes	6,443,165	5,448,313
Grants and Entitlements Not Restricted	5,482,132	5,112,033
Other	41,051	86,431
<b>Total General Revenues</b>	<b>11,966,348</b>	<b>10,646,777</b>
<b>Total Revenues</b>	<b>13,376,595</b>	<b>12,018,567</b>
<b>Program Expenses</b>		
Instruction:		
Regular	4,978,347	4,920,309
Special	1,676,081	1,274,940
Vocational	151,234	192,996
Student Intervention Services	29,450	219
Other	957,869	811,301
Support Services:		
Pupils	493,219	574,492
Instructional Staff	253,120	440,659
Board of Education	30,365	25,569
Administration	780,403	859,201
Fiscal	378,611	416,485
Business	11,718	8,650
Operation and Maintenance of Plant	962,063	1,003,042
Pupil Transportation	790,981	820,388
Central	4,160	4,762
Operation of Non-Instructional Services:		
Food Service Operations	348,364	327,770
Community Services	17,399	13,865
Extracurricular Activities	357,003	370,756
Interest and Fiscal Charges	4,894	6,235
<b>Total Expenses</b>	<b>12,225,281</b>	<b>12,071,639</b>
<b>Increase (Decrease) in Net Position</b>	<b>1,151,314</b>	<b>(53,072)</b>
<b>Net Position at Beginning of Year</b>	<b>4,460,808</b>	<b>4,513,880</b>
<b>Net Position at End of Year</b>	<b>\$ 5,612,122</b>	<b>\$ 4,460,808</b>

**Rootstown Local School District**  
**Portage County, Ohio**  
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(Unaudited)

Net position increased \$1.2 million during fiscal year 2014.

In total, revenues increased \$1.4 million over fiscal year 2013. A slight decrease in tuition was offset by an increase in federal grant revenue accounting for an increase in program revenues of \$38,457. General revenues showed an increase over fiscal year 2013 of \$1.3 million, mainly through an increase in property tax revenue of nearly \$1 million from an increase in advances available at year-end that are recorded as revenue.

Expenses increased \$.2 million over fiscal year 2013. While cost saving efforts account for the decrease in most expenses, costs for special education programs increased just over \$.4 million from fiscal year 2013.

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

**Table 3**  
**Governmental Activities**

	Total Cost of Service		Net Cost of Service	
	2014	2013	2014	2013
<b>Instruction:</b>				
Regular	\$ 4,978,347	\$ 4,920,309	\$ 4,331,125	\$ 4,250,994
Special	1,676,081	1,274,940	1,436,966	1,067,178
Vocational	151,234	192,996	143,085	192,996
Student Intervention Services	29,450	219	28,566	219
Other	957,869	811,301	957,869	811,301
<b>Support Services:</b>				
Pupils	493,219	574,492	491,469	574,492
Instructional Staff	253,120	440,659	219,644	437,559
Board of Education	30,365	25,569	29,691	25,569
Administration	780,403	859,201	780,403	852,690
Fiscal	378,611	416,485	376,571	413,519
Business	11,718	8,650	11,718	8,650
Operation and Maintenance of Plant	962,063	1,003,042	962,063	1,003,042
Pupil Transportation	790,981	820,388	790,981	820,388
Central	4,160	4,762	4,160	4,762
<b>Operation of Non-Instructional Services:</b>				
Food Service Operations	348,364	327,770	(29,492)	(61,271)
Community Services	17,399	13,865	(6)	8,465
Extracurricular Activities	357,003	370,756	275,327	283,061
Interest and Fiscal Charges	4,894	6,235	4,894	6,235
<b>Total Expenses</b>	<b>\$ 12,225,281</b>	<b>\$ 12,071,639</b>	<b>\$ 10,815,034</b>	<b>\$ 10,699,849</b>

**Rootstown Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

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The dependence upon general revenues for governmental activities is apparent. 88 percent of governmental activities are supported through taxes and other general revenues; such revenues are 89 percent of total governmental revenues. The community, as a whole, is by far the primary support for the School District's students.

***Governmental Funds***

Information about the School District's funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$13.5 million and expenditures of \$12.4 million for fiscal year 2014. The net change in fund balance for the fiscal year was an increase of \$1.1 million for all governmental funds with the most significant increase in the general fund.

The general fund's net change in fund balance for fiscal year 2014 was an increase of \$1.1 million. Revenues in fiscal year 2014 increased \$1.0 million over the prior year primarily due to an increase in tax revenue available for advance at the end of the fiscal year. Expenditures in fiscal year 2014 increased \$40,372 over the prior year.

The permanent improvement fund's net change in fund balance for fiscal year 2014 was a decrease of \$57,140. Revenues in fiscal year 2014 increased \$22,800 over the prior year primarily due to an increase in tax revenue available for advance at the end of the fiscal year. Expenditures in fiscal year 2014 increased \$.2 million over the prior year primarily due to capital outlay expenditures for replacing the bleachers.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2014, the School District amended its general fund budget a few times. The School District uses site-based budgeting and budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, actual budget basis revenue was \$11.4 million, which was higher than the final budget basis revenue by \$62,450 due to an underestimation of intergovernmental and tax revenue.

Final expenditure appropriations of \$11.7 were \$.5 million higher than the actual expenditures of \$11.2 million, due to an overestimation of instructional costs.

Original budget basis revenue of \$11.0 million was \$.4 million lower than final budget basis revenue of \$11.4 million. This was due to an underestimation of intergovernmental revenue.

Original budget expenditure appropriations of \$10.3 million were \$1.4 million lower than final budget expenditure appropriations of \$11.7 million, as budgeted expenditures for special instruction and other instruction were increased throughout the year.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2014, the School District had \$2.9 million invested in capital assets. Table 4 shows fiscal year 2014 balances compared with 2013.

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

	Governmental Activities	
	2014	2013
Land	\$ 779,700	\$ 779,700
Land Improvements	397,107	254,365
Buildings and Improvements	1,307,412	1,368,393
Furniture and Equipment	164,510	185,818
Vehicles	263,889	228,705
<i>Totals</i>	\$ 2,912,618	\$ 2,816,981

The \$95,637 increase in capital assets was attributable to additional purchases exceeding current depreciation and disposals. See Note 8 for more information about the capital assets of the School District.

**Debt**

At June 30, 2014, the School District had \$150,000 in debt outstanding. See Note 13 for additional details. Table 5 summarizes the note outstanding.

**Table 5**  
**Outstanding Debt at Year End**

	Governmental Activities	
	2014	2013
Energy Conservation Note, Series 2012	\$ 150,000	\$ 200,000

**Rootstown Local School District**  
**Portage County, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2014*  
*(Unaudited)*

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***Current Issues***

It is evident that the Rootstown Local School District relies heavily on its property owners for support. In today's economic climate, this presents a problem to the School District as well as the local taxpayer. Until there is a change in the funding structure from the State, this will continue to be a key point of concern. Special education and gifted funding have been reduced every year. The School District attempts to help compensate for some of these losses by applying for additional grant money. Our position is such that the School District does not qualify for many of the "needy" grants.

Because of House Bill 920 that was passed in the 1970's, current levies do not provide for inflationary revenue growth as valuation increases, with the exception of the inside mills and new construction. Thus, as a School District dependent upon property taxes and a decline in the State Foundation, the School District must request property tax increases to maintain a constant level of service.

The School District's systems of budgeting and internal controls are well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

The School District anticipates being on the ballot for a bond issue within the next several years, contingent on moving forward with the master plan.

***Contacting the School District's Financial Management***

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Connie Baldwin, Treasurer of Rootstown Local School District, 4140 State Route 44, Rootstown, OH 44272 or [baldwin@rootstownsparcc.org](mailto:baldwin@rootstownsparcc.org).



**Rootstown Local School District**  
**Portage County, Ohio**  
*Statement of Net Position*  
*June 30, 2014*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Investments	\$ 3,072,486
Receivables:	
Intergovernmental	119,179
Property Taxes	6,136,425
Nondepreciable Capital Assets	779,700
Depreciable Capital Assets (Net)	2,132,918
<i>Total Assets</i>	12,240,708
<b>Liabilities</b>	
Accounts Payable	62,971
Accrued Wages and Benefits	933,511
Intergovernmental Payable	280,919
Accrued Vacation Leave Payable	38,251
Long Term Liabilities:	
Due Within One Year	84,459
Due In More Than One Year	446,263
<i>Total Liabilities</i>	1,846,374
<b>Deferred Inflows of Resources</b>	
Property Taxes Levied for the Next Fiscal Year	4,782,212
<b>Net Position</b>	
Net Investment in Capital Assets	2,762,618
Restricted For:	
Capital Outlay	675,374
Debt Service	26,959
Other Purposes	385,777
Unrestricted	1,761,394
<i>Total Net Position</i>	\$ 5,612,122

See accompanying notes to the basic financial statements.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2014

	Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Revenue and Changes in Net Position
<b>Governmental Activities</b>				
Instruction:				
Regular	\$ 4,978,347	\$ 367,590	\$ 279,632	\$ (4,331,125)
Special	1,676,081	25,920	213,195	(1,436,966)
Vocational	151,234	8,149	0	(143,085)
Student Intervention Services	29,450	0	884	(28,566)
Other	957,869	0	0	(957,869)
Support Services:				
Pupils	493,219	0	1,750	(491,469)
Instructional Staff	253,120	0	33,476	(219,644)
Board of Education	30,365	0	674	(29,691)
Administration	780,403	0	0	(780,403)
Fiscal	378,611	2,040	0	(376,571)
Business	11,718	0	0	(11,718)
Operation and Maintenance of Plant	962,063	0	0	(962,063)
Pupil Transportation	790,981	0	0	(790,981)
Central	4,160	0	0	(4,160)
Operation of Non-Instructional Services:				
Food Service Operations	348,364	206,003	171,853	29,492
Community Services	17,399	0	17,405	6
Extracurricular Activities	357,003	79,276	2,400	(275,327)
Interest and Fiscal Charges	4,894	0	0	(4,894)
<b>Total</b>	<b>\$ 12,225,281</b>	<b>\$ 688,978</b>	<b>\$ 721,269</b>	<b>(10,815,034)</b>

**General Revenues**

Property Taxes Levied for:

General Purposes	6,088,549
Debt Service	46,921
Capital Outlay	307,695
Grants and Entitlements Not Restricted to Specific Programs	5,482,132
Investment Earnings	622
Miscellaneous	40,429

*Total General Revenues* 11,966,348

*Change in Net Position* 1,151,314

*Net Position Beginning of Year* 4,460,808

*Net Position End of Year* \$ 5,612,122

See accompanying notes to the basic financial statements.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2014*

	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Investments	\$ 2,029,021	\$ 605,341	\$ 438,124	\$ 3,072,486
Receivables:				
Intergovernmental	53,186	0	65,993	119,179
Property Taxes	5,778,217	305,271	52,937	6,136,425
<i>Total Assets</i>	<u>\$ 7,860,424</u>	<u>\$ 910,612</u>	<u>\$ 557,054</u>	<u>\$ 9,328,090</u>
<b>Liabilities</b>				
Accounts Payable	\$ 50,897	\$ 0	\$ 12,074	\$ 62,971
Accrued Wages and Benefits	874,898	0	58,613	933,511
Intergovernmental Payable	268,293	0	12,626	280,919
<i>Total Liabilities</i>	<u>1,194,088</u>	<u>0</u>	<u>83,313</u>	<u>1,277,401</u>
<b>Deferred Inflows of Resources</b>				
Property Taxes Levied for the Next Fiscal Year	4,494,037	235,238	52,937	4,782,212
Unavailable Revenue - Delinquent Property Taxes	246,037	12,780	0	258,817
Unavailable Revenue - Other	13,340	0	19,941	33,281
<i>Total Deferred Inflows of Resources</i>	<u>4,753,414</u>	<u>248,018</u>	<u>72,878</u>	<u>5,074,310</u>
<b>Fund Balances</b>				
Restricted	0	662,594	426,134	1,088,728
Assigned	560,631	0	0	560,631
Unassigned	1,352,291	0	(25,271)	1,327,020
<i>Total Fund Balances</i>	<u>1,912,922</u>	<u>662,594</u>	<u>400,863</u>	<u>2,976,379</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 7,860,424</u>	<u>\$ 910,612</u>	<u>\$ 557,054</u>	<u>\$ 9,328,090</u>

See accompanying notes to the basic financial statements.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
*June 30, 2014*

<b>Total Governmental Fund Balances</b>		\$ 2,976,379
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		2,912,618
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property Taxes	\$ 258,817	
Intergovernmental	<u>33,281</u>	292,098
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
Energy Conservation Notes	(150,000)	
Vacation Benefits	(38,251)	
Compensated Absences	<u>(380,722)</u>	<u>(568,973)</u>
<i>Net Position of Governmental Activities</i>		<u><u>\$ 5,612,122</u></u>

See accompanying notes to the basic financial statements.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2014*

	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property and Other Local Taxes	\$ 6,148,949	\$ 311,199	\$ 49,996	\$ 6,510,144
Intergovernmental	5,446,436	51,896	680,790	6,179,122
Investment Income	622	0	64	686
Tuition and Fees	447,804	0	0	447,804
Extracurricular Activities	300	0	78,976	79,276
Rentals	2,040	0	0	2,040
Charges for Services	0	0	206,003	206,003
Contributions and Donations	29,617	0	2,400	32,017
Miscellaneous	40,165	0	263	40,428
<i>Total Revenues</i>	<u>12,115,933</u>	<u>363,095</u>	<u>1,018,492</u>	<u>13,497,520</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	4,656,240	58,705	207,680	4,922,625
Special	1,452,924	0	213,195	1,666,119
Vocational	155,799	0	0	155,799
Student Intervention Services	28,754	0	696	29,450
Other	956,306	0	0	956,306
Support Services:				
Pupils	498,347	0	1,750	500,097
Instructional Staff	232,172	0	25,699	257,871
Board of Education	27,812	2,553	0	30,365
Administration	779,074	1,249	0	780,323
Fiscal	373,891	4,714	1,175	379,780
Business	11,549	0	0	11,549
Operation and Maintenance of Plant	909,624	995	0	910,619
Pupil Transportation	680,006	80,880	0	760,886
Central	4,160	0	0	4,160
Extracurricular Activities	264,525	0	79,142	343,667
Operation of Non-Instructional Services:				
Food Service Operations	0	0	345,435	345,435
Community Services	0	0	17,399	17,399
Capital Outlay	0	271,139	0	271,139
Debt Service:				
Principal Retirement	0	0	50,000	50,000
Interest and Fiscal Charges	0	0	4,894	4,894
<i>Total Expenditures</i>	<u>11,031,183</u>	<u>420,235</u>	<u>947,065</u>	<u>12,398,483</u>
<i>Net Change in Fund Balance</i>	1,084,750	(57,140)	71,427	1,099,037
<i>Fund Balances Beginning of Year</i>	<u>828,172</u>	<u>719,734</u>	<u>329,436</u>	<u>1,877,342</u>
<i>Fund Balances End of Year</i>	<u>\$ 1,912,922</u>	<u>\$ 662,594</u>	<u>\$ 400,863</u>	<u>\$ 2,976,379</u>

See accompanying notes to the basic financial statements.

**Rootstown Local School District**  
**Portage 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, 2014*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	1,099,037
 <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 cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeded depreciation in the current period.		
Capital Asset Additions	\$ 328,639	
Current Year Depreciation	<u>(171,750)</u>	156,889
 Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		
		(61,252)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(66,980)	
Intergovernmental	<u>(53,945)</u>	(120,925)
 Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		50,000
 Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	23,697	
Vacation Benefits Payable	<u>3,868</u>	<u>27,565</u>
 <i>Change in Net Position of Governmental Activities</i>	 \$	 <u><u>1,151,314</u></u>

See accompanying notes to the basic financial statements.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance -*  
*Budget (Non-GAAP Basis) and Actual*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Budgeted Amounts			Variance with Final Budget Over (Under)
	Original	Final	Actual	
<b>Revenues</b>				
Property and Other Local Taxes	\$ 5,406,260	\$ 5,503,234	\$ 5,533,917	\$ 30,683
Intergovernmental	5,098,937	5,415,741	5,445,936	30,195
Investment Income	1,500	587	622	35
Tuition and Fees	412,000	385,970	388,122	2,152
Extracurricular Activities	0	298	300	2
Rentals	3,000	2,029	2,040	11
Contributions and Donations	5,500	11,446	11,510	64
Miscellaneous	35,619	56,242	55,550	(692)
<i>Total Revenues</i>	<u>10,962,816</u>	<u>11,375,547</u>	<u>11,437,997</u>	<u>62,450</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	4,801,749	4,827,442	4,725,867	101,575
Special	1,012,497	1,315,212	1,367,357	(52,145)
Vocational	158,774	175,700	156,180	19,520
Student Intervention Services	759	27,493	24,037	3,456
Other	702,521	1,428,662	958,227	470,435
Support Services:				
Pupils	465,201	557,919	533,298	24,621
Instructional Staff	166,346	224,199	251,911	(27,712)
Board of Education	20,997	20,689	27,838	(7,149)
Administration	689,265	761,759	789,093	(27,334)
Fiscal	326,486	355,748	383,632	(27,884)
Business	12,268	13,488	11,549	1,939
Operation and Maintenance of Plant	1,045,255	1,044,324	972,177	72,147
Pupil Transportation	644,988	686,935	714,263	(27,328)
Central	703	657	4,160	(3,503)
Extracurricular Activities	209,211	216,792	264,222	(47,430)
<i>Total Expenditures</i>	<u>10,257,020</u>	<u>11,657,019</u>	<u>11,183,811</u>	<u>473,208</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>705,796</u>	<u>(281,472)</u>	<u>254,186</u>	<u>535,658</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	38,941	38,941	38,941	0
Advances Out	(6,020)	(6,020)	0	6,020
<i>Total Other Financing Sources (Uses)</i>	<u>32,921</u>	<u>32,921</u>	<u>38,941</u>	<u>6,020</u>
<i>Net Change in Fund Balance</i>	738,717	(248,551)	293,127	541,678
<i>Fund Balance Beginning of Year</i>	1,406,250	1,406,250	1,406,250	0
Prior Year Encumbrances Appropriated	100,039	100,039	100,039	0
<i>Fund Balance End of Year</i>	<u>\$ 2,245,006</u>	<u>\$ 1,257,738</u>	<u>\$ 1,799,416</u>	<u>\$ 541,678</u>

See accompanying notes to the basic financial statements.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2014*

	Private Purpose Trust	Agency
<b>Assets</b>		
Equity in Pooled Cash and Investments	\$ 46,284	\$ 27,976
<b>Liabilities</b>		
Undistributed Monies	0	\$ 27,976
<b>Net Position</b>		
Held in Trust for Scholarships	\$ 46,284	

See accompanying notes to the basic financial statements.



**Rootstown Local School District**  
**Portage County, Ohio**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2014*

	Private Purpose Trust
<b>Additions</b>	
Investment Earnings	\$ 1,241
<b>Deductions</b>	
Payments in Accordance with Trust Agreements	7,600
<i>Change in Net Position</i>	(6,359)
<i>Net Position Beginning of Year</i>	52,643
<i>Net Position End of Year</i>	\$ 46,284

See accompanying notes to the basic financial statements.

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**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 1 – Description of the School District**

The Rootstown Local School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The School District operates under a locally-elected five member board form of government and provides educational services as authorized and mandated by state and federal agencies.

***Reporting Entity***

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

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

Management believes the financial statements included in the report represent all of the funds of the School District over which the School District has the ability to exercise direct operating control.

The School District participates in one jointly governed organization, the Stark Portage Area Computer Consortium (SPARCC), which is presented in Note 14 to the basic financial statements.

**Note 2 - Summary of Significant Accounting Policies**

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

The following are the most significant of the School District's accounting policies.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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***A. Basis of Presentation***

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

***Government-wide Financial Statements*** The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

***B. Fund Accounting***

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

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

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

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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***Permanent Improvement Fund*** The permanent improvement capital projects fund accounts for financial resources to be used for the acquisition, construction, or improvement of major capital facilities.

The other governmental funds of the School District account for grants and other resources to which the School District is bound to observe constraints imposed upon the use of the resources.

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

### ***C. Measurement Focus***

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All non-fiduciary assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position.

***Fund Financial Statements*** 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.

Private purpose trust funds are reported using the economic resources measurement focus and are excluded from the government-wide financial statements. Agency funds do not report a measurement focus as they do not report operations.

### ***D. Basis of Accounting***

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

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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***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 School District, available means expected to be received within sixty days of the fiscal year-end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. 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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange 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, student fees and rentals.

***Deferred Inflows of Resources and Deferred Outflows of Resources*** A deferred inflow of resources is an acquisition of assets by the School District that is applicable to a future reporting period. A deferred outflow of resources is a consumption of assets by the School District that is applicable to a future reporting period.

Property taxes for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations, and other revenues received in advance of the year for which they were intended to finance have been recorded as deferred inflows of resources. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2014 are recorded as deferred inflows of resources in governmental funds.

On governmental fund financial statements receivables that will not be collected within the available period have been reported as a deferred inflow of resources.

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the “operating grants, contributions and interest” program revenue account.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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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. Pooled Cash and Investments***

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

During fiscal year 2014, investments of the School District were limited to STAR Ohio, (the State Treasury Asset Reserve of Ohio) and mutual funds. These nonparticipating investment contracts are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2014.

For a presentation on the financial statements, investments of the cash management pool and investments with maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash. Investments with an initial maturity of more than three months are reported as investments.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2014 amounted to \$622, which includes \$183 assigned from other School District funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as "investments."

***F. Restricted Assets***

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include amounts required by statute to be set aside for the purchase of capital improvements. See Note 16 for additional information regarding set-asides.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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***G. Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$1,500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 Years
Buildings and Improvements	10 - 50 Years
Furniture and Equipment	5 - 20 Years
Vehicles	8 Years
Library and Textbooks	6 Years

***H. Interfund Balances***

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

***I. Compensated Absences***

The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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



**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements.

***J. Accrued Liabilities and Long-term Obligations***

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments 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. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

***K. Net Position***

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At June 30, 2014, there was no net position restricted by enabling legislation.

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

***L. Fund Balance***

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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

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

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The Board of Education has, by resolution, authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

***M. Interfund Activity***

Transfers between governmental activities on the government-wide statements are eliminated.

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

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***N. 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 2014.

***O. Estimates***

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

***P. Budgetary Data***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. Throughout the fiscal year, the primary level of budgetary control was at the fund level. Budgetary modifications may only be made by resolution of the Board of Education.

***Estimated Resources*** The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the School District by March 1. As part of the certification, the School District receives the Official Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget ensuring that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about July 1, the Certificate of Estimated Resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed or will not meet current estimates. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended 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 issued during fiscal year 2014.

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**Appropriations** A temporary appropriations measure to control expenditures may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 to June 30. The appropriation resolution fixes spending authority at the legal level of control and may be amended during the year as new information becomes available provided that total fund appropriations do not exceed current estimated resources, as certified. The total of expenditures and encumbrances may not exceed appropriations at the legal level of control. The Board may pass supplemental fund appropriations provided the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. The amounts reported as the original budgeted amounts in the budgetary statements reflect the appropriations in the first complete appropriated budget, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

***Q. Implementation of New Accounting Policies***

For the fiscal year ended June 30, 2014, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, GASB Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*, and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the School District's fiscal year 2014 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of GASB Statement No. 66 did not have an effect on the financial statements of the School District.

GASB Statement No. 70 improves comparability of financial statements by requiring consistent reporting and specifying information required to be disclosed for extending and receiving nonexchange financial guarantees. The implementation of GASB Statement No. 70 did not have an effect on the financial statements of the School District.

**Note 3 – Fund Balance**

Fund balance can be classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds.

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The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Restricted for:				
Capital Outlay	\$ 0	\$ 662,594	\$ 0	\$ 662,594
Food Service	0	0	359,994	359,994
Debt Service	0	0	26,959	26,959
Athletics	0	0	36,745	36,745
Other Purposes	0	0	2,436	2,436
Total Restricted	<u>0</u>	<u>662,594</u>	<u>426,134</u>	<u>1,088,728</u>
Assigned for:				
Encumbrances:				
Instruction	52,726	0	0	52,726
Support Services	77,758	0	0	77,758
Subsequent Year Appropriations	385,992	0	0	385,992
Other Purposes	44,155	0	0	44,155
Total Assigned	<u>560,631</u>	<u>0</u>	<u>0</u>	<u>560,631</u>
Unassigned	<u>1,352,291</u>	<u>0</u>	<u>(25,271) *</u>	<u>1,327,020</u>
Total Fund Balance (Deficit)	<u>\$ 1,912,922</u>	<u>\$ 662,594</u>	<u>\$ 400,863</u>	<u>\$ 2,976,379</u>

\* Unassigned fund balance included the following individual fund deficits:

	<u>Deficit Fund Balance</u>
Nonmajor Governmental Funds:	
Title VI-B	\$ 15,161
Title I	10,110

The deficits in these governmental funds resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in the funds and will provide transfers when cash is required, not when accruals occur.

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**Note 4 – Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues and other sources are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP);
2. Expenditures and other uses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP);
3. In order to determine compliance with Ohio law and to assign that portion of the applicable appropriation, total outstanding encumbrances (budget) are recorded as the equivalent of an expenditure;
4. Advances in and advances out are operating transactions (budget) as opposed to balance sheet transactions (GAAP); and,
5. Some funds are included in the general fund (GAAP), but have separate legally adopted budgets (budget).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund:

**Net Change in Fund Balance**

	General
GAAP Basis	\$ 1,084,750
Net Adjustment for Revenue Accruals	(622,673)
Advances In	38,941
Net Adjustment for Expenditure Accruals	(26,492)
Funds Budgeted Elsewhere**	(5,135)
Adjustment for Encumbrances	(176,264)
Budget Basis	\$ 293,127

\*\*As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate funds are considered part of the general fund on a GAAP basis. This includes special rotary fund, public school support fund and uniform school supplies fund.

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**Note 5 – Deposits and Investments**

State statutes classify monies held by the School 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 School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board 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.

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

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations 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. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio) and STAR Plus;

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7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25 percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Custodial credit risk is the risk that, in the event of bank failure, the School District's deposits may not be returned to it. Protection of the School District's cash and deposits is provided by the Federal Deposit Insurance Corporation, as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all uninsured public deposits. The face value of the pooled collateral must equal at least 105 percent of uninsured public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

**Deposits** At fiscal year-end, the carrying amount of the School District's deposits was \$3,074,618 and the bank balance was \$3,126,963. Of the bank balance, \$429,468 was covered by federal depository insurance and \$2,697,495 was uninsured and uncollateralized.

**Investments** Investments are reported at fair value. As of June 30, 2014, the School District had the following investments:

	Fair Value	Investment Maturities (in months) 0-6	Percent of Total Investments
Mutual Funds	\$ 12,298	\$ 12,298	17%
STAR Ohio	59,830	59,830	83%
Totals	<u>\$ 72,128</u>	<u>\$ 72,128</u>	<u>100%</u>

**Interest Rate Risk:** The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The School District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the School District. STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2014 is 51.4 days.



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**Credit Risk:** The School District's investments at June 30, 2014 include mutual funds and STAR Ohio, which is rated AAAM by Standard & Poor's. The mutual fund accounts are not rated by Standard & Poor's or Moody's Investor Services.

**Concentration of Credit Risk:** The School District places no limit on the amount the School District may invest in any one issuer. 83 percent of the School District's investments listed above are in STAR Ohio and the mutual funds represent 17 percent of the School District's total investments.

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the School 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 School District's investment in repurchase agreements is to be secured by the specific government securities upon which the repurchase agreements are based. These securities, held by the counterparty and not in the School District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of the securities subject to a repurchase agreement by 2%. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

#### **Note 6 - Property Taxes**

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School 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 and public utility property located in the School District. Real property tax revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013 on the assessed value listed as of January 1, 2013, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. 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 revenue received in calendar year 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013 and are collected in 2014 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Portage County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2014 are available to finance fiscal year 2014 operations. The amount available as an advance at June 30, 2014 was \$1,038,143 in the general fund and \$57,253 in the permanent improvement fund. This amount is recorded as revenue. The amount available as an advance at June 30, 2013 was \$426,549 in the general fund and \$23,292 in the permanent improvement 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.

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Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2014 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 of resources.

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 of resources.

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$ 160,090,020	94.35%	\$ 162,428,960	93.88%
Public Utility Personal Property	9,592,400	5.65%	10,593,010	6.12%
Total	\$169,682,420	100.00%	\$173,021,970	100.00%
Tax rate per \$1,000 of assessed valuation	\$68.95		\$68.71	

**Note 7 - Receivables**

Receivables at June 30, 2014 consisted of taxes and intergovernmental grants. 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. The intergovernmental receivable at June 30 consisted of state and federal grants of \$65,993 and excess cost receivable of \$53,186.

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**Note 8 – Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2014 was as follows:

	Balance 6/30/2013	Additions	Reductions	Balance 6/30/2014
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$ 779,700	\$ 0	\$ 0	\$ 779,700
<i>Capital Assets, being depreciated:</i>				
Land Improvements	683,804	233,200	(81,669)	835,335
Buildings and Improvements	5,125,387	5,800	0	5,131,187
Furniture and Equipment	1,086,848	0	(5,172)	1,081,676
Vehicles	1,136,237	89,639	(71,582)	1,154,294
Library and Textbooks	349,706	0	0	349,706
<b>Total Capital Assets, being depreciated</b>	<b>8,381,982</b>	<b>328,639</b>	<b>(158,423)</b>	<b>8,552,198</b>
<i>Less Accumulated Depreciation:</i>				
Land Improvements	(429,439)	(29,206)	20,417	(438,228)
Buildings and Improvements	(3,756,994)	(66,781)	0	(3,823,775)
Furniture and Equipment	(901,030)	(21,308)	5,172	(917,166)
Vehicles	(907,532)	(54,455)	71,582	(890,405)
Library and Textbooks	(349,706)	0	0	(349,706)
<b>Total Accumulated Depreciation</b>	<b>(6,344,701)</b>	<b>(171,750)</b>	<b>97,171</b>	<b>(6,419,280)</b>
<b>Total Capital Assets being depreciated, Net</b>	<b>2,037,281</b>	<b>156,889</b>	<b>(61,252)</b>	<b>2,132,918</b>
 <b>Governmental Activities Capital Assets, Net</b>	 <b>\$2,816,981</b>	 <b>\$ 156,889</b>	 <b>\$ (61,252)</b>	 <b>\$2,912,618</b>

Depreciation expense was charged to governmental functions as follows:

<i>Governmental Activities:</i>	
Instruction:	
Regular	\$ 75,242
Vocational	567
Support Services:	
Pupil	159
Instructional Staff	123
Pupil Transportaion	75,065
Operation of Non-Instructional Services:	
Food Service Operations	1,959
Extracurricular Activities	18,635
 Total Depreciation	 <u>\$ 171,750</u>

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**Note 9 – Risk Management**

The School District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. There has been no reduction in insurance coverage from the prior year. There also have been no settlements paid in excess of insurance coverage in the past three years.

**A. Property and Liability**

The School District has a property and fleet insurance policy through Indiana Insurance. The deductible for the property insurance is \$2,500. The deductibles for the fleet insurance vary from \$500 to \$1,000 depending on the incident. The School District also holds a liability insurance policy with Hylant Insurance Agency through the Ohio School Plan consortium. The deductibles range from \$0 to \$2,500. The board president and superintendent have a \$74,500 position bond and the assistant treasurer has a \$50,000 position bond with Travelers Insurance. The treasurer is covered under a surety bond in the amount of \$300,000.

**B. Workers' Compensation**

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

**C. Employee Medical Benefits**

Medical and prescription coverage is provided as a comprehensive major medical program through Benefit Services, Inc. Monthly family premiums are \$1,311.06 for administrative and certified staff and \$1,236.74 for classified staff. Monthly single premiums are \$519.06 for administrative and certified staff and \$490.52 for classified staff. All employees are required to contribute 10% towards the premiums, and have a cap of \$125 for family coverage.

Dental coverage is provided as a comprehensive major medical plan through Mutual Health Services, Inc. Monthly premiums are \$87.05 for family coverage and \$38.87 for single coverage.

Vision coverage in the amount of \$8.03 is available for administrative and classified employees who work 12 months.

**Note 10 – Pension Plans**

**A. School Employees Retirement System**

Plan Description - The School District contributes to the School Employees Retirement System of Ohio ("SERS"), a cost-sharing multiple-employer defined benefit pension plan. 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 state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2014, 13.05 percent and .05 percent of annual covered salaries was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013 and 2012 were \$221,364, \$226,271 and \$209,501, respectively; 65 percent has been contributed for fiscal year 2014 and 100 percent for the fiscal years 2013 and 2012.

***B. State Teachers Retirement System***

Plan Description - The School District participates in the State Teachers Retirement System of Ohio ("STRS Ohio"), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a publicly-available, stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (888) 227-7877, or by visiting the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. 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 DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years of credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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Funding Policy - For fiscal year 2014, plan members were required to contribute 11 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 11 percent for members and 14 percent for employer contributions. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2014, 2013 and 2012 were \$610,979, \$616,445 and \$612,761, respectively; 83 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012. Contributions to the DC and Combined Plans for fiscal year 2014 were \$5,684 made by the School District and \$4,466 made by the plan members.

***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2 percent of wages paid.

**Note 11 - Postemployment Benefits**

***A. School Employees Retirement System***

Plan Description – The School District participates in two cost-sharing, multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug plan is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code Section 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B monthly premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2014, 0.14 percent of covered payroll was allocated to health care.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

Active members do not contribute to the postemployment benefit plans. The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2014, 2013, and 2012 were \$25,410, \$25,983, and \$32,061, respectively; 65 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the current employer contribution to the Medicare B Fund. For fiscal year 2014, the actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012 were \$12,842, \$12,782, and \$12,421, respectively; 65 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

***B. State Teachers Retirement System***

Plan Description - The School District contributes to the cost sharing, multiple-employer defined benefit Health Plan (the "Plan") administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the financial report of STRS. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2014, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2014, 2013, and 2012 were \$46,998, \$47,419, and \$47,135, respectively; 83 percent has been contributed for fiscal year 2014 and 100 percent for fiscal years 2013 and 2012.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 12 – Other Employee Benefits**

***A. Life Insurance***

The School District provides term life insurance to employees through Mutual Health Services, Inc. for all eligible employees. Term life insurance is provided for administrative staff based upon double the employee's annual salary and the premium is \$.08 per \$1,000 of salaries. Term life insurance in the amount of \$25,000 is provided for the nine-month certified staff at a monthly rate of \$2.25 per employee. Term life insurance in the amount of \$20,000 is provided for classified staff that meet the nine-month contract and twenty or more hours per week requirement at a monthly rate of \$1.80.

***B. Compensated Absences***

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators, who are contracted to work no less than 12 months, earn 10 to 20 days of vacation per year depending upon length of service. Teachers and administrators who work less than 12 months do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-quarter days per month accumulated without limit. Upon retirement, certified employees with 10 years or more of service to the School District may receive thirty percent of accrued and unused sick leave, up to a maximum of 40 days. Classified employee benefits are as follows:

- At least 10 but less than 20 years of continuous service with the School District will receive 30 percent of accrued and unused sick leave, up to a maximum of 40 days.
- Greater than 20 but less than 25 years of continuous service with the School District will receive 35 percent of accrued and unused sick leave, up to a maximum of 45 days.
- 25 or more years of continuous service with the School District will receive 40 percent of accrued and unused sick leave, up to a maximum of 50 days.

***C. Special Termination Benefits***

Certified employees meeting the requirements included in the negotiated agreement and the provisions of the retirement system, receive a salary incentive when they retire from active service in the amount of \$15,000.

Eligibility requirements for participation in this program are as follows:

1. The employee must be eligible for retirement and retire by August first.
2. The employee must have 10 or more full years of continuous service with the School District.
3. The employee must submit a request at least 30 days prior to the date of retirement.



**Rootstown Local School District**  
**Portage County, Ohio**  
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*For the Fiscal Year Ended June 30, 2014*

4. The employee must be eligible by the retirement system standards and must retire by August first in the year in which the employee achieves 30 years of service credit for retirement purposes. After that time, the employee would be ineligible for the retirement incentive plan.

**Note 13 - Long - Term Obligations**

The changes in the School District's long-term obligations during the year consist of the following:

	Outstanding			Amounts	
	6/30/2013	Additions	Reductions	Outstanding 6/30/2014	Due in One Year
<b>Governmental Activities:</b>					
Energy Conservation Note, Series 2012	\$ 200,000	\$ 0	\$ 50,000	\$ 150,000	\$ 50,000
Compensated Absences	404,419	13,894	37,591	380,722	34,459
Total Governmental Activities Long-Term Liabilities	<u>\$ 604,419</u>	<u>\$ 13,894</u>	<u>\$ 87,591</u>	<u>\$ 530,722</u>	<u>\$ 84,459</u>

*2012 Energy Conservation Note*

In fiscal year 2012, the School District issued \$250,000 in Energy Conservation Notes in anticipation of the issuance of bonds to pay costs of installations, modifications and remodeling of school buildings to conserve energy.

Unless paid from other sources, the principal and interest on the notes is to be paid from the proceeds of the levy of ad valorem taxes on all property in the School District.

Principal and interest requirements to retire the Energy Conservation Note outstanding at June 30, 2014 are as follows:

Fiscal Year Ending June 30,	Energy Conservation Note	
	Principal	Interest
2015	\$ 50,000	\$ 3,589
2016	50,000	2,284
2017	50,000	979
	<u>\$ 150,000</u>	<u>\$ 6,852</u>

Compensated absences will be paid from the general fund and respective funds from which the employees' salaries are paid.

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

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**Note 14 - Jointly Governed Organizations**

The Stark Portage Area Computer Consortium (SPARCC) is a jointly governed organization comprised of 30 school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts. Each of these districts supports SPARCC based upon a per pupil charge dependent upon the software package utilized. The SPARCC assembly consists of a superintendent or designated representative from each participating district and a representative from the fiscal agent. SPARCC is governed by a board of directors chosen from the general membership of the SPARCC assembly. The board of directors consists of a representative from the fiscal agent, the chairman of each operating committee, and at least one assembly member from each county in which participating districts are located. Financial information can be obtained by contacting the Treasurer at the Stark County Educational Services Center, which serves as fiscal agent, located at 2100 38th Street, NW, Canton, Ohio 44709. During the fiscal year ended June 30, 2014, the School District paid \$50,148 to SPARCC for basic service charges.

**Note 15 - Contingencies**

***A. Grants***

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the Grantor Agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2014, if applicable, cannot be determined at this time.

***B. Litigation***

The School District is not party to any claims or lawsuits that would, in the School District's opinion, have a material effect on the basic financial statements.

**Note 16 - Set-Asides**

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

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

**Rootstown Local School District**  
**Portage County, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2014*

	Capital Improvement Reserve
Set-Aside Restricted Balance as of June 30, 2013	\$ 6,698
Current Year Set-Aside Requirement	210,817
Qualifying Expenditures	(359,167)
Total	\$ (141,652)
Balance Carried Forward to Fiscal Year 2015	\$ 0
Set-Aside Restricted Balance June 30, 2014	\$ 0

Although the School District had current year qualifying expenditures during the fiscal year that reduced the set-aside amount to below zero, this amount may not be used to reduce the set-aside requirement for future years. The negative balance is, therefore, not presented as being carried forward to future years.

**Note 17 – Encumbrance Commitments**

The School 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 School District’s commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General Fund	\$ 130,484
Permanent Improvement Fund	45,015
Nonmajor Governmental Funds	44,815
	\$ 220,314

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ROOTSTOWN LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY

SCHEDULE OF FEDERAL AWARD RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2014

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<i>Passed Through Ohio Department of Education</i>					
<i>Child Nutrition Cluster:</i>					
School Breakfast Program	10.553	\$6,576		\$6,576	
National School Lunch Program	10.555	110,677	\$29,287	110,677	\$29,287
Total Child Nutrition Cluster		117,253	29,287	117,253	29,287
<b>Total U.S. Department of Agriculture</b>		<b>117,253</b>	<b>29,287</b>	<b>117,253</b>	<b>29,287</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<i>Passed Through Ohio Department of Education</i>					
Title I Grants to Local Educational Agencies	84.010	174,123		135,182	
Special Education Grants to States	84.027	213,478		213,777	
Improving Teacher Quality State Grants	84.367	29,984		29,984	
ARRA - Race to the Top Incentive Grants, Recovery Act - Resident Educator Program	84.395	1,050		1,050	
<b>Total U.S. Department of Education</b>		<b>418,635</b>		<b>379,993</b>	
<b>Total</b>		<b>\$535,888</b>	<b>\$29,287</b>	<b>\$497,246</b>	<b>\$29,287</b>

*The accompanying notes are an integral part of this schedule.*

**ROOTSTOWN LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Rootstown Local School District's (the District's) federal award programs' receipts and expenditures. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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



# Dave Yost • Auditor of State

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

Rootstown Local School District  
Portage County  
4140 State Route 44  
Rootstown, Ohio 44272

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Rootstown Local School District, Portage County, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 28, 2015, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement 65, Items Previously Reported as Assets and Liabilities.

### ***Internal Control Over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

***Purpose of this Report***

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

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

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

January 28, 2015





# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Rootstown Local School District  
Portage County  
4140 State Route 44  
Rootstown, Ohio 44272

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited the Rootstown Local School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Rootstown Local School District's major federal program for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

### ***Management's Responsibility***

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

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

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

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

### ***Opinion on the Major Federal Program***

In our opinion, the Rootstown Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2014.

***Report on Internal Control Over Compliance***

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

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

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

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



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

January 28, 2015

**ROOTSTOWN LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2014**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Grant to States CFDA #84.027
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

**ROOTSTOWN LOCAL SCHOOL DISTRICT**

**PORTAGE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 12, 2015**