



Mary Taylor, CPA  
Auditor of State



**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Weathersfield Local School District  
Trumbull County  
3750 North Main Street  
Mineral Ridge, Ohio 44440-9535

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weathersfield Local School District, Trumbull County, Ohio (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Weathersfield Local School District, Trumbull County, Ohio, as of June 30, 2009, and the respective changes in financial position and where applicable, the budgetary comparison for the General fund and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2010, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The federal awards expenditure schedule is required by 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 basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

February 3, 2010

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

The management's discussion and analysis of the Weathersfield Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2009 are as follows:

- In total, net assets of governmental activities increased \$74,203 which represents a 2.33% increase from 2008.
- General revenues accounted for \$7,294,312 in revenue or 73.84% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$2,584,777 or 26.16% of total revenues of \$9,879,089.
- The District had \$9,804,886 in expenses related to governmental activities; \$2,584,777 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$7,294,312 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$8,581,475 in revenues and \$8,833,104 in expenditures and other financing uses. During fiscal year 2009, the general fund's fund balance decreased \$251,629 from a restated fund balance, as described in Note 3.A. to the basic financial statements, of \$1,447,060 to a fund balance of \$1,195,431.

**Using these Basic Financial Statements**

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

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

**Reporting the District as a Whole**

***Statement of Net Assets and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2009?" The statement of net assets and the statement of activities answer this question. These statements include *all assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)

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

In the statement of net assets and the statement of activities, the Governmental Activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages 13-14 of this report.

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

***Fund Financial Statements***

The analysis of the District's major governmental fund begins on page 9. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental fund is the general fund.

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the 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 assets and the statement of activities) and governmental *funds* is reconciled in the basic financial statements. The basic governmental fund financial statements can be found on pages 15-19 of this report.

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

The District acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. The District's fiduciary activities are reported in a separate statement of fiduciary net assets on page 20. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 21-47 of this report.



**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)

**The District as a Whole**

Recall that the statement of net assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets at June 30, 2009 and June 30, 2008.

	<b>Net Assets</b>	
	Governmental Activities	Governmental Activities
	<u>June 30, 2009</u>	<u>June 30, 2008</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 6,294,726	\$ 6,890,956
Capital assets, net	<u>4,338,360</u>	<u>4,592,745</u>
Total assets	<u>10,633,086</u>	<u>11,483,701</u>
<b><u>Liabilities</u></b>		
Current liabilities	4,172,899	4,671,801
Long-term liabilities	<u>3,205,993</u>	<u>3,631,909</u>
Total liabilities	<u>7,378,892</u>	<u>8,303,710</u>
<b><u>Net Assets</u></b>		
Invested in capital assets, net of related debt	1,793,584	1,802,407
Restricted	417,332	456,144
Unrestricted	<u>1,043,278</u>	<u>921,440</u>
Total net assets	<u>\$ 3,254,194</u>	<u>\$ 3,179,991</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by \$3,254,194. Of this total, \$417,332 is restricted in use.

At year-end, capital assets represented 40.80% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2009, were \$1,793,584. These capital assets are used to provide services to the students and are not available for future spending. Although the 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.

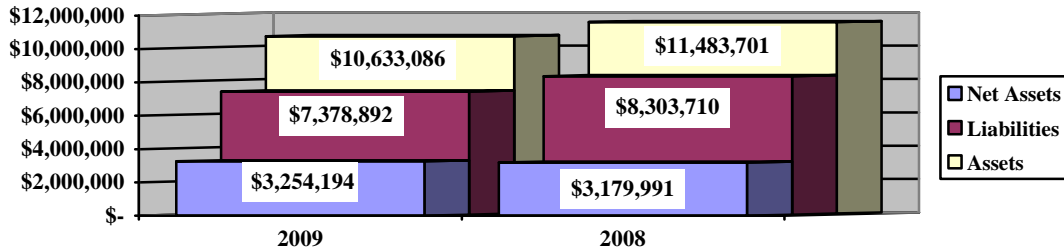
A portion of the District's net assets, \$417,332, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$1,043,278 may be used to meet the District's ongoing obligations to the students and creditors.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)

The graph below presents the District's assets, liabilities and net assets at June 30, 2009 and June 30, 2008.

**Governmental Activities**



The table below shows the change in net assets for fiscal years 2009 and 2008.

**Change in Net Assets**

	Governmental Activities 2009	Governmental Activities 2008
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 1,605,166	\$ 1,505,910
Operating grants and contributions	911,012	940,363
Capital grants and contributions	68,599	64,484
General revenues:		
Property taxes	3,055,134	3,400,478
Grants and entitlements	4,174,594	3,896,282
Investment earnings	63,450	106,685
Other	1,134	23,995
Total revenues	<u>9,879,089</u>	<u>9,938,197</u>

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

**Change in Net Assets**

	Governmental Activities <u>2009</u>	Governmental Activities <u>2008</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 3,964,448	\$ 4,516,214
Special	1,077,889	1,086,281
Other	361,772	390,412
Support services:		
Pupil	438,438	396,105
Instructional staff	214,001	230,491
Board of education	23,192	20,256
Administration	798,633	794,634
Fiscal	308,458	303,217
Business	11,880	10,675
Operations and maintenance	1,300,259	1,315,985
Pupil transportation	432,707	436,344
Central	9,000	9,000
Operation of non-instructional services:		
Food service operations	320,941	352,264
Other non-instructional services	2,590	359
Extracurricular activities	422,131	418,658
Interest and fiscal charges	<u>118,547</u>	<u>128,645</u>
Total expenses	<u>9,804,886</u>	<u>10,409,540</u>
Change in net assets	74,203	(471,343)
Net assets at beginning of year	<u>3,179,991</u>	<u>3,651,334</u>
Net assets at end of year	<u>\$ 3,254,194</u>	<u>\$ 3,179,991</u>

**Governmental Activities**

Net assets of the District's governmental activities increased \$74,203. Total governmental expenses of \$9,804,886 were offset by program revenues of \$2,584,777 and general revenues of \$7,294,312. Program revenues supported 26.36% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 73.18% of total governmental revenue.

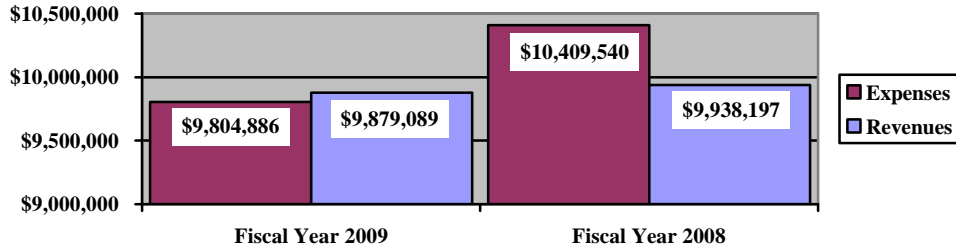
The largest expense of the District is for instructional programs. Instruction expenditures totaled \$5,404,109 or 55.12% of total governmental expenses for fiscal year 2009.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2009 and 2008.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table 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 grants and entitlements.

**Governmental Activities**

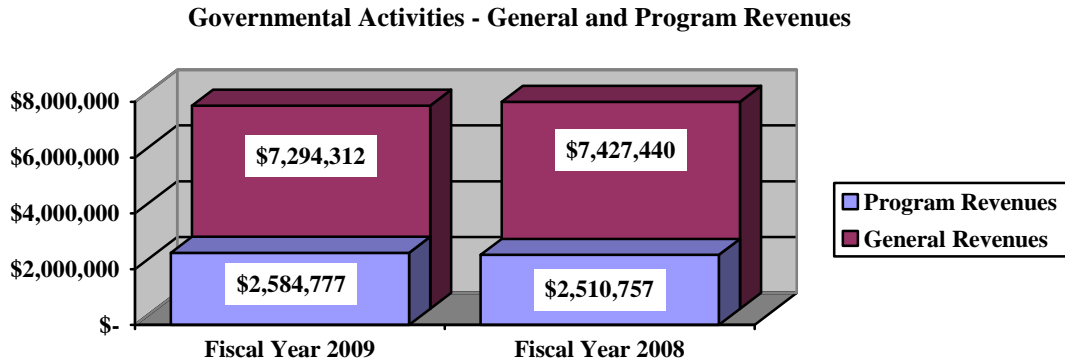
	Total Cost of Services 2009	Net Cost of Services 2009	Total Cost of Services 2008	Net Cost of Services 2008
<b>Program expenses</b>				
Instruction:				
Regular	\$ 3,964,448	\$ 2,737,419	\$ 4,516,214	\$ 3,350,469
Special	1,077,889	341,560	1,086,281	340,384
Other	361,772	357,412	390,412	386,451
Support services:				
Pupil	438,438	424,322	396,105	388,248
Instructional staff	214,001	202,409	230,491	221,476
Board of education	23,192	23,192	20,256	20,256
Administration	798,633	778,073	794,634	779,214
Fiscal	308,458	308,458	303,217	303,217
Business	11,880	11,880	10,675	10,675
Operations and maintenance	1,300,259	1,237,007	1,315,985	1,254,131
Pupil transportation	432,707	426,192	436,344	421,917
Central	9,000	-	9,000	-
Operations of non-instructional services:				
Food service operations	320,941	(43,756)	352,264	15,788
Other non-instructional services	2,590	2,590	359	359
Extracurricular activities	422,131	294,804	418,658	277,553
Interest and fiscal charges	118,547	118,547	128,645	128,645
<b>Total expenses</b>	<u>\$ 9,804,886</u>	<u>\$ 7,220,109</u>	<u>\$ 10,409,540</u>	<u>\$ 7,898,783</u>

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)

The dependence upon tax and other general revenues for governmental activities is apparent, 63.59% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 73.64%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2009 and 2008.



**The District's Funds**

The District's governmental funds reported a combined fund balance of \$1,636,295, which is lower than last year's balance of \$1,819,928. Fund balances for both the general fund and other governmental funds have been restated at June 30, 2008 as described in Note 3.A. to the basic financial statements. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2009 and June 30, 2008.

	Fund Balance <u>June 30, 2009</u>	Restated Fund Balance <u>June 30, 2008</u>	Increase/ (Decrease)	Percentage <u>Change</u>
General	\$ 1,195,431	\$ 1,447,060	\$ (251,629)	(17.39) %
Other Governmental	<u>440,864</u>	<u>372,868</u>	<u>67,996</u>	18.24 %
Total	<u>\$ 1,636,295</u>	<u>\$ 1,819,928</u>	<u>\$ (183,633)</u>	(10.09) %

**General Fund**

The District's general fund balance decreased \$251,629.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2009</u> <u>Amount</u>	<u>2008</u> <u>Amount</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 2,869,374	\$ 3,172,273	\$ (302,899)	(9.55) %
Tuition	1,260,470	1,150,204	110,266	9.59 %
Earnings on investments	63,450	106,685	(43,235)	(40.53) %
Intergovernmental - state	4,387,098	4,068,280	318,818	7.84 %
Other revenues	<u>1,083</u>	<u>3,489</u>	<u>(2,406)</u>	(68.96) %
Total	<u>\$ 8,581,475</u>	<u>\$ 8,500,931</u>	<u>\$ 80,544</u>	0.95 %
<b><u>Expenditures</u></b>				
Instruction	\$ 4,999,862	\$ 5,105,676	\$ (105,814)	(2.07) %
Support services	3,430,372	3,478,370	(47,998)	(1.38) %
Other non-instructional services	2,590	359	2,231	621.45 %
Extracurricular activities	232,669	226,787	5,882	2.59 %
Debt service	<u>101,723</u>	<u>101,793</u>	<u>(70)</u>	(0.07) %
Total	<u>\$ 8,767,216</u>	<u>\$ 8,912,985</u>	<u>\$ (145,769)</u>	(1.64) %

Overall revenues of the general fund increased \$80,544 or 0.95%. The increase in intergovernmental revenue of \$318,818 or 7.84% is due primarily to an increase in tangible personal property loss reimbursement by the State.

Overall expenditures of the general fund decreased \$145,769 or 1.64%. The decrease in expenditures can primarily be attributed to the numerous individuals who have retired over the past two fiscal years and are no longer being paid wages related to instructional functions. All other expenditures remain comparable to fiscal year 2008.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2009, the District amended its general fund budget several times. For the general fund, original budgeted revenues and other financing sources were \$7,906,479. Final budgeted revenues and other financing sources were \$8,633,104. Actual revenues and other financing sources were \$8,633,105, which approximately matched the final budget.

General fund original appropriations (appropriated expenditures including other financing uses) of \$10,075,137 were decreased to \$9,145,329 in the final budget appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2009 were \$9,008,962, which is \$136,367 less than final budget appropriations.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2009, the District had \$4,338,360 invested in land, land improvements, buildings and improvements, furniture and equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2009 balances compared to June 30, 2008:

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

	Governmental Activities	
	2009	2008
Land	\$ 60,088	\$ 60,088
Land improvements	338,145	365,092
Building and improvements	3,092,177	3,202,804
Furniture and equipment	719,550	816,736
Vehicles	128,400	148,025
Total	\$ 4,338,360	\$ 4,592,745

The overall decrease in capital assets of \$254,385 is due to depreciation expense of \$311,512 exceeding capital outlays of \$76,733 and disposals of \$131,934 exceeding the accumulated depreciation on the disposals of \$112,328 in the fiscal year.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

*Debt Administration*

At June 30, 2009, the District had \$1,179,776 in lease purchase agreements and \$1,365,000 in general obligation bonds outstanding. Of this total, \$237,233 is due within one year and \$2,307,543 is due within greater than one year. The following table summarizes the lease purchase agreements and bonds outstanding at June 30, 2009 and June 30, 2008.

**Outstanding Debt, at Year End**

	Governmental Activities <u>June 30, 2009</u>	Governmental Activities <u>June 30, 2008</u>
Lease purchase agreements	\$ 1,179,776	\$ 1,325,338
General obligation bonds	1,365,000	1,465,000
Total	\$ 2,544,776	\$ 2,790,338

At June 30, 2009, the District's overall legal debt margin was \$6,517,303, and an unvoted debt margin of \$82,337. See Note 10 to the basic financial statements for additional information on the District's debt administration.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009  
(UNAUDITED)**

**Current Financial Related Activities**

The District has two emergency levies. The first one voted in 2004 expires in tax year 2008 – collection year 2009. This levy generates approximately \$538,168 per year and was successfully renewed in March of 2008 for an additional five years. The second emergency levy was voted in 2005 and expires in tax year 2009 – collection year 2010. The second emergency levy generates approximately \$418,128 per year. In November of 2009, the District will place an 8 mill bond issue on the ballot. Although the ballot language will require one vote, the issue is broken down into two parts; the first is a 6.4 mill bond issue and the second is a 1.6 mill permanent improvement issue. This bond issue failed in the May 2009 election and the District will have one final attempt for approval in November.

In November of 2009, two board members will be elected to a four year term. Two of the three candidates are incumbents. In August of 2009, a new Superintendent as well as a new middle school principal were added to the District's staff. Also new in fiscal year 2010 will be the addition of a golf team and a drama club. The Ohio School Facility Commission has contacted the District to inform us that we could be eligible for funding for new buildings in as soon as twelve months. With all of these issues facing the District, the next year will be faced with very time consuming and thought provoking decisions.

The ARRA Stimulus Act will extend the hold harmless payments through 2013. This along with the State funding formula changing will have an effect on the finances for the District. ODE's prediction is that the District will receive an increase in funding. This is an item that will obviously be examined more closely in the future.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Ms. Laurena Rouan, Treasurer, Weathersfield Local School District, 3750 N. Main Street, Mineral Ridge, Ohio 44440.



**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

STATEMENT OF NET ASSETS  
JUNE 30, 2009

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents. . . . .	\$ 2,609,479
Cash in segregated accounts . . . . .	6,568
Receivables:	
Taxes . . . . .	3,629,404
Accounts . . . . .	6,027
Intergovernmental . . . . .	102
Accrued interest . . . . .	254
Prepayments . . . . .	32,774
Materials and supplies inventory . . . . .	10,118
Capital assets:	
Land . . . . .	60,088
Depreciable capital assets, net . . . . .	4,278,272
Capital assets, net . . . . .	4,338,360
 Total assets. . . . .	 10,633,086
 <b>Liabilities:</b>	
Accounts payable. . . . .	7,867
Accrued wages and benefits . . . . .	654,366
Pension obligation payable. . . . .	185,929
Intergovernmental payable . . . . .	56,211
Accrued interest payable . . . . .	17,386
Unearned revenue . . . . .	3,251,140
Long-term liabilities:	
Due within one year. . . . .	410,165
Due within more than one year . . . . .	2,795,828
Total long-term liabilities . . . . .	3,206,000
 Total liabilities . . . . .	 7,378,892
 <b>Net Assets:</b>	
Invested in capital assets, net of related debt. . . . .	1,793,584
Restricted for:	
Capital projects . . . . .	29,389
Debt service. . . . .	276,934
Locally funded programs . . . . .	78
Student activities. . . . .	75,144
Other purposes. . . . .	35,787
Unrestricted . . . . .	1,043,278
 Total net assets . . . . .	 \$ 3,254,194

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction:					
Regular . . . . .	\$ 3,964,448	\$ 1,173,532	\$ 53,497	\$ -	\$ (2,737,419)
Special . . . . .	1,077,889	115,399	620,930	-	(341,560)
Other . . . . .	361,772	-	4,360	-	(357,412)
Support services:					
Pupil. . . . .	438,438	5,733	8,383	-	(424,322)
Instructional staff . . . . .	214,001	-	11,592	-	(202,409)
Board of education . . . . .	23,192	-	-	-	(23,192)
Administration. . . . .	798,633	12,365	8,195	-	(778,073)
Fiscal. . . . .	308,458	-	-	-	(308,458)
Business. . . . .	11,880	-	-	-	(11,880)
Operations and maintenance . . . . .	1,300,259	1,168	-	62,084	(1,237,007)
Pupil transportation. . . . .	432,707	-	-	6,515	(426,192)
Central . . . . .	9,000	-	9,000	-	-
Operation of non-instructional services:					
Food service operations . . . . .	320,941	177,158	187,539	-	43,756
Other non-instructional services . . . . .	2,590	-	-	-	(2,590)
Extracurricular activities. . . . .	422,131	119,811	7,516	-	(294,804)
Interest and fiscal charges . . . . .	118,547	-	-	-	(118,547)
<b>Total governmental activities . . . . .</b>	<b>\$ 9,804,886</b>	<b>\$ 1,605,166</b>	<b>\$ 911,012</b>	<b>\$ 68,599</b>	<b>(7,220,109)</b>

**General Revenues:**

Property taxes levied for:	
General purposes . . . . .	2,930,211
Debt service. . . . .	124,923
Grants and entitlements not restricted	
to specific programs. . . . .	4,174,594
Investment earnings . . . . .	63,450
Miscellaneous . . . . .	1,134
<b>Total general revenues. . . . .</b>	<b>7,294,312</b>
Change in net assets . . . . .	74,203
<b>Net assets at beginning of year . . . . .</b>	<b>3,179,991</b>
<b>Net assets at end of year . . . . .</b>	<b>\$ 3,254,194</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 2,106,038	\$ 503,441	\$ 2,609,479
Cash in segregated accounts . . . . .	6,568	-	6,568
Receivables:			
Taxes . . . . .	3,520,765	108,639	3,629,404
Accounts . . . . .	5,986	41	6,027
Intergovernmental . . . . .	-	102	102
Accrued interest . . . . .	254	-	254
Prepayments . . . . .	32,774	-	32,774
Materials and supplies inventory . . . . .	-	10,118	10,118
Total assets . . . . .	<u>\$ 5,672,385</u>	<u>\$ 622,341</u>	<u>\$ 6,294,726</u>
<b>Liabilities:</b>			
Accounts payable . . . . .	\$ 7,772	\$ 95	\$ 7,867
Accrued wages and benefits . . . . .	604,726	49,640	654,366
Compensated absences payable . . . . .	130,232	-	130,232
Pension obligation payable . . . . .	166,716	19,213	185,929
Intergovernmental payable . . . . .	52,155	4,056	56,211
Deferred revenue . . . . .	361,332	11,354	372,686
Unearned revenue . . . . .	3,154,021	97,119	3,251,140
Total liabilities . . . . .	<u>4,476,954</u>	<u>181,477</u>	<u>4,658,431</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	106,179	1,183	107,362
Reserved for materials and supplies inventory . . . . .	-	10,118	10,118
Reserved for prepayments . . . . .	32,774	-	32,774
Reserved for property tax unavailable for appropriation . . . . .	5,412	167	5,579
Reserved for debt service . . . . .	-	270,129	270,129
Unreserved, undesignated, reported in:			
General fund . . . . .	1,051,066	-	1,051,066
Special revenue funds . . . . .	-	117,267	117,267
Capital projects funds . . . . .	-	42,000	42,000
Total fund balances . . . . .	<u>1,195,431</u>	<u>440,864</u>	<u>1,636,295</u>
Total liabilities and fund balances . . . . .	<u>\$ 5,672,385</u>	<u>\$ 622,341</u>	<u>\$ 6,294,726</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2009

<b>Total governmental fund balances</b>		\$ 1,636,295
<i>Amounts reported for governmental activities on the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		4,338,360
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Taxes receivable	\$ 372,685	
Intergovernmental receivable	1	
Total	372,686	372,686
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(17,386)
Long-term liabilities, including bonds and lease-purchase agreements payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	530,985	
Lease-purchase agreements payable	1,179,776	
General obligation bonds payable	1,365,000	
Total	3,075,761	(3,075,761)
<b>Net assets of governmental activities</b>		\$ 3,254,194

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
From local sources:			
Taxes . . . . .	\$ 2,869,374	\$ 125,245	\$ 2,994,619
Tuition. . . . .	1,260,470	-	1,260,470
Charges for services. . . . .	-	177,158	177,158
Earnings on investments. . . . .	63,450	581	64,031
Extracurricular. . . . .	-	130,246	130,246
Classroom materials and fees. . . . .	-	28,461	28,461
Contributions and donations. . . . .	-	67,386	67,386
Other local revenues. . . . .	1,083	15,772	16,855
Intergovernmental - state. . . . .	4,387,098	84,001	4,471,099
Intergovernmental - federal . . . . .	-	608,248	608,248
Total revenue . . . . .	<u>8,581,475</u>	<u>1,237,098</u>	<u>9,818,573</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular . . . . .	3,913,022	82,481	3,995,503
Special. . . . .	725,068	364,530	1,089,598
Other. . . . .	361,772	-	361,772
Support services:			
Pupil. . . . .	423,662	13,671	437,333
Instructional staff . . . . .	193,483	13,636	207,119
Board of education . . . . .	23,192	-	23,192
Administration. . . . .	774,326	30,416	804,742
Fiscal . . . . .	297,311	2,877	300,188
Business . . . . .	11,880	-	11,880
Operations and maintenance. . . . .	1,299,989	-	1,299,989
Pupil transportation . . . . .	406,529	-	406,529
Central. . . . .	-	9,000	9,000
Operation of non-instructional services:			
Food service operations . . . . .	-	315,215	315,215
Other non-instructional services. . . . .	2,590	-	2,590
Extracurricular activities. . . . .	232,669	138,519	371,188
Debt service:			
Principal retirement . . . . .	64,000	181,562	245,562
Interest and fiscal charges . . . . .	37,723	83,083	120,806
Total expenditures . . . . .	<u>8,767,216</u>	<u>1,234,990</u>	<u>10,002,206</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(185,741)</u>	<u>2,108</u>	<u>(183,633)</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	-	65,888	65,888
Transfers (out). . . . .	(65,888)	-	(65,888)
Total other financing sources (uses) . . . . .	<u>(65,888)</u>	<u>65,888</u>	<u>-</u>
Net change in fund balances . . . . .	(251,629)	67,996	(183,633)
<b>Fund balances at beginning of year (restated). . . . .</b>	<u>1,447,060</u>	<u>372,868</u>	<u>1,819,928</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,195,431</u>	<u>\$ 440,864</u>	<u>\$ 1,636,295</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL 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, 2009

**Net change in fund balances - total governmental funds** \$ (183,633)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 76,733	
Depreciation expense	(311,512)	
Total		(234,779)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net assets.

Capital asset disposals	(131,934)	
Accumulated depreciation on disposals	112,328	
Total		(19,606)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	60,515	
Intergovernmental	1	
Total		60,516

Repayment of bond and lease-purchase agreements principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. Principal payments during the year were:

Bonds	100,000	
Lease-purchase agreements	145,562	
Total		245,562

Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is due to the accrued interest on bonds.

2,259

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

203,884

**Change in net assets of governmental activities** \$ 74,203

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Taxes . . . . .	\$ 2,624,031	\$ 2,868,766	\$ 2,868,766	\$ -
Tuition . . . . .	1,152,939	1,260,470	1,260,470	-
Earnings on investments . . . . .	59,877	65,462	65,462	-
Other local revenues . . . . .	991	1,083	1,083	-
Intergovernmental - state . . . . .	4,024,256	4,388,798	4,388,799	1
<b>Total revenue . . . . .</b>	<u>7,862,094</u>	<u>8,584,579</u>	<u>8,584,580</u>	<u>1</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	4,470,079	4,057,549	3,997,046	60,503
Special . . . . .	811,952	737,019	726,029	10,990
Other . . . . .	404,946	367,575	362,094	5,481
Support services:				
Pupil . . . . .	472,698	429,074	422,676	6,398
Instructional staff . . . . .	215,773	195,859	192,939	2,920
Board of education . . . . .	25,913	23,522	23,171	351
Administration . . . . .	866,317	786,367	774,641	11,726
Fiscal . . . . .	334,577	303,699	299,171	4,528
Business . . . . .	13,286	12,060	11,880	180
Operations and maintenance . . . . .	1,521,621	1,381,194	1,360,599	20,595
Pupil transportation . . . . .	486,593	441,687	435,101	6,586
Operation of non-instructional services:				
Other non-instructional services . . . . .	3,110	2,823	2,781	42
Extracurricular activities . . . . .	260,824	236,753	233,223	3,530
Facilities acquisition and construction . . . . .	113,762	103,263	101,723	1,540
<b>Total expenditures . . . . .</b>	<u>10,001,451</u>	<u>9,078,444</u>	<u>8,943,074</u>	<u>135,370</u>
Excess of expenditures over revenues . . . . .	<u>(2,139,357)</u>	<u>(493,865)</u>	<u>(358,494)</u>	<u>135,371</u>
<b>Other financing sources (uses):</b>				
Refund of prior year expenditure . . . . .	44,385	48,525	48,525	-
Transfers (out) . . . . .	<u>(73,686)</u>	<u>(66,885)</u>	<u>(65,888)</u>	<u>997</u>
<b>Total other financing sources (uses) . . . . .</b>	<u>(29,301)</u>	<u>(18,360)</u>	<u>(17,363)</u>	<u>997</u>
Net change in fund balance . . . . .	(2,168,658)	(512,225)	(375,857)	136,368
<b>Fund balance at beginning of year (restated) . . . . .</b>	2,302,178	2,302,178	2,302,178	-
<b>Prior year encumbrances appropriated . . . . .</b>	68,184	68,184	68,184	-
<b>Fund balance at end of year . . . . .</b>	<u>\$ 201,704</u>	<u>\$ 1,858,137</u>	<u>\$ 1,994,505</u>	<u>\$ 136,368</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
JUNE 30, 2009

	<b>Agency</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents . . . . .	\$ 20,286
Receivables:	
Accounts . . . . .	177
Total assets. . . . .	\$ 20,463
<b>Liabilities:</b>	
Due to students . . . . .	\$ 20,463
Total liabilities . . . . .	\$ 20,463

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

Weathersfield Local School District (the “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 District is governed by a locally elected five member Board of Education (the “Board”) and provides educational services as mandated by State or federal agencies. The Board controls the District’s three instructional/support facilities.

The District ranks as the 486<sup>th</sup> largest by total enrollment among the 922 public school districts and community schools in the State of Ohio. The District is staffed by 34 non-certified and 73 certified personnel to provide services to approximately 991 students and other community members.

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

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The District’s significant accounting policies are described below.

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units”. The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, foods service, preschool and student related activities of the District.

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

The following organizations are described due to their relationship to the District:

*JOINTLY GOVERNED ORGANIZATIONS*

Northeast Ohio Management Information Network (NEOMIN)

NEOMIN is a jointly governed organization among thirty school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to the administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge.

Superintendents of the participating school districts are eligible to be voting members of the Governing Board which consists of ten members: the Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County school districts, three superintendents from Trumbull County school districts and a treasurer from each county who must be employed by a participating school district, the fiscal agent or NEOMIN. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. To obtain a copy of NEOMIN's financial statements, write to the Trumbull County Educational Service Center, 6000 Youngstown Warren Road, Niles, Ohio 44446.

Northeast Ohio Instructional Media Center (NEOIMC)

NEOIMC is a jointly governed organization among 45 school districts. The organization was formed for the purpose of providing quality films and/or other media to support the curricula of the Districts. Each member pays a monthly premium based on use of the media materials. NEOIMC is governed by an advisory committee made up of a member from a parochial school, a Joint Vocational School, one county superintendent from each participating county, one city superintendent and two local superintendents rotating every two years. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. Financial information can be obtained by contacting the treasurer at the Trumbull County Educational Service Center, 6000 Youngstown Warren Road, Niles, Ohio 44446.

Region 12 Professional Development Center (the "Center")

The Center is a jointly governed organization among the school districts located in Trumbull, Mahoning and Columbiana counties. The jointly governed organization was formed for the purpose of establishing an articulated, regional structure for professional development, in which school districts, the business community, higher education and other groups cooperatively plan and implement effective professional development activities that are tied directly to school improvement, and in particular, to improving instructional programs.

*PUBLIC ENTITY RISK POOLS*

Trumbull County Schools Employee Insurance Benefits Consortium (the "Consortium")

The District participates in the Consortium. The Consortium is a shared risk pool comprised of fifteen Trumbull County School Districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly exercises control over the operation of the Consortium. Consortium revenues are generated from charges for services.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

Ohio School Plan

The Ohio School Plan (the "Plan") is a shared liability, property and fleet insurance risk pool which is governed by a board of thirteen school superintendents, business managers and treasurers. Harcum-Schuett, the insurance agency, has one board seat. OSBA, BASA, and OASBO executive directors serve as ex-officio members. Four hundred and fifty educational entities are served by the Plan. The Plan's board elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Plan. All Plan revenues are generated from charges for services. For more information, write to the Ohio School Plan, Harcum-Schuett Insurance Agency, Inc., 246 Sycamore Street, Columbus, Ohio 43206.

**B. Fund Accounting**

The 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 three categories of funds: governmental, proprietary 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 liabilities is reported as fund balance. The following is the District's major governmental fund:

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

Other governmental funds of the District are used to account for (a) the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs; (b) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (c) for grants and other resources whose use is restricted to a particular purpose; and (d) food service operations.

*PROPRIETARY FUNDS*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no proprietary funds.

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net assets and changes in net assets. 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 District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

*Government-wide Financial Statements* - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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.

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.

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

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

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

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met and delinquent property taxes due at June 30, 2009 are recorded as deferred revenue on the governmental fund financial statements.

On governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred revenue.

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 statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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

**E. Budgets**

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds except agency funds. The specific timetable for fiscal year 2009 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

2. By no later than January 20, the Board-adopted budget is filed with the Trumbull County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final certificate of estimated resources issued for fiscal year 2009.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
7. Appropriations amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2009. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

**F. Cash and Investments**

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

During fiscal year 2009, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), a repurchase agreement and nonnegotiable certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

The District has invested funds in STAR Ohio during fiscal year 2009. 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 shares price which is the price the investment could be sold for on June 30, 2009.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2009 amounted to \$63,450, which includes \$14,250 assigned from other funds.

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

An analysis of the District's investment account at year end is provided in Note 4.

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**H. Capital Assets**

General capital 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 assets, 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 deductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$500. 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. The District does not possess infrastructure.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	6 - 10 years

**I. 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 on the statement of net assets. The District had no interfund loans outstanding at June 30, 2009.

**J. Compensated Absences**

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

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 District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the District’s termination policy. The District records a liability for accumulated unused sick leave for classified, certified and administrative employees after fifteen years of service.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2009 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

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



**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

**K. 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. Bonds are recognized as a liability on the fund financial statements when due.

**L. Fund Balance Reserves**

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, materials and supplies inventory, prepayments, property tax revenue unavailable for appropriation and debt service. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute.

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist 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 assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes includes amounts restricted for food service operations and uniform school supplies.

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

**N. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

**O. Estimates**

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

**P. Interfund Activity**

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

**Q. 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 2009.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Restatement of Fund Balances**

The fund balances of the District’s general fund and debt service fund (a nonmajor governmental fund) have been restated to correct the cash posting of tangible personal property receipts in the prior year. The restatement had the following effect on the fund balances of the governmental funds as previously reported:

	<u>General</u>	Nonmajor governmental <u>funds</u>	Total governmental <u>funds</u>
Fund balances, June 30, 2008	\$ 1,361,030	\$ 458,898	\$ 1,819,928
Cash adjustment for tangible personal property receipts	<u>86,030</u>	<u>(86,030)</u>	<u>-</u>
Restated fund balance, June 30, 2008	<u>\$ 1,447,060</u>	<u>\$ 372,868</u>	<u>\$ 1,819,928</u>

The beginning fund balance presented for the general fund on the statement of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) has been restated from \$2,216,148 to \$2,302,178 due to the correction for tangible personal property receipts in the prior year.

**B. Change in Accounting Principles**

For fiscal year 2009, the District has implemented GASB Statement No. 49, “Accounting and Financial Reporting for Pollution Remediation Obligations”, GASB Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments”, GASB Statement No. 55, “The Hierarchy of Generally Accepted Account Principles for State and Local Governments”, and GASB Statement No. 56 “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 49 addresses accounting and financial reporting standards for pollution remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of GASB Statement No. 49 did not have an effect on the financial statements of the District.

GASB Statement No. 52 improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. The implementation of GASB Statement No. 52 did not have an effect on the financial statements of the District.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. The implementation of GASB Statement No. 55 did not have an effect on the financial statements of the District.

GASB Statement No. 56 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' (AICPA) Statements on Auditing Standards. The implementation of GASB Statement No. 56 did not have an effect on the financial statements of the District.

**C. Deficit Fund Balances**

Fund balances at June 30, 2009 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
SchoolNet professional development	\$ 30
Poverty aid	493
Title VI-B	64
Title I	8,448
Improving teacher quality	4,782
Miscellaneous federal grants	6

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

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

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Cash on Hand**

At fiscal year end, the District had \$120 in undeposited cash on hand which is included on the financial statements of the District as part of "equity in pooled cash and cash equivalents."

**B. Cash in Segregated Accounts**

At fiscal year end, \$5,512 was on deposit with Farmers National Bank for an athletic account and \$1,056 was on deposit with Farmers National Bank for a flower account. These amounts are included in the total amount of "Deposits with Financial Institutions".

**C. Deposits with Financial Institutions**

At June 30, 2009, the carrying amount of all District deposits was \$2,133,946, exclusive of the \$502,266 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2009, \$1,893,900 of the District's bank balance of \$2,146,514 was exposed to custodial risk as discussed below, while \$252,614 was covered by the FDIC.

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

**D. Investments**

As of June 30, 2009, the District had the following investments and maturities:

<u>Investment types</u>	<u>Fair Value</u>	<u>Investment Maturities 6 months or less</u>
Repurchase agreement	\$ 502,266	\$ 502,266
STAR Ohio	<u>1</u>	<u>1</u>
Total	<u>\$ 502,267</u>	<u>\$ 502,267</u>

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the District's \$502,266 investment in repurchase agreements, the entire balance is collateralized by underlying securities that are held by the investment's counterparty, not in the name of the District. Ohio law requires the market value of the securities subject to repurchase agreements must exceed the principal value of securities subject to a repurchase agreement by 2%. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2009:

<u>Investment types</u>	<u>Fair Value</u>	<u>% of Total</u>
Repurchase agreement	\$ 502,266	100.00
STAR Ohio	<u>1</u>	<u>0.00</u>
Total	<u>\$ 502,267</u>	<u>100.00</u>

**E. Reconciliation of Cash and Investments to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2009:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,133,946
Investments	502,267
Cash on hand	<u>120</u>
Total	<u>\$ 2,636,333</u>
 <u>Cash and investments per statement of net assets</u>	
Governmental activities	\$ 2,616,047
Agency fund	<u>20,286</u>
Total	<u>\$ 2,636,333</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

Interfund transfers for the year ended June 30, 2009, consisted of the following, as reported on the fund financial statements:

Transfers to nonmajor governmental funds from:	
General fund	\$ 65,888

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated in the statement of activities.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2009 represents collections of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed value listed as of January 1, 2008, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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 2009 represented collections of calendar year 2008 taxes. Public utility real property taxes received in calendar year 2009 became a lien December 31, 2007, were levied after April 1, 2008 and are collected in 2009 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2009 (other than public utility property) represented the collection of 2009 taxes. Tangible personal property taxes received in calendar year 2009 were levied after April 1, 2008, on the value as of December 31, 2008. The tangible personal property tax is being phased out - the assessment percentage for all property including inventory was 6.25 percent for 2008. This percentage was reduced to zero for 2009. Payments by multi-county taxpayers were due by September 20. Single county taxpayers were required to pay annually or semi-annually. If paid annually, payment is due by April 30; if paid semi-annually, the first payment is due by April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 were received by the District prior to June 30.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phased out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property was eliminated in 2009 and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2009-2010, the District will be fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 6 - PROPERTY TAXES - (Continued)**

The District receives property taxes from Trumbull County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2009, are available to finance fiscal year 2009 operations. The amount available as an advance at June 30, 2009 was \$5,412 in the general fund and \$167 in the debt service fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2008 was \$4,804 in the general fund and \$187 in the debt service fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2009 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 unearned revenue.

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 deferred.

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second Half Collections		2009 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 78,349,530	84.54	\$ 78,942,110	82.81
Public utility personal	3,659,940	3.95	3,600,530	3.78
Tangible personal property	<u>10,667,739</u>	<u>11.51</u>	<u>12,780,309</u>	<u>13.41</u>
Total	<u>\$ 92,677,209</u>	<u>100.00</u>	<u>\$ 95,322,949</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation				
General	\$52.70		\$53.65	
Debt service	1.50		1.50	



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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2009 consisted of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

**Governmental activities:**

Taxes	\$ 3,629,404
Accounts	6,027
Intergovernmental	102
Accrued interest	<u>254</u>
Total	<u>\$ 3,635,787</u>

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

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	<u>Balance 06/30/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 06/30/09</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 60,088	\$ -	\$ -	\$ 60,088
Total capital assets, not being depreciated	<u>60,088</u>	<u>-</u>	<u>-</u>	<u>60,088</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	892,290	-	-	892,290
Buildings and improvements	7,126,372	19,998	-	7,146,370
Furniture and equipment	3,270,062	47,343	(125,657)	3,191,748
Vehicles	<u>564,173</u>	<u>9,392</u>	<u>(6,277)</u>	<u>567,288</u>
Total capital assets, being depreciated	<u>11,852,897</u>	<u>76,733</u>	<u>(131,934)</u>	<u>11,797,696</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(527,198)	(26,947)	-	(554,145)
Buildings and improvements	(3,923,568)	(130,625)	-	(4,054,193)
Furniture and equipment	(2,453,326)	(126,490)	107,618	(2,472,198)
Vehicles	<u>(416,148)</u>	<u>(27,450)</u>	<u>4,710</u>	<u>(438,888)</u>
Total accumulated depreciation	<u>(7,320,240)</u>	<u>(311,512)</u>	<u>112,328</u>	<u>(7,519,424)</u>
Governmental activities capital assets, net	<u>\$ 4,592,745</u>	<u>\$ (234,779)</u>	<u>\$ (19,606)</u>	<u>\$ 4,338,360</u>

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FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 8 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 181,039
Special	9,031
<u>Support services:</u>	
Pupil	2,009
Instructional staff	5,578
Administration	5,020
Fiscal	1,405
Operations and maintenance	9,228
Pupil transportation	25,093
Extracurricular activities	66,885
Food service operations	<u>6,224</u>
Total depreciation expense	<u>\$ 311,512</u>

**NOTE 9 - LEASE-PURCHASE AGREEMENTS**

- A. On June 28, 2001, the District entered into a lease-purchase agreement with the Weathersfield School Building Corporation (the "Corporation") for the financing of the reconstruction and improvement of the Joe Lane Sports Complex. The source of revenue to fund the principal and interest payments is derived from various donations, advertising and contributions from the District's general fund. During fiscal year 2009, the District made \$81,562 in principal payments on the lease-purchase agreement.

Capital assets consisting of land improvements and building improvements have been capitalized in the amount of \$950,000. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Accumulated depreciation as of June 30, 2009 was \$171,000, leaving a current book value of \$779,000.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreement and the present value of the minimum lease payments as of June 30, 2009.

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2010	\$ 86,268
2011	86,268
2012	86,268
2013	86,268
2014	86,268
2015 - 2016	<u>116,877</u>
Total minimum lease payments	548,217
Less: amount representing interest	<u>(80,765)</u>
Total	<u>\$ 467,452</u>

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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

In conjunction with the lease-purchase agreement, the District entered into a ground-lease agreement whereby the District subleases the real property upon which the reconstruction and improvements are being made to the Corporation. The District is the lessor and the Corporation is the lessee under the ground-lease agreement. The ground-lease commenced on June 28, 2001 and terminates on December 1, 2015, or earlier upon the termination of the lease-purchase agreement or the District's exercise to take advantage of the purchase option.

- B.** On March 1, 2002, the District entered into a lease-purchase agreement with the Rickenbacker Port Authority (through the Ohio Association of School Business Officials (OASBO) Expanded Asset Pooled Financing Program) for building improvements throughout the District. National City Bank has been designated as trustee for the agreement. The source of revenue to fund the principal and interest payments is general operating revenues of the District. The District made \$64,000 in principal payments during fiscal year 2009. Principal and interest payments are recorded as debt service expenditures in the general fund.

Capital assets consisting of building improvements have been capitalized in the amount of \$1,095,324. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability is recorded in the government-wide financial statements. Accumulated depreciation as of June 30, 2009 was \$186,205, leaving a current book value of \$909,119.

The following is a schedule of the future long-term minimum lease payments required under the lease-purchase agreement and the present value of the minimum lease payments as of June 30, 2009.

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2010	\$ 101,505
2011	102,115
2012	101,554
2013	101,820
2014	100,915
2015 - 2018	<u>378,144</u>
Total minimum lease payments	886,053
Less: amount representing interest	<u>(173,729)</u>
Total	<u>\$ 712,324</u>

**NOTE 10 - LONG-TERM OBLIGATIONS**

- A.** During the fiscal year 2002, the District issued \$2,000,000 in general obligation bonds to provide funds for renovations and improvements to Seaburn Elementary. These bonds bear an annual interest rate of 2.10% and mature on December 1, 2021. These bonds are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Accordingly, such unmatured obligations of the District are accounted for in the government-wide financial statements. During fiscal year 2009, the District made \$100,000 in principal payments on the bonds. Payments of principal and interest relating to this bond are recorded as expenditures in the debt service fund (a nonmajor governmental fund). Interest payments are made on December 1 and June 1 each year.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2009, are as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 105,000	\$ 54,635	\$ 159,635
2011	105,000	50,697	155,697
2012	110,000	46,558	156,558
2013	40,217	119,196	159,413
2014	36,555	122,857	159,412
2015 - 2019	528,228	258,354	786,582
2020 - 2022	<u>440,000</u>	<u>32,062</u>	<u>472,062</u>
Total	<u>\$ 1,365,000</u>	<u>\$ 684,359</u>	<u>\$ 2,049,359</u>

- B.** During the fiscal year 2009, the following changes occurred in governmental activities long-term obligations:

	<u>Balance 06/30/08</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/09</u>	<u>Amounts Due in One Year</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 736,571	\$ 42,700	\$ (178,054)	\$ 601,217	\$ 112,932
Early retirement incentive	105,000	-	(45,000)	60,000	60,000
Lease-purchase agreements payable	1,325,338	-	(145,562)	1,179,776	132,233
General obligation bonds payable	<u>1,465,000</u>	<u>-</u>	<u>(100,000)</u>	<u>1,365,000</u>	<u>105,000</u>
Total long-term obligations, governmental activities	<u>\$ 3,631,909</u>	<u>\$ 42,700</u>	<u>\$ (468,616)</u>	<u>\$ 3,205,993</u>	<u>\$ 410,165</u>

Compensated absences will be paid from the fund from which the employees' salaries are paid, which is primarily the general fund. The lease-purchase agreements will be paid from the general fund and the Joe Lane Sports Complex fund (a nonmajor governmental fund). The general obligation bonds will be paid from the debt service fund (a nonmajor governmental fund).

**C. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2009, are a voted debt margin of \$6,517,303 (including available funds of \$472,000) and an unvoted debt margin of \$82,337.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 11 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for 25% of unused accumulated sick leave days up to 210 days plus 13% of sick leave days in excess of 210 days.

**B. Life Insurance**

The District provides life insurance and accidental death and dismemberment insurance to most employees. Certified employees are covered up to \$45,000, classified employees are covered up to \$40,000 and bus drivers are covered up to \$32,000.

**C. Early Retirement Incentive**

The District provided an early retirement incentive plan for State Teacher's Retirement System of Ohio (STRS Ohio) employees who were eligible for retirement under STRS Ohio guidelines and retired effective at the end of the 2008 school year. Employees who enrolled in the early retirement incentive plan receive two lump sum payments, twelve months apart, into a 403(b) Plan established by the Board on behalf of the retiring employee. The first lump-sum payment was made by November 1, 2008. The second lump-sum payment will be made by November 1, 2009. Nine employees took advantage of the early retirement incentive in fiscal year 2008. A liability for the early retirement incentive payments has been recorded in the fund financial statements for the amount expected to be liquidated with expendable available financial resources. The entire liability is recorded on the statement of net assets.

**NOTE 12 - RISK MANAGEMENT**

**A. Property, Fleet, and Liability Insurance**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2009, the District contracted with First Place Insurance for property insurance and inland marine coverage; and with Indiana Insurance for fleet and liability insurance. Coverages are as follows:

<i>Indiana Insurance provider for:</i>	
Building and Contents - replacement cost (\$5,000 deductible)	\$31,130,647
Inland Marine Coverage (\$1,000 deductible)	
Boiler Insurance (\$1,000 deductible)	
Crime / Dishonesty Insurance (\$1,000 deductible)	25,000
<i>Ohio School Plan - Indiana Insurance provider for:</i>	
Automobile Liability (\$5,000 deductible)	1,000,000
Uninsured Motorists (\$5,000 deductible)	50,000
General Liability	1,000,000
Per occurrence	3,000,000
Fleet Liability	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. Also, the District has not materially reduced its coverage in the past year.

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

**NOTE 12 - RISK MANAGEMENT - (Continued)**

**B. Medical, Dental, Vision and Drug Benefits**

The District has contracted with the Trumbull County Schools Employee Insurance Benefits Consortium to provide employee medical, prescription drug, vision and dental benefits. The Trumbull County Schools Employee Insurance Benefits Consortium is a shared risk pool comprised of fifteen Trumbull County school districts. Rates are set through an annual calculation process. Weathersfield Local School District pays a monthly contribution which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. The following table summarizes the monthly premiums:

	<u>Family Coverage</u>	<u>Single Coverage</u>
Medical and prescription drug	\$1,111.86	\$427.48
Vision	6.54	2.37
Dental	74.36	20.98

The District pays 90% of the premium after one year of employment, 95% after two years of employment and 100% after three years of employment. The plan utilizes a \$5.00 deductible for generic drugs and a \$10.00 deductible for brand name drugs.

**C. Workers' Compensation**

The District uses the firm of Sheakley Uniservice, Inc. to provide administrative support for claims processing, and to assist the District in compliance with Bureau of Workers Compensation and Industrial Commission regulations. The District purchases its workers compensation coverage from the Bureau of Workers Compensation.

**NOTE 13 - PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by 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 may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Forms and Publications*.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 13 - PENSION PLANS - (Continued)**

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. 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 District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$93,716, \$96,925 and \$102,601, respectively; 47.70 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

**B. State Teachers Retirement System of Ohio**

Plan Description - The 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 stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For fiscal year 2009, plan members were required to contribute 10 percent of their annual covered salaries. The 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 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 13 - PENSION PLANS - (Continued)**

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008 and 2007 were \$528,566, \$526,414 and \$503,442, respectively; 84.27 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$10,208 made by the District and \$9,722 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2009, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) 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 and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. 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.

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 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, the actuarially determined amount was \$35,800.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2009, 2008, and 2007 were \$59,071, \$65,068 and \$54,263, respectively; 47.70 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)**

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2009, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$7,732, \$6,984 and \$6,977, respectively; 47.70 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

**B. State Teachers Retirement System of Ohio**

Plan Description - The 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 report of STRS Ohio which may be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$40,659, \$40,493 and \$38,726, respectively; 84.27 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

While 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 is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (375,857)
Net adjustment for revenue accruals	(3,105)
Net adjustment for expenditure accruals	67,690
Net adjustment for other sources/uses	(48,525)
Adjustment for encumbrances	<u>108,168</u>
GAAP basis	<u>\$ (251,629)</u>

**NOTE 16 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is involved in no material litigation as either plaintiff or defendant.

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE 17 - STATUTORY RESERVES**

The District is required by State statute to annually set-aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. During the fiscal year ended June 30, 2009, the reserve activity was as follows:

	Textbooks/ Instructional <u>Materials</u>	Capital <u>Acquisition</u>
Set-aside balance as of June 30, 2008	\$ (448,651)	\$ (2,000,000)
Current year set-aside requirement	160,765	160,765
Qualifying disbursements	<u>(239,100)</u>	<u>(301,955)</u>
Total	<u>\$ (526,986)</u>	<u>\$ (2,141,190)</u>
Balance carried forward to fiscal year 2010	<u>\$ (526,986)</u>	<u>\$ (2,000,000)</u>

The District had qualifying disbursements during the fiscal year that reduced the textbook/instructional materials and capital acquisition set aside amounts to below zero. The amount in textbooks/instructional materials may be used to reduce the set-aside requirements of future years. Debt proceeds may be used to reduce the capital acquisition reserve until consumed. Excess qualifying disbursements for capital acquisition may not be used to reduce the set-aside requirements of future years.

**NOTE 18 - SIGNIFICANT SUBSEQUENT EVENT**

The District hired Mr. Damon Dohar as the new Superintendent effective August of 2009.

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WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/ Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<i>Passed Through The Ohio Department of Education:</i>					
<b>Nutrition Cluster:</b>					
School Breakfast Program	10.553	\$25,993		\$25,993	
National School Lunch Program	10.555	135,231	\$21,526	135,231	\$21,526
<b>Total -- Nutrition Cluster</b>		<b>161,224</b>	<b>21,526</b>	<b>161,224</b>	<b>21,526</b>
<b>Total U.S. Department of Agriculture</b>		<b>161,224</b>	<b>21,526</b>	<b>161,224</b>	<b>21,526</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<i>Passed Through The Ohio Department of Education:</i>					
Grants to Local Educational Agencies					
Title I School Subsidy	84.010	484		17,316	
		209,078		181,665	
<b>Subtotal -- Title I School Subsidy</b>		<b>209,562</b>		<b>198,981</b>	
<i>Special Education Grants Cluster:</i>					
Special Education Grants to States - Title VI-B	84.027			1,161	
		162,247		162,247	
<b>Subtotal -- Special Education Cluster - Title VI - B</b>		<b>162,247</b>		<b>163,408</b>	
<b>Title IV Safe and Drug Free Schools</b>	84.186	<b>3,891</b>		<b>3,891</b>	
<b>Innovative Education Program Strategies</b>	84.298	<b>1,572</b>		<b>720</b>	
Title II - D Technology Literacy Challenge Grant	84.318	1,958		1,959	
Title II - A Improving Teacher Quality State Grants	84.367	384		2,502	
		47,466		44,377	
<b>Subtotal -- Title II - A</b>		<b>47,850</b>		<b>46,879</b>	
<b>Total -- U.S. Department of Education</b>		<b>427,080</b>		<b>415,838</b>	
<b>Totals</b>		<b>\$588,304</b>	<b>\$21,526</b>	<b>\$577,062</b>	<b>\$21,526</b>

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

**WEATHERSFIELD LOCAL SCHOOLDISTRICT  
TRUMBULL COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Expenditures Schedule (the Schedule) reports the Buckeye Local School District (the District) federal award programs' receipts and disbursements. 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**

Program regulations do not require the District to maintain separate inventory records for purchased food versus food commodities it receives from the U.S. Department of Agriculture. The District reports commodities consumed on the Schedule at the entitlement value.

**NOTE D - MATCHING REQUIREMENTS**

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Mary Taylor, CPA

Auditor of State

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

Weathersfield Local School District  
Trumbull County  
3750 North Main Street  
Mineral Ridge, Ohio 44440-9535

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Weathersfield Local School District, Trumbull County, (the District) as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we noted a certain matter that we reported to the District's management in a separate letter dated February 3, 2010.

### **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, providing an opinion 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*.

We did note a certain noncompliance and other matter that we reported to the District's management in a separate letter dated February 3, 2010.

We intend this report solely for the information and use of the audit committee, management, Board of Education, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

February 3, 2010





# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Weathersfield Local School District  
Trumbull County  
3750 North Main Street  
Mineral Ridge, Ohio 44440-9535

To The Board of Education:

### Compliance

We have audited the compliance of Weathersfield Local School District, Trumbull County (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Weathersfield Local School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2009.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

February 3, 2010

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY  
JUNE 30, 2009**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Program's Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Nutrition Cluster –(CFDA's 10.553 and 10.555) and Special Education Cluster - (CFDA 84.027)
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: All Others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	No

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

<b>Finding Number</b>	<b>None</b>
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**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

<b>Finding Number</b>	<b>None</b>
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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Weathersfield Local School District  
Trumbull County  
3750 North Main Street  
Mineral Ridge, Ohio 44440-9535

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Weathersfield Local School District, (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on April 16, 2008
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
  - (3) A procedure for reporting prohibited incidents;
  - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
  - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
  - (6) A procedure for documenting any prohibited incident that is reported;

- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

February 3, 2010



**Mary Taylor, CPA**  
Auditor of State

**WEATHERSFIELD LOCAL SCHOOL DISTRICT**  
**TRUMBULL 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**  
**FEBRUARY 25, 2010**