



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

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**STATE OF OHIO**



**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Field Local School District  
Portage County  
1473 Saxe Road  
Mogadore, Ohio 44260

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Field Local School District, Portage County, (the District) as of and for the year ended June 30, 2002, 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 District as of June 30, 2002, 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 December 19, 2002 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.

We performed our audit to form 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 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. We subjected this information 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

December 19, 2002

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FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits</u>				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,061,927	\$154,498		\$36,240
Equity in Pooled Cash and Cash Equivalents Non-Expendable Trust				
Receivables:				
Taxes	7,401,678			
Accounts	116,106			
Intergovernmental		34,353		
Interfund Receivable	20,537			
Inventory Held for Resale				
Materials and Supplies Inventory	1,789			
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	76,987			
Fixed Assets (Net, Where Applicable, of Accumulated Depreciation)				
<u>Other Debits</u>				
Amount to be Provided from General Government Resources				
<b>Total Assets and Other Debits</b>	<b>\$8,679,024</b>	<b>\$188,851</b>	<b>\$0</b>	<b>\$36,240</b>
<u>Liabilities, Fund Equity and Other Credits</u>				
<u>Liabilities</u>				
Accounts Payable	\$14,415	\$3,101		
Accrued Wages and Benefits	1,489,031	13,391		
Compensated Absences Payable	15,718			
Interfund Payable		20,537		
Intergovernmental Payable	222,218	692		
Deferred Revenue	7,313,621	34,353		
Undistributed Monies				
Due to Students				
OWDA Loan Payable				
Total Liabilities	9,055,003	72,074	0	0
<u>Fund Equity and Other Credits</u>				
Investment in General Fixed Assets				
Retained Earnings:				
Unreserved				
Fund Balance:				
Reserved for Encumbrances	218,216	21,845		
Reserved for Inventory	1,789			
Reserved for Contributions				
Reserved for Property Taxes	88,057			
Reserved for Budget Stabilization	76,987			
Unreserved:				
Undesignated	(761,028)	94,932		36,240
Total Fund Equity and Other Credits	(375,979)	116,777	0	36,240
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$8,679,024</b>	<b>\$188,851</b>	<b>\$0</b>	<b>\$36,240</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	Trust and Agency			
	\$49,787			\$1,302,452
	14,983			14,983
				7,401,678
	129			116,235
\$ 32,996				67,349
				20,537
9,559				9,559
4,683				6,472
				76,987
30,709		\$ 7,932,520		7,963,229
			\$ 1,690,057	1,690,057
<b>\$77,947</b>	<b>\$64,899</b>	<b>\$7,932,520</b>	<b>\$1,690,057</b>	<b>\$18,669,538</b>
\$ 6,900	\$200			\$17,716
28,417			\$ 1,433,113	1,509,322
				1,477,248
9,928			176,335	20,537
				409,173
				7,347,974
	5,616			5,616
	44,099			44,099
			80,609	80,609
45,245	49,915	0	1,690,057	10,912,294
		7,932,520		7,932,520
32,702				32,702
				240,061
				1,789
	11,730			11,730
				88,057
				76,987
	3,254			(626,602)
32,702	14,984	7,932,520	0	7,757,244
<b>\$77,947</b>	<b>\$64,899</b>	<b>\$7,932,520</b>	<b>\$1,690,057</b>	<b>\$18,669,538</b>

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FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY

COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<u>Revenues</u>					
Taxes	\$6,846,742		\$42,332		\$6,889,074
Intergovernmental	6,932,948	\$ 444,357		\$ 34,801	7,412,106
Interest	62,773	896			63,669
Tuition and Fees	235,997				235,997
Rent	65				65
Extracurricular Activities	25	56,890			56,915
Gifts and Donations	503				503
Miscellaneous	7,848	55,071			62,919
<b>Total Revenues</b>	<b>14,086,901</b>	<b>557,214</b>	<b>42,332</b>	<b>34,801</b>	<b>14,721,248</b>
<u>Expenditures</u>					
Current:					
Instruction:					
Regular	7,061,446	101,319		7,742	7,170,507
Special	881,680	235,136			1,116,816
Vocational	230,323				230,323
Other	55,246	19,814			75,060
Support Services:					
Pupils	874,334	10,476			884,810
Instructional Staff	489,009	100,669		229	589,907
Board of Education	26,177				26,177
Administration	2,164,868	36,177			2,201,045
Fiscal	487,883				487,883
Operation and Maintenance of Plant	1,652,484	30,550		31,838	1,714,872
Pupil Transportation	956,917				956,917
Central	7,816	25			7,841
Operation of Non-Instructional Services		4,215			4,215
Extracurricular Activities	175,792	69,580			245,372
Debt Service:					
Principal Retirement	6,256		41,000		47,256
Interest and Fiscal Charges	5,139		1,332		6,471
<b>Total Expenditures</b>	<b>15,075,370</b>	<b>607,961</b>	<b>42,332</b>	<b>39,809</b>	<b>15,765,472</b>
(Deficiency) of Revenues (Under) Expenditures	(988,469)	(50,747)	0	(5,008)	(1,044,224)
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Fixed Assets	961				961
Operating Transfers Out	(47,014)				(47,014)
<b>Total Other Financing Sources (Uses)</b>	<b>(46,053)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(46,053)</b>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(1,034,522)	(50,747)	0	(5,008)	(1,090,277)
Fund Balances at Beginning of Year	658,543	167,524	0	41,248	867,315
<b>Fund Balances at End of Year</b>	<b>(\$375,979)</b>	<b>\$116,777</b>	<b>\$0</b>	<b>\$36,240</b>	<b>(\$222,962)</b>

See accompanying notes to the general purpose financial statements.

FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

	General Fund			Special Revenue		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Intergovernmental	\$6,945,188	\$6,941,083	(\$4,105)	\$506,413	\$443,865	(\$62,548)
Interest	62,606	62,773	167	804	896	92
Tuition and Fees	133,380	132,590	(790)			0
Rent	65	65	0			0
Extracurricular Activities			0	65,796	56,890	(8,906)
Gifts and Donations	503	503	0			0
Property and Other Local Taxes	7,126,886	7,126,886	0			0
Miscellaneous	7,642	7,642	0	77,800	55,071	(22,729)
<b>Total Revenues</b>	<b>14,276,270</b>	<b>14,271,542</b>	<b>(4,728)</b>	<b>650,813</b>	<b>556,722</b>	<b>(94,091)</b>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular	7,545,012	7,545,012	0	120,937	108,218	12,719
Special	1,032,589	1,028,446	4,143	289,729	266,143	23,586
Vocational	246,663	246,663	0	960	0	960
Other	55,246	55,246	0	19,814	19,814	0
Support services:						
Pupils	935,225	935,225	0	10,950	10,476	474
Instructional Staff	525,657	525,657	0	126,911	104,390	22,521
Board of Education	26,346	26,346	0			0
Administration	1,574,120	1,574,120	0	63,142	34,169	28,973
Fiscal	401,088	401,088	0			0
Operation and Maintenance of Plant	1,424,851	1,424,851	0	32,294	30,900	1,394
Pupil Transportation	920,454	920,454	0			0
Central	37,611	37,611	0	8,615	25	8,590
Non-Instructional Services			0	6,375	5,090	1,285
Extracurricular activities	178,685	178,685	0	81,566	69,729	11,837
Debt Service:						
Principal Retirement			0			0
Interest and Fiscal Charges			0			0
<b>Total Expenditures</b>	<b>14,903,547</b>	<b>14,899,404</b>	<b>4,143</b>	<b>761,293</b>	<b>648,954</b>	<b>112,339</b>
(Deficiency) of Revenues Over Expenditures	(627,277)	(627,862)	(585)	(110,480)	(92,232)	18,248
<b>Other Financing Sources (Uses)</b>						
Proceeds from Sale of Fixed Assets	961	961	0			0
Refund of Prior Year Expenditures	6,446	6,446	0			0
Advances In	6,002	6,002	0		20,537	20,537
Other Financing Sources	206	206	0	2,960	2,960	0
Operating Transfers Out	(47,014)	(47,014)	0			0
Advances Out	(20,537)	(20,537)	0			0
Refund of Prior Year Receipts			0	(1,648)	(1,648)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(53,936)</b>	<b>(53,936)</b>	<b>0</b>	<b>1,312</b>	<b>21,849</b>	<b>20,537</b>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing (Uses)	(681,213)	(681,798)	(585)	(109,168)	(70,383)	38,785
Fund Balances at Beginning of Year	1,424,010	1,424,010	0	185,340	185,340	0
Prior Year Encumbrances Appropriated	164,072	164,072	0	14,596	14,596	0
<b>Fund Balances at End of Year</b>	<b>\$906,869</b>	<b>\$906,284</b>	<b>(\$585)</b>	<b>\$90,768</b>	<b>\$129,553</b>	<b>\$38,785</b>

See accompanying notes to the general purpose financial statements.

Debt Service			Capital Projects			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
		\$0		\$34,801	\$34,801	\$7,451,601	\$7,419,749	(\$31,852)
		0			0	63,410	63,669	259
		0			0	133,380	132,590	(790)
		0			0	65	65	0
		0			0	65,796	56,890	(8,906)
		0	\$ 1,000		(1,000)	1,503	503	(1,000)
\$ 42,332	\$ 42,332	0			0	7,169,218	7,169,218	0
		0			0	85,442	62,713	(22,729)
42,332	42,332	0	1,000	34,801	33,801	14,970,415	14,905,397	(65,018)
		0	8,410	7,742	668	7,674,359	7,660,972	13,387
		0			0	1,322,318	1,294,589	27,729
		0			0	247,623	246,663	960
		0			0	75,060	75,060	0
		0			0	946,175	945,701	474
		0	1,000	229	771	653,568	630,276	23,292
		0			0	26,346	26,346	0
		0			0	1,637,262	1,608,289	28,973
		0			0	401,088	401,088	0
		0	31,837	31,837	0	1,488,982	1,487,588	1,394
		0			0	920,454	920,454	0
		0			0	46,226	37,636	8,590
		0			0	6,375	5,090	1,285
		0			0	260,251	248,414	11,837
41,000	41,000	0			0	41,000	41,000	0
1,332	1,332	0			0	1,332	1,332	0
42,332	42,332	0	41,247	39,808	1,439	15,748,419	15,630,498	117,921
0	0	0	(40,247)	(5,007)	35,240	(778,004)	(725,101)	52,903
		0			0	961	961	0
		0			0	6,446	6,446	0
		0			0	6,002	26,539	20,537
		0			0	3,166	3,166	0
		0			0	(47,014)	(47,014)	0
		0			0	(20,537)	(20,537)	0
		0			0	(1,648)	(1,648)	0
0	0	0	0	0	0	(52,624)	(32,087)	20,537
0	0	0	(40,247)	(5,007)	35,240	(830,628)	(757,188)	73,440
0	0	0	32,701	32,701	0	1,642,051	1,642,051	0
0	0	0	8,547	8,547	0	187,215	187,215	0
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,001</b>	<b>\$36,241</b>	<b>\$35,240</b>	<b>\$998,638</b>	<b>\$1,072,078</b>	<b>\$73,440</b>

FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY

**COMBINED STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN RETAIN EARNINGS/FUND BALANCE  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	<u>(Memorandum Only)</u>
<u>Operating Revenues</u>			
Tuition	\$558		\$558
Sales	314,529		314,529
Interest		\$ 638	638
Total Operating Revenues	<u>315,087</u>	<u>638</u>	<u>315,725</u>
<u>Operating Expenses</u>			
Salaries	176,816		176,816
Fringe Benefits	92,396		92,396
Purchased Services	5,421		5,421
Materials and Supplies	21,857		21,857
Cost of Sales	193,536		193,536
Depreciation	6,702		6,702
Total Operating Expenses	<u>496,728</u>	<u>0</u>	<u>496,728</u>
Operating Income (Loss)	<u>(181,641)</u>	<u>638</u>	<u>(181,003)</u>
<u>Non-Operating Revenues</u>			
Federal Donated Commodities	39,657		39,657
Federal and State Subsidies	127,171		127,171
Total Non-Operating Revenues	<u>166,828</u>	<u>0</u>	<u>166,828</u>
Net Income (Loss) Before Operating Transfers	(14,813)	638	(14,175)
Operating Transfers In	47,014		47,014
Net Income	32,201	638	32,839
Retained Earnings/Fund Balance at Beginning of Year	501	1,246	1,747
<b>Retained Earnings/Fund Balance at End of Year</b>	<b><u><u>\$32,702</u></u></b>	<b><u><u>\$1,884</u></u></b>	<b><u><u>\$34,586</u></u></b>

See accompanying notes to the general purpose financial statements.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**COMBINED STATEMENT OF CASH FLOW  
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

	Proprietary Fund Type	Fiduciary Fund Type Nonexpendable Trust	Totals (Memorandum Only)
<u>Cash Flows from Operating Activities</u>			
Cash Received from Customers	\$314,529		\$314,529
Cash Payments to Suppliers for Goods and Services	(182,990)		(182,990)
Cash Payments to Employees for Services	(185,800)		(185,800)
Cash Payments for Employee Benefits	(99,356)		(99,356)
Other Operating Revenues	800		800
Net Cash (Used for) Operating Activities	(152,817)	0	(152,817)
<u>Cash Flows from Noncapital Financing Activities</u>			
Operating Grants Received	111,805		111,805
Operating Transfers In	47,014		47,014
Repayment of Short-Term Loans from Other Funds	(6,002)		(6,002)
Net Cash Provided by Noncapital Financing Activities	152,817	0	152,817
<u>Cash Flows from Investing Activities</u>			
Interest on Investments		638	638
Net Cash Provided by Investing Activities	0	638	638
Net Increase in Cash and Cash Equivalents	0	638	638
Cash and Cash Equivalents at Beginning of Year	0	14,345	14,345
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$0</b>	<b>\$14,983</b>	<b>\$14,983</b>
<u>Reconciliation of Operating Income (Loss) to Net Cash (Used for) Operating Activities</u>			
Operating Income (Loss)	\$ (181,641)	\$ 638	\$ (181,003)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used for) Operating Activities</u>			
Depreciation	6,702		6,702
Interest on Investments		(638)	(638)
Donated Commodities Used During Year	34,925		34,925
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	242		242
(Increase)/Decrease in Inventory Held for Resale	2,430		2,430
(Increase)/Decrease in Materials and Supplies Inventory	469		469
Increase/(Decrease) in Accrued Wages and Benefits	(18,547)	0	(18,547)
Increase/(Decrease) in Compensated Absences Payable	9,565	0	9,565
Increase/(Decrease) in Intergovernmental Payable	(6,962)	0	(6,962)
Total Adjustments	28,824	(638)	28,186
<b>Net Cash (Used for) Operating Activities</b>	<b>(\$152,817)</b>	<b>\$0</b>	<b>(\$152,817)</b>

See accompanying notes to the general purpose financial statements.

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**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2002**

**NOTE 1 - DESCRIPTION OF THE ENTITY**

Field Local School District (the District) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally-elected five-member board of education and provides educational services as mandated by State and/or Federal agencies. This Board controls the District's nine instructional/support facilities staffed by 101 noncertificated employees, 158 certificated full-time teaching personnel and 10 administrators who provide services to 2,271 students and other community members.

The District provides more than instruction to its students. These additional services include student guidance, extracurricular activities, educational media, and care and upkeep of grounds and buildings. The operation of each of these activities is directly controlled by the Board of Education through the budgetary process. These District operations will be included as a part of the reporting entity.

The District adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, under which the financial statements include all the organizations, activities, functions and component units for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the District's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the District.

On this basis, the combined general purpose financial statements include all the funds and account groups of the District over which the Board of Education exercises operating controls. The management has determined that the District has no component units.

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

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

**BASIS OF PRESENTATION - FUND ACCOUNTING**

The District uses funds and account groups to report its financial position and results of operation. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain 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 District are grouped into the following generic fund types under the broad fund categories: governmental, proprietary, and fiduciary. Each category is then divided into various fund types. The following are the fund types and account groups utilized by the District.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

GOVERNMENTAL FUNDS

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

General Fund

The general fund is the operating fund of the District and is used to account for all financial resources except those accounted for in another fund as required by law or contract. The general fund balance is available to the 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 proceeds of specific revenue sources (other than expendable trusts or 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 debt principal, interest and related costs.

Capital Projects Funds

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

PROPRIETARY FUND

Proprietary funds are used to account for the District's ongoing activities that are similar to those often found in the private sector. The District applies all applicable pronouncements from the Financial Accounting Standards Board (FASB) issued on or before November 30, 1989 when accounting and reporting its proprietary operations. The following is the District's proprietary fund type:

Enterprise Fund

The enterprise fund is used to account for operations that (a) are financed and operated in a manner similar to private business enterprises where the intent of the District 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 (b) where the District has 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.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. The following are the District's fiduciary funds:

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

Nonexpendable Trust Fund

This fund is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The nonexpendable trust fund accounts for assets of which the principal may not be spent.

Agency Funds

These funds are purely custodial in nature (assets equal liabilities) and thus 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 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 District, other than those accounted for in the proprietary fund.

General Long-Term Obligations Account Group

This account group is established to account for all long-term obligations of the District except those accounted for in the proprietary fund.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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 fund types 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 type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used for reporting purposes by all governmental fund types and agency funds. Under this basis of accounting, the District recognizes revenues in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectable within the current fiscal period or soon enough thereafter to be used to pay liabilities of the current fiscal period, which the District considers to be sixty days after year end.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

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

The District reports deferred revenue on its Combined Balance Sheet. Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the subsequent period, when revenue recognition criteria are met, the liability for deferred revenue is removed from the Combined Balance Sheet and revenue is recognized. Property taxes measurable as of June 30, 2002, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2003 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred except for unmatured principal and interest on general long-term debt which is reported only when due, and the costs of accumulated unpaid vacation and sick leave which are reported as expenditures in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized when 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 in the operating statement as an expense with a like amount reported as donated commodities revenue.

BUDGETARY PROCESS

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 Appropriation 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 is at the object level within each function. Budgetary modifications may only be made by resolution of the Board of Education.

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

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts set forth in the final amended Certificate issued for fiscal 2002.

Appropriations

By October 1, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund, function and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation 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 total 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.

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the year by supplemental appropriations which either reallocate or increase the original appropriated amounts. During the year, several supplemental appropriation measures 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 amendments and modifications.

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. Expenditures plus encumbrances may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at 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 year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

CASH AND INVESTMENTS

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the Combined Balance Sheet. During fiscal year 2002, investments were limited to STAR Ohio and Repurchase Agreements.

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 2002 amounted to \$62,773 which includes \$9,642 assigned from other 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 a maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are not considered to be cash equivalents.

RESTRICTED ASSETS

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. The reserve may be used by the District to offset any budget deficit the District may experience in future fiscal years.

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. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items are recorded as an expenditure in the governmental fund types when purchased and as an expense in the proprietary fund types when used. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated and purchased food, and they are expensed when used. Unused donated commodities are reported as revenue when received.

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 purchased fixed assets are valued at cost when historical records are available and at an estimated historical cost when no historical cost records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The District does not possess any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. In proprietary funds, improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

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 of five to twenty years.

REVENUES – EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Exchange transactions are those in which each party to a transaction gives and receives essentially something of equal value is recorded on the accrual basis when the exchange takes place. Proprietary funds, where the full accrual basis of accounting is used, record revenue when the exchange takes place. Governmental funds, where the modified accrual basis of accounting is used, record revenue in the fiscal year in which the resources are both measurable and available.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Property taxes available as an advance at June 30 are recognized as revenue. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied and the revenues are both measurable and available. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

COMPENSATED ABSENCES

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16 "Accounting for Compensated Absences". Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees if both of the following conditions are met.

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee.

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The District has accrued a liability for these compensated absences using the termination method when the following criterion is met: the benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

The sick leave liability has been based on the District's past experience of making termination payments for sick leave.

For governmental funds, that portion of the liability which is non-current is reported in the general long-term obligations account group. Liabilities that use current expendable resources are recorded in the fund from which the employees are paid. In proprietary funds, compensated absences are expensed when earned and the entire amount is reported as a fund liability.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

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 judgments, 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. In general, payments made more than sixty days after year end are considered not to have been made with current available financial resources. Bonds and 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 funds.

FUND BALANCE RESERVES

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Designations represent tentative plans for future use of financial resources. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventory, endowments, budget stabilization and property taxes.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

ESTIMATES

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

TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the General Purpose Financial Statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows 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.



**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above 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 and Actual (Budget Basis), All Government Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and the 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 are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types.

Adjustments necessary to convert the results of operations at the end of the year on the GAAP basis to the budget basis are as follows:

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$1,034,522)	(\$50,747)	\$0	(\$5,008)
Net Adjustment for Revenue Accruals	197,295	23,005	0	0
Net Adjustment for Expenditure Accruals	(77,202)	(67,588)	0	1
Encumbrances	232,631	24,947	0	0
Budget Basis	(\$681,798)	(\$70,383)	\$0	(\$5,007)

**NOTE 4 - DEPOSITS AND INVESTMENTS**

Deposits and investments are restricted by provisions of the Ohio Revised Code. Statutes require the classification of monies held by the District into three categories.

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

Inactive deposits are public deposits that the Board of Education has identified as not required for use within the current 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.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits may be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts including passbook accounts. Interim moneys are permitted to be 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 or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any Federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association and Student Loan Marketing Association. All Federal agency securities shall be direct issuances of Federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in 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 and eighty days from the date of purchase in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Purchase Agreements".

Deposits

At fiscal year end, the reported amount of the District's deposits was \$(437,041) and the bank balance was \$302,100. Of the bank balance:

1. \$100,000 was covered by Federal depository insurance; and
2. \$202,100 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

Investment

The District's investments are categorized below to give an indication of the level of credit risk assumed by the District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the 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 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 District's name.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the fiscal year ended June 30, 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2002. At June 30, 2002, the fair value of STAR Ohio was \$1,756,717. Investments in STAR Ohio are not categorized since they are not evidenced by securities that exist in physical or book entry form.

	Category 2	Fair Value
Overnight Repurchase Agreements	\$74,746	\$74,746
STAR Ohio		1,756,717
 Total Investments	 \$74,746	 \$1,831,463

The classification of cash and cash equivalents on the Combined General Purpose 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 Accounting".

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$1,394,422	\$0
Investments of Cash Management Pool:		
Overnight Repurchase Agreements	(74,746)	74,746
STAR Ohio	(1,756,717)	1,756,717
GASB Statement No. 3	(\$437,041)	\$1,831,463

**NOTE 5 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the Districts' fiscal year runs from July through June. Second half distributions occur in a subsequent fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property used in business located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1, and are collected with real property taxes. Assessed values for real property are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 100 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the previous year. Tangible personal property assessments are 25 percent of true value.

The assessed values upon which the fiscal year 2002 taxes were collected are:

Category	<u>2001 Second Half Collections</u>		<u>2002 First Half Collections</u>	
	Amount	%	Amount	%
Real Property Valuation:				
Commercial/Industrial	\$36,899,980	13.24%	\$38,394,220	13.44%
Residential/Agriculture	202,504,080	72.64%	207,946,840	72.80%
Public Utilities	7,790	0.00%	6,890	0.00%
Mobile Home	146,952	0.05%	175,004	0.06%
Tangible Personal Property Valuation:				
Public Utilities	8,744,150	3.14%	8,401,320	2.95%
General	30,475,030	10.93%	30,698,982	10.75%
Total Valuation	\$278,777,982	100.00%	\$285,623,256	100.00%
Tax rate per \$1,000 of Assessed Valuation		\$50.60		\$50.60

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 5 - PROPERTY TAXES** (continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, State statute permits earlier or 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 semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The Portage County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically advances to the District their portion of the taxes collected. The amount available to the District as an advance at June 30, 2002, is available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2002. 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 and reflected in 2002 revenue was \$88,057 all of which was available to the General Fund.

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2002 consisted of taxes, accounts, intergovernmental entitlements and grants, and interfund activity. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of Federal funds. A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
Special Revenue Fund	
Title II Eisenhower	\$1,021
Title I	28,930
Drug Free Grant	4,402
Total Special Revenue	34,353
Enterprise Fund	
Food Service	32,996
Total Intergovernmental Receivables	\$67,349

**NOTE 7 - FIXED ASSETS**

A summary of the enterprise funds' fixed assets at June 30, 2002 follows:

Furniture and Equipment	\$179,578
Less: Accumulated Depreciation	(148,869)
Net Fixed Assets	\$30,709

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 7 - FIXED ASSETS (Continued)**

A summary of the changes in general fixed assets follows:

	Balance 07/01/2001	Additions	Deletions	Balance 06/30/2002
Land	\$88,008	\$0	\$0	\$88,008
Buildings	4,608,424	0	0	4,608,424
Equipment	2,039,511	403,533	(48,774)	2,394,270
Vehicles	776,204	81,121	(15,507)	841,818
<b>Total</b>	<b>\$7,512,147</b>	<b>\$484,654</b>	<b>(\$64,281)</b>	<b>\$7,932,520</b>

**NOTE 8 - RISK MANAGEMENT**

A. General Insurance

The District is exposed to various risks of loss related to torts; theft; damage to or destruction of assets, errors and omissions; employee injuries; and natural disasters. The District has a comprehensive property and casualty policy with a deductible of \$1,000 per incident with a replacement value for all buildings. The District's vehicle insurance policy limit is \$2,000,000 for each occurrence with a \$500 collision deductible. All board members, administrators and employees are covered under a school district liability policy. Additionally, the District carries a \$1,000,000 blanket umbrella policy. The limits of this coverage are \$1,000,000 per occurrence and \$1,000,000 in aggregate.

B. Fidelity Bond

The Board President Superintendent and Assistant Superintendent each have a \$5,000 position bond. The Treasurer is covered under a surety bond in the amount of \$50,000.

C. Workers' Compensation

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The Workers' Compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the GRP. Each participant pays its Workers' Compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 8 - RISK MANAGEMENT (Continued)**

D. Portage Area Schools Consortium

The Portage Area Schools Consortium was established in 1981 so that 13 educational-service providers in the Portage County area could manage risk exposures and purchase necessary insurance coverage as a group. The Joint Self-Insurance Program for health care benefits was recently re-organized as a regional council of governments authorized by Chapter 167 of the Ohio Revised Code. Its purpose is to facilitate the management of risks associated with providing employee benefits coverage such as health insurance, disability insurance and life insurance. A third party administrator is retained by the consortium to facilitate the operation of the Health Care Benefits Program. The District pays all insurance premiums directly to the consortium. Also, the insurance agreement with Portage Area Schools Consortium provides that the Consortium will reinsure through commercial companies for claims over \$100,000 per employee. Although the District does not participate in the day-to-day management of the consortium, one of its administrators serves as a trustee of the consortium's governing board as provided in the consortium's enabling authority. Although the District recognizes that it retains a contingent liability to provide insurance coverage should the assets of the consortium become depleted, it is the opinion of management that the assets of the consortium are sufficient to meet its claims.

**NOTE 9 - LONG-TERM DEBT OBLIGATIONS**

Changes in long-term obligations of the District from July 1, 2001 through June 30, 2002, were as follows:

	Balance 07/01/2001	Additions	Deletions	Balance 06/30/2002
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP				
OWDA Loan Payable				
4.04%, 12/96 - 06/16	\$86,865	\$0	(\$6,256)	\$80,609
General Obligations Bonds:				
Energy Conservation				
6.50%, 06/91 - 12/02	41,000	0	(41,000)	0
Compensated Absences Payable	1,146,998	286,115	0	1,433,113
Intergovernmental Payable	104,636	176,335	(104,636)	176,335
Total General Long-Term Obligations	<u>\$1,379,499</u>	<u>\$462,450</u>	<u>(\$151,892)</u>	<u>\$1,690,057</u>

The General Obligation Energy Conservation Bonds were paid from the Debt Service Fund. Intergovernmental Payables and Compensated Absences will be paid from the fund from which the employee is paid. The OWDA Loan will be paid from the Debt Service Fund.

Principal and interest requirements to retire the OWDA loan outstanding at June 30, 2002, are as follows:

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 9 - LONG-TERM DEBT OBLIGATIONS** (continued)

Fiscal Year Ending June 30	Principal	Interest	Total
2003	\$4,383	\$3,213	\$7,596
2004	4,561	3,034	7,595
2005	4,748	2,848	7,596
2006	4,941	2,654	7,595
Thereafter	61,976	13,976	75,952
Total	<u>\$80,609</u>	<u>\$25,725</u>	<u>\$106,334</u>

**NOTE 10 – SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The District maintains one enterprise fund, food service, which is operated on a sales basis. The table below reflects the more significant financial data relating to the enterprise fund of the District for the fiscal year ended June 30, 2002:

	Food Service
Operating Revenues	315,087
Operating expenses before depreciation	(490,026)
Depreciation expense	(6,702)
Operating income (loss)	(181,641)
Federal donated commodities	39,657
Federal and State Subsidies	127,171
Operating transfers in	47,014
Net income	32,201
Net working capital	(2,659)
Total assets	77,947
Total equity	32,702
Encumbrances at June 30, 2002	0

**NOTE 11 - RETIREMENT PLANS**

School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS Ohio), a cost-sharing multiple-employer defined benefit pension plan. SERS Ohio 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. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling (614)222-5853



**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 11 - RETIREMENT PLANS (Continued)**

Plan members are required to contribute nine percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of the annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Ohio' Retirement Board. The District's contributions to SERS Ohio for the fiscal years ended June 30, 2002, 2001 and 2000 were \$314,688, \$283,410 and \$273,221, respectively, equal to the required contributions for each year; 64.72 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$111,012, representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and general long-term debt account group.

State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost sharing multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for certified teachers and other faculty members employed in the public schools of Ohio or any school, college, university, institution or other agency wholly controlled, managed and supported in whole, or in part, by the State or any political subdivision thereof. Any member who has (1) five years of service credit and attained age 60; (2) 25 years of service credit and attained age 55; or (3) 30 years of service credit regardless of age may retire. The maximum annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit", the retirement allowance is based on years of credit service and final average salary, which is the average of the member's three highest years' salaries. The annual allowance is calculated by using a base percentage of 2.1 percent multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5 percent. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6 percent for 32 years, 2.7 percent for 33 years and so on) until 100 percent of final average salary is reached.

For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%.

Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

A retiree of STRS Ohio or other Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of employment or age 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

Retirement benefits are annually increased by the greater of the amount of the change in the Consumer Price Index (CPI) or the cumulative CPI increases since retirement, less previous cost-of-living increases, up to a maximum of three percent of the original base benefit. The plan offers access to health care benefits to retirees and their dependents. Coverage includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 11 - RETIREMENT PLANS (Continued)**

A member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Survivor benefits are available to eligible spouses and dependents of active members who die before retirement. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member. Additional death benefit coverage of \$1,000 or \$2,000 can be purchased. Various other benefits are available to members' beneficiaries.

Benefits are established by Chapter 3307, Revised Code.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2002, were 9.3 percent of covered payroll for members and 14 percent for employers. The District's contributions to STRS Ohio for the fiscal years ended June 30, 2002, 2001 and 2000 were \$745,531, \$447,563 and \$455,679, respectively; 83.6 percent has been contributed for fiscal year 2002 and 100 percent for fiscal years 2001 and 2000. \$179,856, representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds.

STRS Ohio issues a stand-alone financial report. Copies of STRS Ohio's 2001 *Comprehensive Annual Financial Report* will be available after January 1, 2002, and can be requested by writing to STRS Ohio, 275 East Broad Street, Columbus, OH 43215-3371, or by calling (614)227-4090.

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS**

School Employees Retirement Systems

SERS Ohio provides postretirement health care to retirees and their dependents coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients.

Members retiring on or after August 1, 1989 with less than 25 years of qualified service credit 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. The Ohio Revised Code provides statutory authority requiring school employers to fund post retirement health care through their contributions to SERS Ohio. At June 30, 2002, the allocation rate was 9.80 percent. In addition, SERS Ohio 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 2002, the minimum pay was established as \$12,400. 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 District's actual contributions which were used to fund postemployment benefits, including surcharge, equaled \$230,315 during the 2002 fiscal year.

The Health care benefits are financed on a pay as you go basis. The target level for the health care reserve is 150 percent of annual health care expenses. At June 30, 2001 (the latest information available) the retirement systems' expenses for health care statewide was \$161,439,934 and the target level was \$242.2 million. The net assets available for payment of health care benefits were \$315.7 million. The number of participants currently receiving health care benefits is approximately 50,000.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 12 - OTHER POSTEMPLOYMENT BENEFITS (Continued)**

State Teachers Retirement Systems

STRS Ohio provides comprehensive health care benefits to retirees and their dependents. Coverage includes hospitalization, physician fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. The District's actual contributions which were used to fund postemployment benefits equaled \$353,146 during the 2002 fiscal year.

The Revised Code grants authority to STRS Ohio to provide health care coverage to benefit recipients, spouses and dependents. By Ohio law, the cost of coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to eight percent of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. The balance in the Health Care Reserve Fund was \$3.249 billion statewide at June 30, 2001 (the latest information available). The Health Care Reserve Fund allocation for the year ended June 30, 2002 and after, will be 4.5 percent of covered payroll. For the year ended June 30, 2001, net health care costs statewide paid by STRS Ohio were \$300,772,000. There were 102,132 eligible benefit recipients.

**NOTE 13 - OTHER EMPLOYEE BENEFITS - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees working eleven or twelve months per year are entitled to an annual vacation, with pay, based on length of service in the District. Vacations must be taken within one year of the time earned with the exception that a portion may be carried over to the next year with prior approval. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators working fewer than ten months per year 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 for an unlimited number of days. For certified and classified employees, payment is made at retirement for accumulated sick leave and is determined by taking one-fourth of the first 165 days and adding to that one day for every five days of the next 160 days accumulated, to a maximum of 46 days. For classified employees, payment made at retirement for accumulated sick leave is determined by taking one-fourth of the first 120 days and adding to that the total ten percent of the remaining days, to a maximum of 47 days. The amount of accumulated vacation and sick leave of employees paid from governmental funds that meets the eligibility requirements has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the general long-term obligation account group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund when earned.

**NOTE 14 - COMPLIANCE AND ACCOUNTABILITY**

Fund Deficits

The following funds had a deficit fund balance caused by the recognition of expenditures and/or nonrecognition of revenues on the modified accrual basis of accounting which substantially differs from those recognized on the cash basis of accounting.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 14 - COMPLIANCE AND ACCOUNTABILITY (Continued)**

Fund	Deficit
General Fund	(\$375,979)
Special Revenue Funds	
DPIA	(1,122)
Miscellaneous Federal Grants	(11,681)
Title I	(17,681)

**NOTE 15 – JOINTLY GOVERNED ORGANIZATION**

Stark/Portage Area Computer Consortium (SPARCC)

SPARCC is a jointly governed organization created as a regional council of governments made up of public school districts and county boards of education from Stark, Portage and Carroll Counties. The primary function of SPARCC is to provide data processing services to its member districts with the major emphasis being placed on accounting, inventory control and payroll services. Other areas of service provided by SPARCC include student scheduling, registration, grade reporting and test scoring. Each member district pays an annual fee for the services provided by SPARCC. SPARCC is governed by a board of directors comprised of each Superintendent within the Consortium. The Stark County Educational Service Center serves as the fiscal agent of the consortium and receives funding from the State Department of Education. Each district has one vote in all matters and each member district's control over budgeting and financing of SPARCC is limited to its voting authority and any representation it may have on the board of directors. The continued existence of SPARCC is not dependent on the Center's continued participation and no equity interest exists.

**NOTE 16 - CONTINGENCIES**

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to an 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 District at June 30, 2002.

Litigation

The District is not currently a party to any legal proceedings which would have a material impact on the financial statements.

**NOTE 17 - SCHOOL FUNDING DECISION**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2002  
(Continued)**

**NOTE 17 - SCHOOL FUNDING DECISION (Continued)**

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

**NOTE 18 - REQUIRED BUDGET SET ASIDES**

The District is required by State statute to annually set aside, in the General Fund, an amount based on statutory formula for the purchase of textbooks and other instructional materials and an amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end are offset by similarly restricted resources received during the year must be held in cash at year-end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the District was also required to set aside money for budget stabilization.

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

	Textbooks	Capital Improvements	Budget Stabilization
Set Aside Balance as of June 30, 2001	(\$10,736)	\$0	\$215,486
Current Year Set Aside Requirement	330,207	330,207	0
Qualifying Disbursements	(623,974)	(434,182)	(138,499)
Total	<u>(304,503)</u>	<u>(103,975)</u>	<u>76,987</u>
Balance Carried Forward to Fiscal Year 2003	<u>(\$304,503)</u>	<u>\$0</u>	<u>\$76,987</u>
Cash Balance at June 30, 2002	<u>\$0</u>	<u>\$0</u>	<u>\$76,987</u>

Qualifying disbursements and offsets for the capital improvements set aside exceeded the fiscal year 2002 requirement, however, no amount will be carried forward to the next fiscal year. The District may use the negative amount in the textbooks/instructional materials set aside to reduce set aside requirements of future fiscal years.

Amounts remaining at year-end have been set aside to satisfy statutory requirements are represented by cash and are presented as restricted assets on the Combined Balance Sheet. Corresponding amounts are reported as reserves of fund balance.

FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2002

FEDERAL GRANTOR/ Pass Through Grantor/ Program Title	Pass-Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U. S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through the Ohio Department of Education:</i>						
<i>Nutrition Cluster:</i>						
Food Distribution Program		10.550		\$35,407		\$34,812
National School Lunch Program		10.555	\$107,488		\$107,488	
Total U. S. Department of Agriculture - <i>Nutrition Cluster</i>			107,488	35,407	107,488	34,812
<b><u>U. S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through the Ohio Department of Education:</i>						
Grants to Local Education Agencies	049197-C1S1-2002 049197-C1S1-2001	84.010	114,008		124,662 22,630	
			114,008	0	147,292	0
<i>Special Education Cluster</i>						
Special Education Grants to States	049197-6BSF-2002 049197-6BSF-2001	84.027	183,662		167,363 30,540	
Total <i>Special Education Cluster</i>			183,662	0	197,903	0
Drug-Free Schools Grants	049197-DRS1-2000 049197-DRS1-2001 049197-DRS1-2002	84.186	6,885 4,703		1,648 7,845 1,409	
Total Drug-Free Schools Grants			11,588	0	10,902	0
Eisenhower Professional Development	049197-MSS1-2001 049197-MSS1-2002	84.281	820 9,193		2,687 1,575	
Total Eisenhower Professional Development			10,013	0	4,262	0
Title VI Innovative Education Strategies	049197-C2S1-2002	84.298	11,998		8,841	
Title VI-R Class Size Reduction	029197-CRS1-2002	84.340	38,280		48,163	
Total Passed Through the U.S. Department of Education			369,549	0	417,363	0
Total Passed Through the Ohio Department of Education			477,037	35,407	524,851	34,812
<b><u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>						
<i>Passed Through the Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance CAFS		93.778	24,465		24,465	
<b>Totals</b>			<b>\$501,502</b>	<b>\$35,407</b>	<b>\$549,316</b>	<b>\$34,812</b>

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

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2002**

**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, 2002, the District had no significant food commodities in inventory.

**NOTE C – MATCHING REQUIREMENTS**

Certain Federal programs require that the District contribute non-federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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

Field Local School District  
Portage County  
1473 Saxe Road  
Mogadore, Ohio 44260

To the Board of Education:

We have audited the financial statements of the Field Local School District, Portage County (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 19, 2002. 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 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*.

**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 financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the District in a separate letter dated December 19, 2002.

Field Local School District  
Portage County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the 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.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

**Jim Petro**  
Auditor of State

December 19, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
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Youngstown, Ohio 44503  
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Facsimile 330-797-9949  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Field Local School District  
Portage County  
1473 Saxe Road  
Mogadore, Ohio 44260

To the Board of Education:

**Compliance**

We have audited the compliance of the Field Local School District, Portage County (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is 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 its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to 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 its major federal program for the year ended June 30, 2002.

**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.

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 the 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

December 19, 2002

**FIELD LOCAL SCHOOL DISTRICT  
PORTAGE COUNTY**

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2002

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title 1 – Educationally Deprived Children, CFDA No. 84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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Finding Number	N/A – No finding is reported
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<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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Finding Number	N/A – No finding is reported
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STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**FIELD LOCAL SCHOOL DISTRICT**

**PORTAGE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 9, 2003**