



**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY**

**REGULAR AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY**

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## INDEPENDENT ACCOUNTANTS' REPORT

Board of Education  
Weathersfield Local School District  
3750 North Main Street  
Mineral Ridge, Ohio 44440

We have audited the accompanying general-purpose financial statements of the Weathersfield Local School District, Trumbull County, (the District) as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Weathersfield Local School District, Trumbull County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types 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 August 6, 2001 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the District, taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

**Jim Petro**  
Auditor of State

August 6, 2001

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**Weathersfield Local School District**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups*  
*June 30, 2000*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits</b>				
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$1,773,551	\$73,029	\$4,550	\$33,655
Receivables:				
Taxes	3,466,166	0	0	0
Accounts	215	0	0	0
Intergovernmental	0	0	0	0
Interfund Receivable	160,884	0	0	0
Prepaid Items	50,563	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	33,107	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits</b>				
Amount Available in Debt Service Fund for Retirement of General Obligation Debt	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets and Other Debits</b>	<b>\$5,484,486</b>	<b>\$73,029</b>	<b>\$4,550</b>	<b>\$33,655</b>



Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$37,102	\$21,757	\$0	\$0	\$1,943,644
0	0	0	0	3,466,166
0	0	0	0	215
13,288	0	0	0	13,288
0	0	0	0	160,884
2,885	0	0	0	53,448
1,685	0	0	0	1,685
1,736	0	0	0	1,736
0	0	0	0	33,107
18,957	0	7,623,698	0	7,642,655
0	0	0	4,550	4,550
0	0	0	582,796	582,796
<u>\$75,653</u>	<u>\$21,757</u>	<u>\$7,623,698</u>	<u>\$587,346</u>	<u>\$13,904,174</u>

(continued)

**Weathersfield Local School District**  
*Combined Balance Sheet*  
*All Fund Types and Account Groups (continued)*  
*June 30, 2000*

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b><i>Liabilities, Fund Equity and Other Credits</i></b>				
<b>Liabilities</b>				
Accounts Payable	\$95,584	\$0	\$0	\$0
Contracts Payable	247,652	0	0	0
Accrued Wages and Benefits	520,444	23,909	0	0
Compensated Absences Payable	22,005	0	0	0
Interfund Payable	0	122,621	0	38,263
Intergovernmental Payable	125,845	5,673	0	0
Deferred Revenue	3,462,089	0	0	0
Due to Students	0	0	0	0
Capital Leases Payable	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
<b><i>Total Liabilities</i></b>	<b>4,473,619</b>	<b>152,203</b>	<b>0</b>	<b>38,263</b>
<b>Fund Equity and Other Credits</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	460,722	21,692	0	0
Reserved for Budget Stabilization	33,107	0	0	0
Reserved for Property Taxes	4,077	0	0	0
Unreserved, Undesignated (Deficit)	512,961	(100,866)	4,550	(4,608)
<b><i>Total Fund Equity (Deficit) and Other Credits</i></b>	<b>1,010,867</b>	<b>(79,174)</b>	<b>4,550</b>	<b>(4,608)</b>
<b><i>Total Liabilities, Fund Equity and Other Credits</i></b>	<b>\$5,484,486</b>	<b>\$73,029</b>	<b>\$4,550</b>	<b>\$33,655</b>

*See accompanying notes to the general purpose financial statements*

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Agency			
\$6,024	\$0	\$0	\$0	\$101,608
0	0	0	0	247,652
16,938	0	0	0	561,291
14,577	0	0	452,999	489,581
0	0	0	0	160,884
10,196	0	0	54,323	196,037
1,685	0	0	0	3,463,774
0	21,757	0	0	21,757
0	0	0	4,854	4,854
0	0	0	75,170	75,170
49,420	21,757	0	587,346	5,322,608
0	0	7,623,698	0	7,623,698
2,720	0	0	0	2,720
23,513	0	0	0	23,513
0	0	0	0	482,414
0	0	0	0	33,107
0	0	0	0	4,077
0	0	0	0	412,037
26,233	0	7,623,698	0	8,581,566
<u>\$75,653</u>	<u>\$21,757</u>	<u>\$7,623,698</u>	<u>\$587,346</u>	<u>\$13,904,174</u>

**Weathersfield Local School District**  
*Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances  
All Governmental Fund Types  
For the Fiscal Year Ended June 30, 2000*

	Governmental Fund Types		
	General	Special Revenue	Debt Service
<b>Revenues</b>			
Taxes	\$3,661,001	\$0	\$41,101
Intergovernmental	3,316,954	183,270	0
Interest	117,009	0	0
Extracurricular Activities	0	101,483	0
Donations	16,286	0	0
Miscellaneous	1,152	0	0
<i>Total Revenues</i>	<u>7,112,402</u>	<u>284,753</u>	<u>41,101</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	3,412,936	56,628	0
Special	210,077	252,696	0
Adult/Continuing	498	0	0
Support Services:			
Pupils	409,041	22,220	0
Instructional Staff	185,822	11,886	0
Board of Education	12,452	0	0
Administration	570,836	9,091	0
Fiscal	204,720	91	0
Business	13,755	0	0
Operation and Maintenance of Plant	952,153	0	0
Pupil Transportation	418,109	0	0
Central	1,200	0	0
Extracurricular Activities	135,182	66,312	0
Capital Outlay	607,242	0	0
Debt Service:			
Principal Retirement	3,622	0	35,828
Interest and Fiscal Charges	881	0	5,273
<i>Total Expenditures</i>	<u>7,138,526</u>	<u>418,924</u>	<u>41,101</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(26,124)</u>	<u>(134,171)</u>	<u>0</u>
<b>Other Financing Sources (Uses)</b>			
Operating Transfers In	0	3,838	0
Operating Transfers Out	(3,838)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(3,838)</u>	<u>3,838</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses</i>	<u>(29,962)</u>	<u>(130,333)</u>	<u>0</u>
<i>Fund Balances Beginning of Year</i>	<u>1,040,829</u>	<u>51,159</u>	<u>4,550</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$1,010,867</u>	<u>(\$79,174)</u>	<u>\$4,550</u>

*See accompanying notes to the general purpose financial statements*

Capital Projects	Totals (Memorandum Only)
\$0	\$3,702,102
54,636	3,554,860
0	117,009
0	101,483
0	16,286
0	1,152
54,636	7,492,892
0	3,469,564
0	462,773
0	498
0	431,261
0	197,708
0	12,452
0	579,927
0	204,811
0	13,755
0	952,153
0	418,109
0	1,200
0	201,494
141,865	749,107
0	39,450
0	6,154
141,865	7,740,416
(87,229)	(247,524)
0	3,838
0	(3,838)
0	0
(87,229)	(247,524)
82,621	1,179,159
(\$4,608)	\$931,635

**Weathersfield Local School District**  
*Combined Statement of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Governmental Fund Types  
For the Fiscal Year Ended June 30, 2000*

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Taxes	\$3,573,028	\$3,661,381	\$88,353
Intergovernmental	3,182,785	3,316,954	134,169
Interest	91,500	116,894	25,394
Extracurricular Activities	0	0	0
Donations	2,500	16,286	13,786
Miscellaneous	1,700	1,052	(648)
<i>Total Revenues</i>	<u>6,851,513</u>	<u>7,112,567</u>	<u>261,054</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	3,617,641	3,475,158	142,483
Special	245,788	215,478	30,310
Adult/Continuing	250	1	249
Support Services:			
Pupils	446,095	410,031	36,064
Instructional Staff	231,036	196,112	34,924
Board of Education	14,053	13,972	81
Administration	668,571	602,452	66,119
Fiscal	232,553	228,500	4,053
Business	16,000	14,494	1,506
Operation and Maintenance of Plant	1,058,391	1,040,248	18,143
Pupil Transportation	512,626	497,989	14,637
Central	3,125	1,200	1,925
Extracurricular Activities	141,076	135,897	5,179
Capital Outlay	827,404	820,313	7,091
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>8,014,609</u>	<u>7,651,845</u>	<u>362,764</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,163,096)</u>	<u>(539,278)</u>	<u>623,818</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	40,056	40,056	0
Advances Out	(160,020)	(160,020)	0
Operating Transfers In	0	0	0
Operating Transfers Out	(3,838)	(3,838)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(123,802)</u>	<u>(123,802)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(1,286,898)</u>	<u>(663,080)</u>	<u>623,818</u>
<i>Fund Balances Beginning of Year</i>	1,053,152	1,053,152	0
Prior Year Encumbrances Appropriated	610,444	610,444	0
<i>Fund Balances End of Year</i>	<u>\$376,698</u>	<u>\$1,000,516</u>	<u>\$623,818</u>

*See accompanying notes to the general purpose financial statements*

Special Revenue Funds			Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$41,101	\$41,101	\$0
183,510	183,510	0	0	0	0
0	0	0	0	0	0
101,483	101,483	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>284,993</u>	<u>284,993</u>	<u>0</u>	<u>41,101</u>	<u>41,101</u>	<u>0</u>
61,910	57,247	4,663	0	0	0
265,212	246,183	19,029	0	0	0
0	0	0	0	0	0
24,358	22,919	1,439	0	0	0
15,191	11,883	3,308	0	0	0
0	0	0	0	0	0
11,349	10,087	1,262	0	0	0
91	91	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
22	0	22	0	0	0
109,277	85,590	23,687	0	0	0
0	0	0	0	0	0
0	0	0	35,828	35,828	0
0	0	0	5,273	5,273	0
<u>487,410</u>	<u>434,000</u>	<u>53,410</u>	<u>41,101</u>	<u>41,101</u>	<u>0</u>
<u>(202,417)</u>	<u>(149,007)</u>	<u>53,410</u>	<u>0</u>	<u>0</u>	<u>0</u>
121,757	121,757	0	0	0	0
(37,910)	(40,056)	(2,146)	0	0	0
3,838	3,838	0	0	0	0
0	0	0	0	0	0
<u>87,685</u>	<u>85,539</u>	<u>(2,146)</u>	<u>0</u>	<u>0</u>	<u>0</u>
(114,732)	(63,468)	51,264	0	0	0
82,279	82,279	0	4,550	4,550	0
32,526	32,526	0	0	0	0
<u>\$73</u>	<u>\$51,337</u>	<u>\$51,264</u>	<u>\$4,550</u>	<u>\$4,550</u>	<u>\$0</u>

**Weathersfield Local School District**  
*Combined Statement of Revenues, Expenditures and Changes In  
Fund Balances - Budget (Non-GAAP Basis) and Actual  
All Governmental Fund Types (continued)  
For the Fiscal Year Ended June 30, 2000*

	Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$0	\$0	\$0
Intergovernmental	54,636	54,636	0
Interest	0	0	0
Extracurricular Activities	0	0	0
Donations	0	0	0
Miscellaneous	0	0	0
<i>Total Revenues</i>	<u>54,636</u>	<u>54,636</u>	<u>0</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	121,536	89,007	32,529
Special	0	0	0
Adult/Continuing	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	58,226	52,858	5,368
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>179,762</u>	<u>141,865</u>	<u>37,897</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(125,126)</u>	<u>(87,229)</u>	<u>37,897</u>
<b>Other Financing Sources (Uses)</b>			
Advances In	38,263	38,263	0
Advances Out	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>38,263</u>	<u>38,263</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(86,863)</u>	<u>(48,966)</u>	<u>37,897</u>
<i>Fund Balances Beginning of Year</i>	55,903	55,903	0
Prior Year Encumbrances Appropriated	26,718	26,718	0
<i>Fund Balances End of Year</i>	<u><u>(\$4,242)</u></u>	<u><u>\$33,655</u></u>	<u><u>\$37,897</u></u>



Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)
\$3,614,129	\$3,702,482	\$88,353
3,420,931	3,555,100	134,169
91,500	116,894	25,394
101,483	101,483	0
2,500	16,286	13,786
1,700	1,052	(648)
<u>7,232,243</u>	<u>7,493,297</u>	<u>261,054</u>
3,801,087	3,621,412	179,675
511,000	461,661	49,339
250	1	249
470,453	432,950	37,503
246,227	207,995	38,232
14,053	13,972	81
679,920	612,539	67,381
232,644	228,591	4,053
16,000	14,494	1,506
1,058,391	1,040,248	18,143
512,626	497,989	14,637
3,147	1,200	1,947
250,353	221,487	28,866
885,630	873,171	12,459
35,828	35,828	0
5,273	5,273	0
<u>8,722,882</u>	<u>8,268,811</u>	<u>454,071</u>
<u>(1,490,639)</u>	<u>(775,514)</u>	<u>715,125</u>
200,076	200,076	0
(197,930)	(200,076)	(2,146)
3,838	3,838	0
(3,838)	(3,838)	0
<u>2,146</u>	<u>0</u>	<u>(2,146)</u>
(1,488,493)	(775,514)	712,979
1,195,884	1,195,884	0
669,688	669,688	0
<u>\$377,079</u>	<u>\$1,090,058</u>	<u>\$712,979</u>

**Weathersfield Local School District**  
*Combined Statement of Revenues,  
 Expenses and Changes in Fund Equity  
 Proprietary Fund Type  
 For the Fiscal Year Ended June 30, 2000*

	<u>Enterprise</u>
<b>Operating Revenues</b>	
Sales	\$188,309
<b>Operating Expenses</b>	
Salaries	133,609
Fringe Benefits	33,962
Purchased Services	3,588
Materials and Supplies	23,016
Cost of Sales	107,283
Depreciation	718
Other	4,803
<i>Total Operating Expenses</i>	<u>306,979</u>
<i>Operating Loss</i>	<u>(118,670)</u>
<b>Non-Operating Revenues</b>	
Federal Donated Commodities	20,933
Interest	1,161
Operating Grants	106,806
<i>Total Non-Operating Revenues</i>	<u>128,900</u>
<i>Net Income</i>	10,230
<i>Retained Earnings Beginning of Year</i>	<u>13,283</u>
<i>Retained Earnings End of Year</i>	23,513
Contributed Capital Beginning and End of Year	2,720
<i>Total Fund Equity at End of Year</i>	<u>\$26,233</u>

*See accompanying notes to the general purpose financial statements*

**Weathersfield Local School District**  
*Combined Statement of Revenues, Expenses and Changes in  
Fund Equity - Budget (Non-GAAP Basis) and Actual  
Proprietary Fund Type  
For the Fiscal Year Ended June 30, 2000*

	Enterprise Funds		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Sales	\$188,309	\$188,309	\$0
Interest	1,161	1,161	0
Operating Grants	115,329	115,329	0
<i>Total Revenues</i>	304,799	304,799	0
<b>Expenses</b>			
Salaries	123,204	123,204	0
Fringe Benefits	46,228	46,228	0
Purchased Services	3,838	3,838	0
Materials and Supplies	116,198	114,894	1,304
Capital Outlay	2,536	2,536	0
Other	4,803	4,803	0
<i>Total Expenses</i>	296,807	295,503	1,304
<i>Excess of Revenues Over Expenses</i>	7,992	9,296	1,304
<i>Fund Equity Beginning of Year</i>	14,851	14,851	0
Prior Year Encumbrances Appropriated	2,082	2,082	0
<i>Fund Equity End of Year</i>	\$24,925	\$26,229	\$1,304

*See accompanying notes to the general purpose financial statements*

**Weathersfield Local School District**  
*Combined Statement of Cash Flows*  
*Proprietary Fund Type*  
*For the Fiscal Year Ended June 30, 2000*

	Enterprise
<b>Increase (Decreases) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$188,309
Cash Payments to Suppliers for Goods and Services	(107,859)
Cash Payments for Employee Services and Benefits	(169,432)
Cash Payments for Other Expenses	(4,803)
<i>Net Cash Used for Operating Activities</i>	(93,785)
<b>Cash Flows from Noncapital Financing Activities</b>	
Operating Grants Received	115,329
<b>Cash Flows from Capital and Related Financing Activities</b>	
Payments for Capital Acquisitions	(2,536)
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	1,161
<i>Net Increase in Cash and Cash Equivalents</i>	20,169
Cash and Cash Equivalents Beginning of Year	16,933
<i>Cash and Cash Equivalents End of Year</i>	\$37,102
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
Operating Loss	(\$118,670)
<b>Adjustments</b>	
Depreciation	718
Donated Commodities Used During Year	20,933
<i>(Increases)/Decreases in Assets</i>	
Prepays	(690)
Materials and Supplies Inventory	351
<i>Increases/(Decrease) in Liabilities</i>	
Accounts Payable	5,631
Accrued Wages and Benefits	(2,950)
Compensated Absences Payable	20
Intergovernmental Payable	872
<i>Total Adjustments</i>	24,885
<i>Net Cash Used for Operating Activities</i>	(\$93,785)

*See accompanying notes to the general purpose financial statements*

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 1 - Description of the School District and Reporting Entity**

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

The School District operates under a locally elected five-member Board and provides educational services as mandated by State or federal agencies. This Board of Education controls the School District's three instructional/support facilities staffed by 30 classified employees, 73 certificated full-time teaching personnel and 8 administrators who provide services to 1,100 students and other community members.

***Reporting Entity***

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

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

The School District is associated with four jointly governed organizations and a shared risk pool. These organizations include the North East Ohio Management Information Network, the North East Ohio Instructional Media Center, the North East Ohio Special Educational Resource Center, the Region 12 Professional Development Center and the Trumbull County Insurance Consortium. These organizations are presented in Notes 17 and 18 to the general purpose financial statements.

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

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

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**A. Basis Of Presentation - Fund Accounting**

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

**Governmental Fund Types** Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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

**Special Revenue Funds** Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

**Debt Service Fund** The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related cost.

**Capital Projects Funds** Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Proprietary Fund Types** Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

**Enterprise Funds** Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***Fiduciary Fund Types*** Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

***Account Groups*** To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

***General Fixed Assets Account Group*** This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

***General Long-Term Obligations Account Group*** This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

***B. Measurement Focus and Basis of Accounting***

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

The School District reports deferred revenues on its balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized in the accounting period in which they are earned and become measurable and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

***C. Budgetary Data***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the object level within each fund and function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

***Tax Budget*** 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 express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Trumbull County Budget Commission for rate determination.

***Estimated Resources*** Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School 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 the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.



**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Appropriations** Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, 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 at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

**Encumbrances** As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

**Lapsing of Appropriations** At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

***D. Cash and Cash Equivalents***

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

During fiscal year 2000, investments were limited to repurchase agreements, which are nonparticipating investment contracts and are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$117,009, which includes \$9,168 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***E. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***F. Inventory***

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used. Materials and supplies inventory has not been reported in the governmental funds since the balance is insignificant.

***G. Restricted Assets***

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets include amounts required by statute to be set-aside to create a reserve for budget stabilization. See note 21 for additional information regarding set asides.

***H. Fixed Assets and Depreciation***

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life that ranges from five to twenty years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***I. Intergovernmental Revenues***

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

***Entitlements***

**General Fund**

- State Foundation Program
- School Bus Purchase Reimbursement
- State Property Tax Relief

**Special Revenue Funds**

- Disadvantaged Pupil Impact Aid

***Non-Reimbursable Grants***

**Special Revenue Funds**

- Education Management Information Systems
- Title I
- Title VI
- Title VI-B
- Teacher Development
- Eisenhower Grant
- Conflict Management
- Title VI-R

**Capital Projects Funds**

- School Net

***Reimbursable Grants***

**General Fund**

- Driver Education
- Wellness Grant

**Proprietary Funds**

- National School Lunch Program
- Government Donated Commodities

Grants and entitlements amounted to 47 percent of the School District's governmental funds operating revenue during the 2000 fiscal year.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***J. Interfund Assets/Liabilities***

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as “interfund receivables” and “interfund payables”.

***K. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School 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 School 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 School District's termination policy. The School District records a liability for accumulated unused sick leave for classified, certified and administrative employees after fifteen years of service.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year end are generally considered not to have been paid with current available resources. Long-term loans are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

***M. Interfund Transactions***

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***N. Fund Balance Reserves***

The School 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, budget stabilization and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

***O. Estimates***

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

***P. Memorandum Only - Totals Columns***

Total columns on the general purpose financial statements are captioned “Total - (Memorandum Only)” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**Note 3 - Accountability and Compliance**

***A. Legal Compliance***

Contrary to Section 5705.41(B), Ohio Revised Code, the following accounts had expenditures plus encumbrances in excess of appropriations:

Fund/Function	Appropriations	Expenditures Plus Encumbrances	Excess
<b>General Fund</b>			
Instruction:			
Regular			
Other	\$1,275	\$3,334	\$2,059
Support Services:			
Fiscal Services			
Other	95,253	105,090	9,837

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

Fund/Function	Appropriations	Expenditures Plus Encumbrances	Excess
<b>Special Revenue Funds</b>			
<i>Public School Support</i>			
Extracurricular Activities:			
Academic and Subject Oriented			
Purchased Services	\$0	\$1,419	\$1,419
<i>Block Grant</i>			
Other Financing Uses:			
Advances Out	0	1,646	1,646
<i>Conflict Management</i>			
Other Financing Uses:			
Advances Out	0	500	500

Contrary to Section 5705.39, Ohio Revised Code, the following funds had appropriations in excess of estimated revenues plus carryover balances at June 30, 2000:

Fund	Estimated Revenues Plus Carryover Balances	Appropriations	Excess
Title VI-B Special Revenue Fund	\$89,746	\$90,229	\$483
Title I Special Revenue Fund	130,295	148,841	18,546
Miscellaneous Grants Special Revenue Fund	18,868	23,511	4,643
Emergency Building Repair Capital Projects Fund	8	5,368	5,360

**B. Fund Deficits**

The following funds had a deficit fund balance earnings at June 30, 2000:

	Deficit Fund Balance
Special Revenue Funds:	
Management Information Systems	\$70
DPIA	8,568
Title VI-B	62,613
Title I	62,788
Miscellaneous Federal Grants	15,413
Capital Projects Fund:	
Power Up	38,263

The special revenue and capital projects fund deficits resulted from expenditures made in excess of available revenues. The general fund is liable for any deficit in the fund and provides operating transfers when cash is required, not when accruals occur.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 4 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings 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, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual-All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types

	General	Special Revenue	Capital Projects
GAAP Basis	(\$29,962)	(\$130,333)	(\$87,229)
Revenue Accruals	165	240	0
Advances In	40,056	121,757	38,263
Expenditure Accruals	292,823	6,616	0
Advances Out	(160,020)	(40,056)	0
Encumbrances	(806,142)	(21,692)	0
Budget Basis	(\$663,080)	(\$63,468)	(\$48,966)

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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Net Income/Excess of Revenues Over Expenses,  
Proprietary Fund Type

	Enterprise
GAAP Basis	\$10,230
Revenue Accruals	(13,128)
Expense Accruals	24,885
Capital Outlay	(2,536)
Depreciation Expense	718
Encumbrances	(10,873)
Budget Basis	\$9,296

**Note 5 - Deposits and Investments**

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

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

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

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

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

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 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;



**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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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 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 division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances 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 certain circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

**Cash on Hand** At year end, the School District had \$50 in undeposited cash on hand which is included on the balance sheet as part of "equity in pooled cash and cash equivalents."

**Deposits** At fiscal year end, the carrying amount of the School District's deposits was \$14,261 and the bank balance was \$93,634. The entire amount of the bank balance was covered by federal depository insurance.

**Investments** The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

	Category 3	Carrying Value	Fair Value
Repurchase Agreement	\$1,962,440	\$1,962,440	\$1,962,440

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 “Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accountability.”

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
<i>GASB Statement No. 9</i>	\$1,976,751	\$0
Cash on Hand	(50)	0
Investments:		
Repurchase Agreement	(1,962,440)	1,962,440
<i>GASB Statement No. 3</i>	\$14,261	\$1,962,440

**Note 6 - Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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The assessed values upon which the fiscal year 2000 taxes were collected are:

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$44,811,850	50.70%	\$59,355,730	56.50%
Public Utility	8,577,170	9.70	7,796,870	7.42
Tangible Personal Property	34,991,508	39.59	37,902,066	36.08
Total Assessed Value	<u>\$88,380,528</u>	<u>100.00%</u>	<u>\$105,054,666</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$49.25		\$48.70	

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Trumbull and Mahoning Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including Weathersfield Local School District. The County Auditor periodically remits to the School District its portion of taxes. Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$4,077 to the general fund.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 7 - Receivables**

Receivables at June 30, 2000, consisted of property taxes, accounts (rent, billings for user charged services, and student fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	Amount
Food Service enterprise fund	\$13,288

**Note 8 - Fixed Assets**

A summary of the enterprise funds' fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$185,160
Less Accumulated Depreciation	(166,203)
Net Fixed Assets	\$18,957

A summary of the changes in general fixed assets during fiscal year 2000, follows:

Asset Category	Balance at 6/30/99	Additions	Deletions	Balance at 6/30/00
Land	\$88,334	\$0	\$0	\$88,334
Buildings	4,784,454	0	0	4,784,454
Furniture, Fixtures and Equipment	2,177,342	101,550	0	2,278,892
Vehicles	411,486	60,532	0	472,018
Totals	\$7,461,616	\$162,082	\$0	\$7,623,698

**Note 9 - Risk Management**

***A. Property and Liability***

The School 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 2000, the School District contracted with Indiana Insurance for property insurance and inland marine coverage; and with Nationwide Insurance for fleet and liability insurance. Coverages are as follows:

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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***M. Canon Hunt Insurance provider for:***

Building and Contents-replacement cost (\$500 deductible)	\$22,111,348
Inland Marine Coverage (\$100 deductible)	
Boiler Insurance (\$250 deductible)	
Crime Insurance	3,000

***Nationwide - Jim Lewis Insurance provider for:***

Automobile Liability (\$100 deductible)	\$1,000,000
Uninsured Motorists (\$250 deductible)	1,000,000
General Liability	
Per occurrence	1,000,000/1,000,000

***Nationwide - Harcum-Hyre Insurance provider for:***

Fleet Liability	1,000,000/5,000,000
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Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

***B. Employee Medical Benefits***

The School District has contracted with the Trumbull County School Employee Insurance Benefits Consortium to provide employee medical/surgical benefits. The Trumbull County Schools Employee Insurance Benefits Consortium is a shared risk pool comprised of sixteen 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 School District pays medical/surgical premiums of \$578.62 for family coverage and \$222.45 for single coverage per employee per month. The School District pays ninety percent of premium after one year of employment, ninety-five percent after two years of employment and one hundred percent after three years of employment.

Dental and prescription drug insurance are also provided through the Trumbull County School Employee Insurance Benefits Consortium. Premiums for dental coverage are \$61.59 monthly for family coverage and \$17.38 for single coverage. Monthly premiums for prescription drug insurance are \$116.94 for family coverage and \$55.84 for single coverage. The plan utilizes a \$2 deductible for name brand and generic drugs.

For fiscal year 2000, the School District added vision insurance to the coverage provided through the Trumbull County School Employee Insurance Benefits Consortium. Monthly premiums for vision insurance are \$8.28 for family coverage and \$3.00 for single coverage.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 10 - Defined Benefit Pension Plans**

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

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement 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 State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$41,163, \$60,599 and \$70,757, respectively; 37.74 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$25,627 represents the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

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

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. For fiscal year 1999, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$178,815, \$175,488 and \$295,395, respectively; 81.26 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$33,507 represents the unpaid contribution for fiscal year 2000 and is recorded as a liability within the respective funds.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 11 - Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$238,420 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.50 percent of covered payroll, an increase from 2.20 percent for fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$36,298.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 12 - Other 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. Sick leave may be accumulated up to a maximum of 180 days for all personnel. Upon retirement, payment is made for twenty-five percent of unused accumulated sick leave days, not to exceed fifty days.

**B. Life Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Core Source. Administrators, the treasurer and certified employees are covered up to \$35,000, classified employees are covered up to \$30,000.

**Note 13 - Long-Term Obligations**

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
Energy Conservation Loan 1993 4.75%	\$110,998	\$0	\$35,828	\$75,170
Compensated Absences	451,375	1,624	0	452,999
Intergovernmental Payable	40,956	54,323	40,956	54,323
Capital Leases	8,476	0	3,622	4,854
<i>Total General Long-Term Obligations</i>	<u>\$611,805</u>	<u>\$55,947</u>	<u>\$80,406</u>	<u>\$587,346</u>

On October 7, 1993, the School District obtained a loan for \$267,214 for the purpose of providing energy conservation measures for the School District. The loan was issued for an eight year period with final maturity during fiscal year 2002. The loan is being retired from the debt service fund.

Compensated absences will be paid from the fund from which the employees' salaries are paid. The intergovernmental payable represents contractually required pension contributions made outside the available period and will be paid from the fund from which the employee is paid. The capital lease obligation will be paid from the general fund.



**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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Principal and interest payments necessary to retire this energy conservation loan are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2001	\$37,530	\$3,572	\$41,102
2002	37,640	1,655	39,295
Total	<u>\$75,170</u>	<u>\$5,227</u>	<u>\$80,397</u>

**Note 14 - Capital Leases - Lessee Disclosure**

In the prior years, the School District entered into capitalized leases for equipment and furniture and fixtures. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Fixed assets acquired by lease have been capitalized in the general fixed assets account group in the amount of \$40,365. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2000 totaled \$3,622 the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2000.

Fiscal Year Ending June 30,	Amount
2001	\$4,503
2002	750
Total	<u>5,253</u>
Less: Amount Representing Interest	<u>(399)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$4,854</u></u>

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 15 - Interfund Transactions**

Interfund balances at June 30, 2000 consist of the following interfund receivables and payables:

Fund Type/Fund	Receivable	Payable
General Fund	\$160,884	\$0
Special Revenue Funds:		
Block Grant	0	2,242
Title VI-B	0	62,482
Title I	0	47,305
Miscellaneous Federal Grants	0	10,592
Total Special Revenue	0	122,621
Capital Projects Fund:		
Power Up	0	38,263
<i>Total All Funds</i>	<u>\$160,884</u>	<u>\$160,884</u>

**Note 16 - Segment Information for Enterprise Funds**

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Weathersfield Local School District as of and for the fiscal year ended June 30, 2000.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$163,186	\$25,123	\$188,309
Depreciation	718	0	718
Operating Income (Loss)	(119,289)	619	(118,670)
Donated Commodities	20,933	0	20,933
Operating Grants	106,806	0	106,806
Net Income	9,611	619	10,230
Fixed Asset Additions	2,536	0	2,536
Net Working Capital	5,972	15,881	21,853
Long-Term Compensated Absences	14,577	0	14,577
Total Assets	59,772	15,881	75,653
Total Equity	10,352	15,881	26,233
Encumbrances Outstanding	10,666	207	10,873

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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**Note 17 - Jointly Governed Organizations**

*North East 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 administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge. Weathersfield Local School District contributed \$13,104 to NEOMIN during fiscal year 2000.

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 principal and treasurer (non-voting members who must be employed by a participating school district, the fiscal agent or NEOMIN). The Weathersfield Local School District was not represented on the Governing Board during fiscal year 2000. 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, 347 North Park Avenue, Warren, Ohio, 44481.

*North East Ohio Instructional Media Center (NEOIMC)* - The North-East Ohio Instructional Media Center (NEOIMC) is a jointly governed organization among forty-five school districts. The jointly governed organization was formed for the purpose of providing a quality films and/or other media to support the educational curricula of the District. 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 Board. Financial information can be obtained by contacting the Treasurer at the Trumbull County Educational Service Center, 347 North Park Avenue, Warren, Ohio, 44481.

*North East Ohio Special Education Regional Resource Center (NEO/SERRC)* - NEO/SERRC is a special education service center which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

NEO/SERRC is governed by a governing board of 39 members made up of representatives from 35 superintendents of the participating districts, one non-public school, one county board of mental retardation and two parents whose term rotates every year. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Mahoning County Educational Service Center, 2801 Market Street, Youngstown, Ohio, 44507.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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*Region 12 Professional Development Center (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 improvements in instructional programs.

The Center is governed by a governing board made up of nineteen representatives of the participating school districts, the business community, and Youngstown State University whose term rotates every year. The degree of control exercised by any participating school district is limited to its representation on the Board. Financial information can be obtained by contacting the Treasurer at the Trumbull County Educational Service Center, 347 North Park Avenue, Warren, Ohio 44481.

**Note 18 - Shared Risk Pool**

*Trumbull County Insurance Consortium* - The School District participates in the Trumbull County Insurance Consortium, a shared risk pool comprised of sixteen 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 elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Consortium. Consortium revenues are generated from charges for services.

**Note 19 - School Foundation Funding Decision**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$2,503,726 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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The court decided to maintain jurisdiction over these issues.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

**Note 20 - Contingencies**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

***B. Litigation***

The School District is party to legal proceedings. The School District's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

**Note 21 - Set-Aside Calculations**

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

The following cash basis information describes the change in the fiscal year end set aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.

**Weathersfield Local School District**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 2000*

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	Textbooks	Capital Improvement	Budget Stabilization
Set-aside Reserve Balance as of June 30, 1999	\$0	\$0	\$33,107
Current Year Set-Aside Requirement	165,342	165,342	0
Current Year Offset	0	0	0
Qualifying Disbursements	(371,084)	(751,500)	0
Set-aside Balance Carried Forward to Future Fiscal Years	(\$205,742)	(\$586,158)	\$33,107
Set-aside Reserve Balance as of June 30, 2000	\$0	\$0	\$33,107

The School District had qualifying disbursements and offsets during the fiscal year that reduced the textbook and capital improvement set aside amounts below zero. These extra amounts may be used to reduce the set aside requirements in future fiscal years. The total reserve balance for the set asides at the end of the fiscal year was \$33,107.

WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2000

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	-	10.550		\$19,219		\$20,933
National Breakfast	05-PU-99 05-PU-00	10.553	3,988 8,348		3,988 8,348	
National School Lunch Program	03-PU-99 03-PU-00 04-PU-99 04-PU-00	10.555	6,329 14,711 23,465 52,046		6,329 14,711 23,465 52,046	
Total U.S. Department of Agriculture - Nutrition Cluster			<b>108,887</b>	<b>19,219</b>	<b>108,887</b>	<b>20,933</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education:</i>						
Grants to Local Educational Agencies (ESEA Title I)	C1-S1-99 C1-S1-00	84.010	65,223 <u>17,767</u>		27,313 <u>65,072</u>	
Total Grants to Local Educational Agencies			82,990		92,385	
Special Education Grants to State	6B-SF-99 6B-SF-00	84.027	<u>14,902</u>		41,208 <u>48,538</u>	
Total Special Education Grants to State			14,902		89,746	
Title VI Innovative Education Program	C2-S1-00	84.298	1,585			
Class Size Reduction Program	CR-S1-00	84.340	6,529		17,121	
Total Department of Education			<b>106,006</b>		<b>199,252</b>	
<b>Totals</b>			<b><u>\$214,893</u></b>	<b><u>\$19,219</u></b>	<b><u>\$308,139</u></b>	<b><u>\$20,933</u></b>

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY  
FISCAL YEAR ENDED JUNE 30, 2000**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A--SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B--FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.





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JIM PETRO, AUDITOR OF STATE

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

Weathersfield Local School District  
Board of Education  
3750 North Main Street  
Mineral Ridge, Ohio 44440

We have audited the general-purpose financial statements of Weathersfield Local School District, Trumbull County, Ohio, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated August 6, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated August 6, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Weathersfield Local School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 2000-11178-001.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2000-11178-001 to be a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of Weathersfield Local School District in a separate letter dated August 6, 2001.

This report is intended for the information and use of management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

August 6, 2001



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR  
FEDERAL PROGRAM AND 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

**Compliance**

We have audited the compliance of Weathersfield Local School District (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 are applicable to each of its major federal programs for the year ended June 30, 2000. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State 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 obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that 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 District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with 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 have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Weathersfield Local School District  
Trumbull County  
Report on Compliance With Requirements Applicable to Each Major  
Federal Program and Internal Control Over Compliance  
In Accordance With OMB Circular A-133  
Page 2

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

August 6, 2001

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT  
TRUMBULL COUNTY  
JUNE 30, 2000**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	CFDA # 10.550, 10.553, 10.555 Nutrition Cluster CFDA# 84.010 Title 1 Part A ESEA
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type AIB Programs</b>	Type A: > N/A Type B: > \$100,000
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

**WEATHERSFIELD LOCAL SCHOOL DISTRICT**  
**TRUMBULL COUNTY**  
**JUNE 30, 2000**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number 2000-11178-001</b>	
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**Financial and Depository Reconciliations:**

The School District did not have an adequate system of controls in place to provide assurance that accurate and timely reconciliations of the District's financial statements and depository balances are performed. As a result the reconciliations of the financial statements and the depository balances for the fiscal year ending June 30, 2000 had not been performed. This creates a situation where management may have relied upon information that contained inaccurate amounts. Furthermore, the risk is increased that decisions could be made based upon unreliable information.

We recommend that the School District adopt the following procedures to provide assurance that the reconciliations are being performed in a timely and accurate fashion.

- A. The treasurer should reconcile the financial statements and the supporting ledgers on a monthly basis and present these reconciliations to the Board of Education for review.
- B. The treasurer should perform bank reconciliations of all the District's depository accounts on a monthly basis and present these reconciliations to the Board of Education for review.

By instituting these procedures management and all interested parties should be afforded with the financial information required to analyze the School District's financial status and enable them to make well guided decisions based upon reliable financial statements.

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



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**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  
SEPTEMBER 18, 2001**