



OHIO AUDITOR OF STATE
KEITH FABER



**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY
JUNE 30, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Field Local School District
Portage County
2900 State Route 43
Mogadore, Ohio 44260

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Field Local School District, Portage County, Ohio (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Field Local School District, Portage County, Ohio as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2023, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 6, 2023

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**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

The management's discussion and analysis of Field Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2022 are as follows:

- The District's net position of governmental activities increased \$6,165,740, which represents a 52.50% increase from 2021's net position.
- General revenues for governmental activities accounted for \$24,714,587 in revenue or 83.70% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$4,812,893 or 16.30% of total governmental activities revenues of \$29,527,480.
- The District had \$23,361,740 in expenses related to governmental activities; only \$4,812,893 of these expenses were offset by program specific charges for services or grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$24,714,587 were adequate to provide for these programs.
- The District's only major governmental fund is the general fund. The general fund had \$24,129,988 in revenues and other financing sources, and \$21,304,015 in expenditures and other financing uses. The general fund's fund balance increased \$2,825,973 from a balance of \$5,832,032 to \$8,658,005.

Using the Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2022?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 12. Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund.

Governmental Funds

All of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term* view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the statement of net position and the statement of activities) and governmental *funds* are reconciled in the financial statements.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information provides detailed information regarding the District's proportionate share of the net pension liability and net OPEB liability/asset of the retirement systems and a ten year schedule of District's contributions to the retirement systems to fund pension and OPEB obligations.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

The District as a Whole

The table below provides a summary of the District's net position at June 30, 2022 and June 30, 2021.

Net Position of Governmental Activities

	Governmental Activities <u>2022</u>	Governmental Activities <u>2021</u>
<u>Assets</u>		
Current and other assets	\$ 29,161,583	\$ 25,534,839
Net OPEB asset	1,665,845	1,344,725
Capital assets, net	<u>23,225,452</u>	<u>24,029,608</u>
Total assets	<u>54,052,880</u>	<u>50,909,172</u>
<u>Deferred Outflows of Resources</u>		
Pension	6,144,007	4,570,500
OPEB	<u>904,227</u>	<u>665,975</u>
Total deferred outflows of resources	<u>7,048,234</u>	<u>5,236,475</u>
<u>Liabilities</u>		
Current liabilities	2,615,635	2,572,322
Long-term liabilities:		
Due within one year	1,882,319	1,912,284
Due in more than one year:		
Net pension liability	13,516,711	23,773,796
Net OPEB liability	1,802,118	1,798,039
Other amounts	<u>16,618,973</u>	<u>18,519,738</u>
Total liabilities	<u>36,435,756</u>	<u>48,576,179</u>
<u>Deferred Inflows of Resources</u>		
Other amounts	16,202,438	15,910,842
Pension	11,008,056	780,970
OPEB	<u>3,033,077</u>	<u>2,621,609</u>
Total deferred inflows of resources	<u>30,243,571</u>	<u>19,313,421</u>
<u>Net Position</u>		
Net investment in capital assets	6,234,333	5,750,166
Restricted	1,294,329	740,555
Unrestricted (deficit)	<u>(13,106,875)</u>	<u>(18,234,674)</u>
Total net position (deficit)	<u>\$ (5,578,213)</u>	<u>\$ (11,743,953)</u>

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

The net pension liability is the largest single liability reported by the District at June 30, 2022 and is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement 27." The District has adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2022, the District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$5,578,213.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

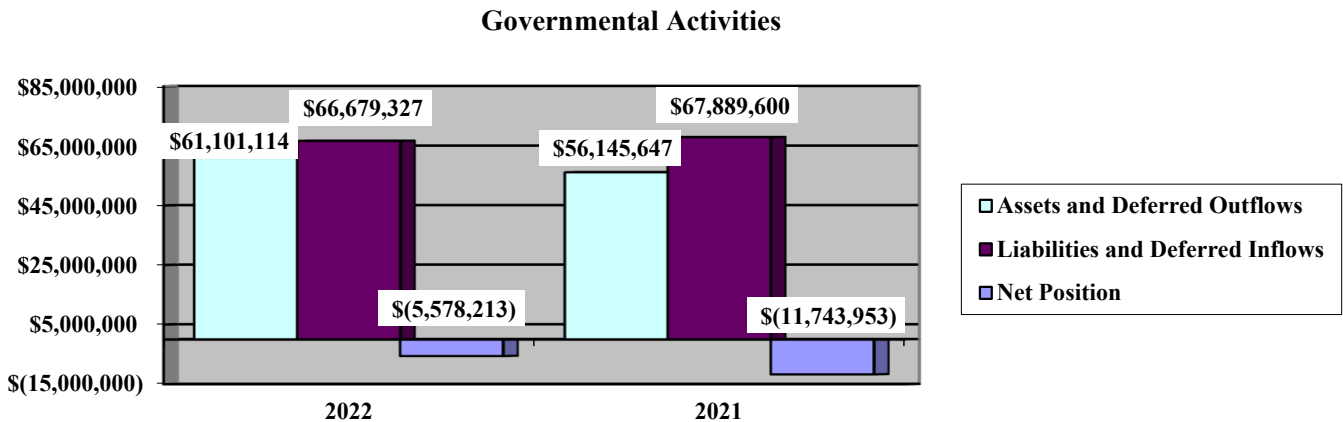
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

At fiscal year-end, capital assets represented 42.97% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and intangible right to use assets. Net investment in capital assets at June 30, 2022 was \$6,234,333. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

The net pension liability decreased \$10,257,085 or 43.14% and deferred inflows of resources related to pension increased \$10,227,086 or 1,309.54%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Net investment income on investments at both pension systems exceeded estimates for the fiscal year 2021 measurement that are used for the fiscal year 2022 reporting which cause a large increase in fiduciary net position.

A portion of the District's net position, \$1,294,329, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$13,106,875.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2022 and June 30, 2021.



The following table shows the change in net position for fiscal years 2022 and 2021.

Change in Net Position

<u>Revenues</u>	Governmental Activities 2022	Governmental Activities 2021
Program revenues:		
Charges for services and sales	\$ 999,022	\$ 2,081,221
Operating grants and contributions	3,813,871	3,446,905
Capital grants and contributions	-	32,362
General revenues:		
Property taxes	17,440,621	15,858,864
Grants and entitlements	6,928,064	7,708,351
Payment in lieu of taxes	282,521	45,860
Investment earnings	28,473	15,094
Other	34,908	27,055
Total revenues	<u>\$ 29,527,480</u>	<u>\$ 29,215,712</u>

(Continued)

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

	Change in Net Position (Continued)	
<u>Expenses</u>	Governmental Activities 2022	Governmental Activities 2021
Program expenses:		
Instruction:		
Regular	\$ 9,988,825	\$ 12,964,028
Special	3,260,701	4,024,513
Vocational	1,496	1,027
Adult/continuing	133,554	101,821
Other	5,302	74,793
Support services:		
Pupil	1,298,223	1,335,297
Instructional staff	434,294	657,733
Board of Education	13,559	14,983
Administration	2,340,725	2,462,867
Fiscal	641,292	772,875
Business	67,406	28,653
Operations and maintenance	1,922,867	2,445,561
Pupil transportation	1,139,137	1,092,746
Central	78,487	63,651
Operation of non-instructional services:		
Food service operations	885,913	849,129
Other non-instructional services	72,066	90,086
Extracurricular activities	605,613	655,634
Interest and fiscal charges	472,280	597,341
Total expenses	<u>23,361,740</u>	<u>28,232,738</u>
Change in net position	6,165,740	982,974
Net position (deficit) at beginning of year	<u>(11,743,953)</u>	<u>(12,726,927)</u>
Net position (deficit) at end of year	<u>\$ (5,578,213)</u>	<u>\$ (11,743,953)</u>

Governmental Activities

The net position of the District's governmental activities increased \$6,165,740. Total governmental expenses of \$23,361,740 were offset by program revenues of \$4,812,893 and general revenues of \$24,714,587. Program revenues supported 20.60% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements from the State. These revenue sources account for 82.53% of total governmental revenue. The increase in total revenues is primarily due to an increase in property taxes. Cash collections for property taxes increased slightly, but the main reason for the increase in revenue was fluctuations in the amounts available as an advance to the District at year-end. This is reported as revenue and can vary depending on when the County Auditor sends the first-half tax bills and receives payment.

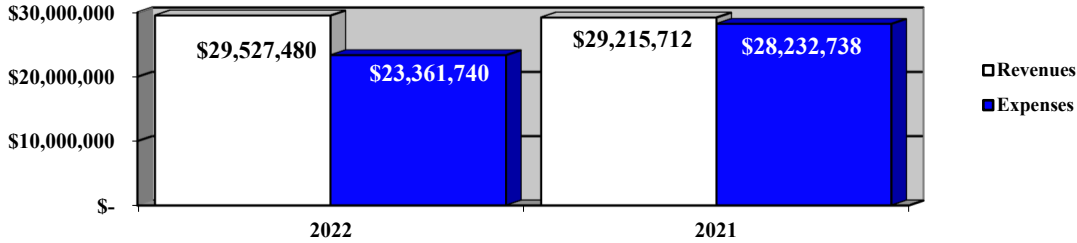
Overall, expenses of the governmental activities decreased \$4,870,998 or 17.25%. This decrease is primarily the result of a decrease in pension expense. Pension expense decreased approximately \$2,528,420. This decrease was the result of a decrease in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to an increase in net investment income on investments compared to previous years.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2022 and 2021.

Governmental Activities - Revenues and Expenses



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

Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Program expenses:				
Instruction:				
Regular	\$ 9,988,825	\$ 8,617,547	\$ 12,964,028	\$ 10,798,495
Special	3,260,701	1,972,962	4,024,513	2,438,978
Vocational	1,496	411	1,027	(49,953)
Adult/continuing	133,554	133,554	101,821	101,821
Other	5,302	5,302	74,793	74,793
Support services:				
Pupil	1,298,223	905,379	1,335,297	1,116,236
Instructional staff	434,294	406,746	657,733	458,432
Board of education	13,559	13,559	14,983	14,983
Administration	2,340,725	2,167,214	2,462,867	2,426,883
Fiscal	641,292	641,292	772,875	772,875
Business	67,406	67,406	28,653	28,653
Operations and maintenance	1,922,867	1,922,805	2,445,561	2,306,645
Pupil transportation	1,139,137	1,070,182	1,092,746	998,428
Central	78,487	42,447	63,651	23,948
Operation of non-instructional services:				
Food service operations	885,913	(329,638)	849,129	60,647
Other non-instructional services	72,066	18,303	90,086	(36,384)
Extracurricular activities	605,613	421,096	655,634	539,429
Interest and fiscal charges	472,280	472,280	597,341	597,341
Total expenses	\$ 23,361,740	\$ 18,548,847	\$ 28,232,738	\$ 22,672,250

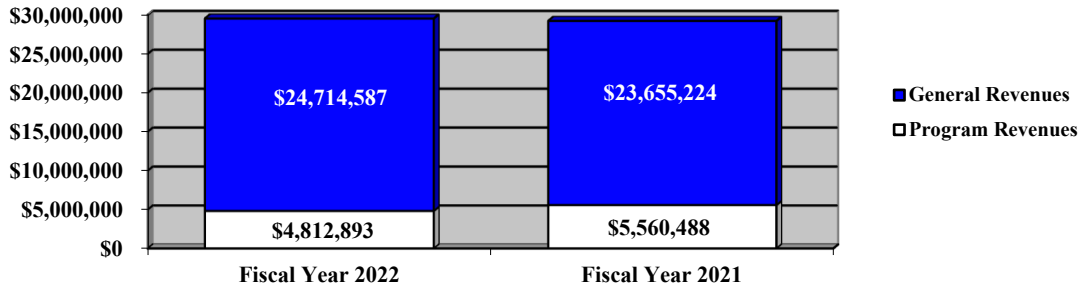
The dependence upon general revenues during fiscal year 2022 for governmental activities is apparent, as 80.13% of 2022 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenues support was 79.40% in 2022. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are the primary support for the District's students.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

The graph below presents the District's governmental activities revenue for fiscal years 2022 and 2021.

Governmental Activities - General and Program Revenues



The District's Funds

During 2022, the District's governmental funds reported a combined fund balance of \$10,087,747, which represents an increase from last year's total of \$6,223,771. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2022 and 2021.

	Fund Balance June 30, 2022	Fund Balance June 30, 2021	Change	Percentage Change
General	\$ 8,658,005	\$ 5,832,032	\$ 2,825,973	48.46 %
Other Governmental	1,429,742	391,739	1,038,003	264.97 %
Total	<u>\$ 10,087,747</u>	<u>\$ 6,223,771</u>	<u>\$ 3,863,976</u>	62.08 %

General Fund

The District's general fund balance increased \$2,825,973. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	2022 Amount	2021 Amount	Change	Percentage Change
<u>Revenues</u>				
Property taxes	\$ 15,378,264	\$ 13,815,214	\$ 1,563,050	11.31 %
Payment in lieu of taxes	282,521	45,860	236,661	516.05 %
Tuition and fees	711,696	1,916,451	(1,204,755)	(62.86) %
Earnings on investments	25,509	12,542	12,967	103.39 %
Intergovernmental	7,591,932	8,355,080	(763,148)	(9.13) %
Other revenues	131,866	162,032	(30,166)	(18.62) %
Total	<u>\$ 24,121,788</u>	<u>\$ 24,307,179</u>	<u>\$ (185,391)</u>	(0.76) %
<u>Expenditures</u>				
Instruction	\$ 12,711,638	\$ 15,115,495	\$ (2,403,857)	(15.90) %
Support services	7,936,241	7,832,777	103,464	1.32 %
Operation of non-instructional services	24,534	12,158	12,376	101.79 %
Extracurricular activities	486,918	496,819	(9,901)	(1.99) %
Facilities acquisition and construction	34,108	-	34,108	100.00 %
Debt Service	52,620	8,770	43,850	500.00 %
Total	<u>\$ 21,246,059</u>	<u>\$ 23,466,019</u>	<u>\$ (2,219,960)</u>	(9.46) %

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

As the preceding table shows, the overall change in general fund revenues was minimal. The general fund's largest revenues source, property taxes, increased slightly in fiscal year 2022 as discussed previously. Tuition and fees revenues decreased due to changes in the state foundation funding model.

Overall expenditures of the general fund decreased \$2,219,960 or 9.46%. Instructional expenditures decreased as certain expenditures previously accounted for in the general fund were paid from grant funds reported in the ESSER fund (a nonmajor governmental fund) during fiscal year 2022.

General Fund Budgeting Highlights

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

During the course of fiscal year 2022, the District amended its general fund budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. For the general fund, original budgeted revenues and other financing sources were \$25,873,430. This amount decreased to \$23,972,106 in the final budget. The actual revenues and other financing sources were \$24,624,417.

General fund original appropriations and other financing uses were \$24,239,950. This total was decreased to \$22,697,347 in the final budget. The actual budget basis expenditures and other financing uses for fiscal year 2022 were \$22,697,345.

Capital Assets and Debt Administration

Capital Assets

During fiscal year 2022, the District had \$23,225,452 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles and intangible right to use assets. This entire amount was reported in governmental activities.

The following table shows June 30, 2022 balances compared to June 30, 2021:

Capital Assets at June 30 (Net of Depreciation/Amortization)

	Governmental Activities	
	2022	2021
Land	\$ 597,678	\$ 597,678
Land improvements	1,915,844	1,985,289
Buildings and improvements	19,844,906	20,460,525
Furniture, fixtures and equipment	328,549	334,796
Intangible right to use - leased equipment	162,931	209,482
Vehicles	375,544	441,838
Total	\$ 23,225,452	\$ 24,029,608

The overall decrease in governmental activities capital assets for fiscal year 2022 was \$804,156 due to depreciation/amortization expense of \$839,156 exceeding capital asset additions of \$35,000. See Note 9 in the notes to the basic financial statements for more information regarding the District's capital assets.

Debt Administration

At June 30, 2022, the District had \$17,568,475 in general obligation bonds, tax anticipation notes, and leases outstanding. Of this total, \$1,803,864 is due within one year and \$15,764,611 is due in more than one year.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
(UNAUDITED)

The following table summarizes the governmental activities debt outstanding:

Outstanding Debt, at Year-End

	<u>Balance</u> <u>June 30, 2022</u>	<u>Balance</u> <u>June 30, 2021</u>
General obligation bonds:		
Series 2013 refunding	\$ 1,020,264	\$ 1,424,475
Series 2020 refunding	6,560,000	7,270,000
Series 2021 refunding	8,860,000	8,940,000
Energy conservation	<u>300,000</u>	<u>375,000</u>
Total general obligation bonds	<u>16,740,264</u>	<u>18,009,475</u>
Tax Anticipation Note	645,000	855,000
Lease obligation	<u>183,211</u>	<u>225,516</u>
Total	<u>\$ 17,568,475</u>	<u>\$ 19,089,991</u>

See Note 10 in the notes to the basic financial statements for additional information on the District's debt administration.

Current Financial Related Activities

Currently, the District's Five-Year Forecast shows a strong financial position. The District relies heavily upon grants, entitlements and property taxes. Since future grant and entitlement revenue is uncertain, the reliance upon local taxes continues to remain very important.

Voters passed a 7.3 mill renewal on May 7, 2019. The District also passed a new 10.75 mill operating and 1 mill permanent improvement levy on May 7, 2019. The passages of these levies have been critical to the success of the District's financial position as reflected in the Five-Year Forecast. The Five-Year forecast is utilized by the School Board and Administration to effectively and efficiently manage the District's resources to the fullest.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Todd Carpenter, Treasurer of the Field Local School District, 2900 State Route 43, Mogadore, Ohio 44260.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 10,512,861
Receivables:	
Property taxes	18,107,119
Payment in lieu of taxes	248,428
Accounts	9,819
Intergovernmental	222,444
Prepayments	25,382
Materials and supplies inventory	13,974
Inventory held for resale	21,556
Net OPEB asset	1,665,845
Capital assets:	
Nondepreciable capital assets	597,678
Depreciable capital assets, net	22,627,774
Capital assets, net	23,225,452
Total assets	54,052,880
 Deferred outflows of resources:	
Pension	6,144,007
OPEB	904,227
Total deferred outflows of resources	7,048,234
 Liabilities:	
Accounts payable	155,552
Accrued wages and benefits payable	1,946,845
Intergovernmental payable	82,672
Pension obligation payable	408,444
Accrued interest payable	22,122
Long-term liabilities:	
Due within one year	1,882,319
Due in more than one year:	
Net pension liability	13,516,711
Net OPEB liability	1,802,118
Other amounts due in more than one year	16,618,973
Total liabilities	36,435,756
 Deferred inflows of resources:	
Property taxes levied for the next fiscal year	15,756,102
Payment in lieu of taxes levied for the next fiscal year	248,428
Unamortized deferred charges on debt refunding	197,908
Pension	11,008,056
OPEB	3,033,077
Total deferred inflows of resources	30,243,571
 Net position:	
Net investment in capital assets	6,234,333
Restricted for:	
Debt service	616,759
Federally funded programs	3,660
Food service operations	345,883
Extracurricular activities	67,318
Other purposes	260,709
Unrestricted (deficit)	(13,106,875)
Total net position (deficit)	\$ (5,578,213)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
Instruction:				
Regular	\$ 9,988,825	\$ 428,564	\$ 942,714	\$ (8,617,547)
Special	3,260,701	261,316	1,026,423	(1,972,962)
Vocational	1,496	1,085	-	(411)
Adult/continuing	133,554	-	-	(133,554)
Other	5,302	-	-	(5,302)
Support services:				
Pupil	1,298,223	-	392,844	(905,379)
Instructional staff	434,294	3,180	24,368	(406,746)
Board of education	13,559	-	-	(13,559)
Administration	2,340,725	18,124	155,387	(2,167,214)
Fiscal	641,292	-	-	(641,292)
Business	67,406	-	-	(67,406)
Operations and maintenance	1,922,867	-	62	(1,922,805)
Pupil transportation	1,139,137	-	68,955	(1,070,182)
Central	78,487	36,040	-	(42,447)
Operation of non-instructional services:				
Food service operations	885,913	66,196	1,149,355	329,638
Other non-instructional services	72,066	-	53,763	(18,303)
Extracurricular activities	605,613	184,517	-	(421,096)
Interest and fiscal charges	472,280	-	-	(472,280)
Totals	\$ 23,361,740	\$ 999,022	\$ 3,813,871	(18,548,847)

General revenues:

Property taxes levied for:	
General purposes	15,431,239
Debt service	1,775,511
Capital outlay	233,871
Payments in lieu of taxes	282,521
Grants and entitlements not restricted	
to specific programs	6,928,064
Investment earnings	28,473
Miscellaneous	34,908
Total general revenues	24,714,587
Change in net position	6,165,740
Net position (deficit) at beginning of year	(11,743,953)
Net position (deficit) at end of year	\$ (5,578,213)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 7,847,665	\$ 2,665,196	\$ 10,512,861
Receivables:			
Property taxes	16,077,226	2,029,893	18,107,119
Payment in lieu of taxes	248,428	-	248,428
Accounts	9,151	668	9,819
Interfund loans	1,401,401	-	1,401,401
Intergovernmental	2,927	219,517	222,444
Prepayments	24,729	653	25,382
Materials and supplies inventory	-	13,974	13,974
Inventory held for resale	-	21,556	21,556
Total assets	\$ 25,611,527	\$ 4,951,457	\$ 30,562,984
Liabilities:			
Accounts payable	\$ 138,523	\$ 17,029	\$ 155,552
Accrued wages and benefits payable	1,817,964	128,881	1,946,845
Compensated absences payable	21,898	-	21,898
Intergovernmental payable	81,205	1,467	82,672
Pension obligation payable	386,956	21,488	408,444
Interfund loans payable	-	1,401,401	1,401,401
Total liabilities	2,446,546	1,570,266	4,016,812
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	13,979,065	1,777,037	15,756,102
Payment in lieu of taxes levied for the next fiscal year	248,428	-	248,428
Delinquent property tax revenue not available	279,483	33,818	313,301
Intergovernmental revenue not available	-	140,594	140,594
Total deferred inflows of resources	14,506,976	1,951,449	16,458,425
Fund balances:			
Nonspendable:			
Materials and supplies inventory	-	13,974	13,974
Prepays	24,729	653	25,382
Unclaimed monies	15,370	-	15,370
Restricted:			
Debt service	-	1,388,021	1,388,021
Food service operations	-	332,895	332,895
Federally funded programs	-	130	130
Extracurricular activities	-	67,318	67,318
Other purposes	-	245,339	245,339
Assigned:			
Student instruction	338,214	-	338,214
Student and staff support	950,687	-	950,687
School supplies	17,310	-	17,310
Other purposes	2,762	-	2,762
Unassigned (deficit)	7,308,933	(618,588)	6,690,345
Total fund balances	8,658,005	1,429,742	10,087,747
Total liabilities, deferred inflows and fund balances	\$ 25,611,527	\$ 4,951,457	\$ 30,562,984

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

Total governmental fund balances		\$	10,087,747
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			23,225,452
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	313,301	
Intergovernmental receivable		140,594	
Total		140,594	453,895
Unamortized amounts on refundings are not recognized in the funds.			(197,908)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(22,122)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension		6,144,007	
Deferred inflows - pension		(11,008,056)	
Net pension liability		(13,516,711)	
Deferred outflows - OPEB		904,227	
Deferred inflows - OPEB		(3,033,077)	
Net OPEB asset		1,665,845	
Net OPEB liability		(1,802,118)	
Total		(1,802,118)	(20,645,883)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(16,740,264)	
Leases payable		(183,211)	
Compensated absences		(910,919)	
Tax anticipation notes	\$	(645,000)	
Total		(645,000)	(18,479,394)
Net position of governmental activities			\$ (5,578,213)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 15,378,264	\$ 2,006,489	\$ 17,384,753
Intergovernmental	7,591,932	3,665,512	11,257,444
Investment earnings	25,509	3,988	29,497
Tuition and fees	711,696	-	711,696
Extracurricular	-	115,972	115,972
Charges for services	5,090	66,196	71,286
Contributions and donations	-	10,500	10,500
Payment in lieu of taxes	282,521	-	282,521
Miscellaneous	126,776	-	126,776
Total revenues	<u>24,121,788</u>	<u>5,868,657</u>	<u>29,990,445</u>
Expenditures:			
Current:			
Instruction:			
Regular	9,545,524	948,115	10,493,639
Special	3,023,996	414,180	3,438,176
Vocational	1,496	-	1,496
Adult/continuing	133,554	-	133,554
Other	7,068	-	7,068
Support services:			
Pupil	1,198,472	182,026	1,380,498
Instructional staff	449,284	39,711	488,995
Board of education	14,127	-	14,127
Administration	2,336,741	160,147	2,496,888
Fiscal	634,662	27,747	662,409
Business	45,654	-	45,654
Operations and maintenance	2,008,549	137	2,008,686
Pupil transportation	1,170,265	-	1,170,265
Central	78,487	-	78,487
Operation of non-instructional services:			
Food service operations	-	933,851	933,851
Other non-instructional services	24,534	47,532	72,066
Extracurricular activities	486,918	171,446	658,364
Facilities acquisition and construction	34,108	-	34,108
Debt service:			
Principal retirement	42,305	1,225,000	1,267,305
Interest and fiscal charges	10,315	738,718	749,033
Total expenditures	<u>21,246,059</u>	<u>4,888,610</u>	<u>26,134,669</u>
Excess of revenues over (under) expenditures	<u>2,875,729</u>	<u>980,047</u>	<u>3,855,776</u>
Other financing sources (uses):			
Proceeds from sale/loss of assets	8,200	-	8,200
Transfers in	-	57,956	57,956
Transfers (out)	(57,956)	-	(57,956)
Total other financing sources (uses)	<u>(49,756)</u>	<u>57,956</u>	<u>8,200</u>
Net change in fund balances	2,825,973	1,038,003	3,863,976
Fund balances at beginning of year	<u>5,832,032</u>	<u>391,739</u>	<u>6,223,771</u>
Fund balances (deficit) at end of year	<u>\$ 8,658,005</u>	<u>\$ 1,429,742</u>	<u>\$ 10,087,747</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Net change in fund balances - total governmental funds	\$	3,863,976
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	\$ 35,000	
Current year depreciation/amortization	(839,156)	
Total		(804,156)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	55,868	
Intergovernmental	(527,033)	
Total		(471,165)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		1,267,305
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:		
Decrease in accrued interest payable	1,524	
Accreted interest on capital appreciation bonds	(195,789)	
Payment to refunded bond escrow agent	450,000	
Amortization of deferred charges	21,018	
Total		276,753
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,832,698	
OPEB	60,443	
Total		1,893,141
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(229,192)	
OPEB	83,382	
Total		(145,810)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		285,696
Change in net position of governmental activities	\$	6,165,740

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 16,710,190	\$ 15,049,875	\$ 15,471,165	\$ 421,290
Intergovernmental	8,191,859	7,377,921	7,584,451	206,530
Investment earnings	18,405	16,576	17,040	464
Tuition and fees	629,178	566,662	582,525	15,863
Miscellaneous	323,798	291,626	299,790	8,164
Total revenues	<u>25,873,430</u>	<u>23,302,660</u>	<u>23,954,971</u>	<u>652,311</u>
Expenditures:				
Current:				
Instruction:				
Regular	11,697,374	9,419,480	9,419,478	2
Special	3,622,519	3,358,093	3,358,093	-
Vocational	4	93	93	-
Adult/continuing	103,769	133,554	133,554	-
Other	69,236	18,392	18,392	-
Support services:				
Pupil	1,042,522	1,281,789	1,281,789	-
Instructional staff	428,824	452,750	452,750	-
Board of education	14,066	14,134	14,134	-
Administration	2,279,826	2,371,209	2,371,209	-
Fiscal	720,020	654,817	654,817	-
Business	85,104	45,654	45,654	-
Operations and maintenance	2,065,285	2,336,966	2,336,966	-
Pupil transportation	1,167,627	1,621,969	1,621,969	-
Central	22,812	38,289	38,289	-
Operation of non-instructional services:				
Other non-instructional services	16,357	24,534	24,534	-
Extracurricular activities	486,935	487,210	487,210	-
Facilities acquisition and construction	-	34,108	34,108	-
Total expenditures	<u>23,822,280</u>	<u>22,293,041</u>	<u>22,293,039</u>	<u>2</u>
Excess of revenues over expenditures	<u>2,051,150</u>	<u>1,009,619</u>	<u>1,661,932</u>	<u>652,313</u>
Other financing sources (uses):				
Refund of prior year's expenditures	-	8,935	8,935	-
Transfers (out)	(27,130)	(92,752)	(92,752)	-
Advances in	-	652,311	652,311	-
Advances (out)	(390,540)	(311,554)	(311,554)	-
Sale of capital assets	-	8,200	8,200	-
Total other financing sources (uses)	<u>(417,670)</u>	<u>265,140</u>	<u>265,140</u>	<u>-</u>
Net change in fund balance	1,633,480	1,274,759	1,927,072	652,313
Fund balance at beginning of year	3,709,333	3,709,333	3,709,333	-
Prior year encumbrances appropriated	725,086	725,086	725,086	-
Fund balance at end of year	<u>\$ 6,067,899</u>	<u>\$ 5,709,178</u>	<u>\$ 6,361,491</u>	<u>\$ 652,313</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

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

The District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or Federal agencies. The Board controls the District's eight instructional/support facilities staffed by 107 non-certified employees and 149 certified teaching and support personnel who provide services to approximately 1,971 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity has been defined in accordance with GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No. 39, “Determining Whether Certain Organizations Are Component Units”, and GASB Statement No. 61, “The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34”. The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

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

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

JOINTLY GOVERNED ORGANIZATION

Northeast Ohio Network for Educational Technology (NEOnet)

NEOnet was established as a jointly governed organization among sixteen school districts and the Summit County Educational Service Center that was formed July 1, 1995. NEOnet was formed for the purpose of applying modern technology (with the aid of computers and other electronic equipment) to improve administrative and instructional functions of member districts. NEOnet has since been restructured and organized as a council of governments (COG) under Ohio Revised Code 3301.075 and Chapter 167. The new COG is called the Metropolitan Regional Service Council. The Council serves several program functions for the nineteen school district members, such as NEOnet ITC functions and as a collaborative purchasing agent. The Council is self supporting and conducts its fiscal services in house with a licensed treasurer.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

The Council employs an Executive Director who works cooperatively with a seven-member Board of Directors consisting of four superintendents, the ESC superintendent, one member of the treasurers' committee and one member of the technology committee. The degree of control exercised by any participating school district is limited to its representation on the assembly, which elects the board of directors, who exercises total control over the operation of NEOnet including budgeting, appropriating, contracting and designating management. All revenues are generated from State funding and an annual fee per student to participating districts. The Metropolitan Regional Services Council and NEOnet are located at 700 Graham Rd., Cuyahoga Falls, Ohio 44221.

PUBLIC ENTITY RISK POOL

Portage Area School Consortium

The Portage Area School Consortium (the "Consortium") is a regional council of governments established pursuant to Chapter 167 of the Ohio Revised Code, consisting of various school districts in the Portage County, Ohio area. The Consortium is a stand-alone entity, comprised of two stand-alone pools; the Portage Area School Consortium Property and Casualty Pool and the Portage Area School Consortium Health and Welfare Insurance Pool. These pools were established by the Consortium on August 5, 1988 to provide property and casualty risk management services and risk sharing to its members. The pools were established as local government risk pools under Section 1744.081 of the Ohio Revised Code and are not subject to federal tax filing requirements.

Ohio Revised Code Section 167.04 requires the Consortium to adopt bylaws designating the officers of the Consortium and their method of selection, creating a governing body to act for the Consortium, appointing a fiscal officer, and providing for the conduct of the Consortium's business. The Assembly is the legislative and managerial body of the Consortium. The Assembly is composed of representation of the member schools. The member school's governing body appoints representatives to the Consortium (usually the superintendent or designee). In the case of a member that is a school district, that representative shall be an executive appointed by the board of education. The Assembly serves without compensation.

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. 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. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary funds or fiduciary funds.

GOVERNMENTAL FUNDS

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

The following is the District's major governmental fund:

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) resources restricted to expenditures for principal, interest, and related debt service costs, and (c) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

C. Basis of Presentation and Measurement Focus

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

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

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

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

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

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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

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

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

Under the modified accrual basis, property taxes available as an advance and refunds due to the District are considered to be both measurable and available at fiscal year-end.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

In addition, deferred inflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

See Notes 12 and 13 for deferred inflow of resources related to the District's net pension liability and net OPEB liability/asset, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a corresponding amount reported as intergovernmental revenue.

**FIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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

E. Budgets

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2022 was as follows:

1. On or before February 1, the fiscal officer of the District must submit the alternative tax budget for the subsequent fiscal year to the Portage County Auditor. The alternative tax budget includes all proposed expenditures and the means of financing those expenditures for all funds. The purpose of the alternative tax budget is to reflect the need for existing (or increased) tax rates, as determined by the Portage County Budget Commission.
2. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final amended certificates issued for fiscal year 2022.
3. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Although the legal level of budgetary control has been established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
4. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
6. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2022; however, none of these amendments were significant. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
7. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund level.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. 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 basic financial statements.

During fiscal year 2022, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio) and non-negotiable certificates of deposit. Investments in non-negotiable certificates of deposit are reported at cost while investments in STAR are Ohio are reported at amortized cost as described below.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2022 amounted to \$25,509 which includes \$3,622 assigned from other District funds.

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

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

G. Interfund Balances

On fund financial statements, receivables and payables resulting from interfund loans and cash deficits among the governmental activities are classified as "interfund loans receivable/payable". These amounts are eliminated in the governmental activities column on the statement of net position.

H. Inventory

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

On the fund financial statements, reported materials and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

I. Capital Assets

General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land are depreciated/amortized. Improvements are depreciated over the remaining useful lives of the related capital assets. The District is reporting intangible right to use assets for leased equipment. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset. Depreciation/amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>
Land Improvements	15 - 30 Years
Buildings and Improvements	15 - 62 Years
Furniture, Fixtures, and Equipment	5 - 20 Years
Intangible right to use - leased equipment	5 Years
Vehicles	5 - 15 Years

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

K. Accrued Liabilities and Long-Term Obligations

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds; however, claims and judgments, compensated absences, net pension liabilities, and net OPEB liabilities that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the subsequent year. Bonds and capital leases are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. Unamortized Bond Premiums and Discounts, and Deferred Charges on Debt Refunding

On the government-wide financial statements, bond premiums and discounts are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds. On the governmental fund financial statements, bond premiums and discounts are recognized in the period in which these items are incurred. The reconciliation between the face value of bonds and the amount reported on the statement of net position is presented in Note 10.

For current and advance refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the refunded debt is amortized as a component of interest expense. This accounting gain or loss on refunding is amortized over the remaining term of the old debt or the term of the new debt, whichever is shorter, and is presented on the statement of net position as a deferred inflow of resources or a deferred outflow of resources.

M. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

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

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

N. Interfund Activity

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

O. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component "net investment in capital assets" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes consists of amounts restricted for student scholarships and miscellaneous local grants.

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

P. Estimates

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

Q. Pensions/Other Postemployment Benefits (OPEB)

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2022.

S. Prepayments

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

On the fund financial statements, reported prepayments is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2022, the District has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The District recognized \$232,758 in governmental activities in leases payable at July 1, 2021; however, this entire amount was offset by the intangible asset, right to use lease - equipment.

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the District.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the District.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the District.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the District.

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2022 included the following individual fund deficits:

<u>Nonmajor funds</u>	<u>Deficit</u>
District Managed Student Activities	\$ 1,058
Elementary and Secondary School Emergency Relief	27,475
IDEA Part B	61,697
Title I	43,121
Title II-A	7,877
Permanent Improvement	477,360

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institution's participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

A. Cash on Hand

At fiscal year-end, the District had \$100 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and cash equivalents”.

B. Deposits with Financial Institutions

At June 30, 2022, the carrying amount of all District deposits was \$597,345 and the bank balance of all District deposits was \$759,886. Of the bank balance, \$500,000 was covered by the FDIC, 146,297 was covered by the Ohio Pooled Collateral System (OPCS) and \$113,589 was uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District’s and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2022, the District’s financial institution was approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

C. Investments

As of June 30, 2022, the District had the following investment and maturity:

Measurement/ Investment type	Measurement Value	Investment Maturity <hr/> 6 months or less
<i>Amortized Cost:</i>		
STAR Ohio	\$ 9,915,416	\$ 9,915,416

Interest Rate Risk: Interest rate risk arises when potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District’s investment policy limits investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard & Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial credit risk beyond the requirement of State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2022:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Amortized Cost:</i>		
STAR Ohio	<u>\$ 9,915,416</u>	<u>100.00%</u>

D. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2022:

<u>Cash and cash equivalents per note</u>	
Carrying amount of deposits	\$ 597,345
Investments	9,915,416
Cash on hand	<u>100</u>
Total	<u>\$ 10,512,861</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 10,512,861</u>

NOTE 5 - INTERFUND TRANSACTIONS

- A. Interfund transfers for fiscal year 2022 consisted of the following, as reported on the fund statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	<u>\$ 57,956</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers made in fiscal year 2022 were in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Transfers between governmental funds are eliminated on the government-wide financial statements.

- B. Interfund balances at June 30, 2022 as reported on the fund statements, consist of the following individual interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	<u>\$ 1,401,401</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year. Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2022 are reported on the statement of net position.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021 on the assessed values as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2022 represent the collection of calendar year 2021 taxes. Public utility real and personal property taxes received in calendar year 2022 became a lien on December 31, 2020, were levied after April 1, 2021, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Portage County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022 are available to finance fiscal year 2022 operations. The amount available as an advance at June 30, 2022 was \$1,818,678 in the general fund, \$153,504 in the bond retirement fund and \$65,534 in the permanent improvement fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2021 was \$1,911,579 in the general fund, \$183,656 in the bond retirement fund and \$69,384 in the permanent improvement fund. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2022 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow.

The assessed values upon which the fiscal year 2022 taxes were collected are:

	2021 Second Half Collections		2022 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 467,617,200	96.77	\$ 519,566,900	96.98
Public utility personal	<u>15,596,440</u>	<u>3.23</u>	<u>16,201,690</u>	<u>3.02</u>
Total	<u>\$ 483,213,640</u>	<u>100.00</u>	<u>\$ 535,768,590</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$66.09		\$65.43	

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 7 - RECEIVABLES

Receivables at June 30, 2022 consisted of property taxes, payment in lieu of taxes, accounts, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:	
Property taxes	\$ 18,107,119
Payment in lieu of taxes	248,428
Accounts	9,819
Intergovernmental	<u>222,444</u>
Total	<u>\$ 18,587,810</u>

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

NOTE 8 - PAYMENT IN LIEU OF TAXES

The District has entered into tax incremental financing agreements with local companies. These companies were granted reductions or exemptions from property tax obligations to encourage economic development in the area; however, as part of these agreements, the companies make payments in lieu of taxes to the District to compensate the District for its portion of the reduction in property tax receipts. On the governmental fund financial statements, payment in lieu of taxes revenues totaled \$282,521 in the general fund during fiscal year 2022.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 9 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 is as follows:

Governmental activities:	Balance 7/1/2021	Additions	Disposals	Balance 6/30/2022
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 597,678	\$ -	\$ -	\$ 597,678
Total capital assets, not being depreciated/amortized	<u>597,678</u>	<u>-</u>	<u>-</u>	<u>597,678</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	2,129,468	-	-	2,129,468
Buildings and improvements	31,482,622	-	-	31,482,622
Furniture, fixtures and equipment	1,078,474	35,000	-	1,113,474
Intangible right to use - leased equipment	232,758	-	-	232,758
Vehicles	1,171,986	-	(227,741)	944,245
Total capital assets, being depreciated/amortized	<u>36,095,308</u>	<u>35,000</u>	<u>(227,741)</u>	<u>35,902,567</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(144,179)	(69,445)	-	(213,624)
Buildings and improvements	(11,022,097)	(615,619)	-	(11,637,716)
Furniture, fixtures and equipment	(743,678)	(41,247)	-	(784,925)
Intangible right to use - leased equipment	(23,276)	(46,551)	-	(69,827)
Vehicles	(730,148)	(66,294)	227,741	(568,701)
Total accumulated depreciation/amortization	<u>(12,663,378)</u>	<u>(839,156)</u>	<u>227,741</u>	<u>(13,274,793)</u>
Governmental activities capital assets, net	<u>\$ 24,029,608</u>	<u>\$ (804,156)</u>	<u>\$ -</u>	<u>\$ 23,225,452</u>

Depreciation/amortization expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 412,247
Special	94,707
Other	703

Support services:

Pupil	44,738
Instructional staff	13,030
Board of education	316
Administration	73,400
Fiscal	12,193
Business services	21,752
Operations and maintenance	36,755
Pupil transportation	94,952
Food service operations	16,867
Extracurricular activities	<u>17,496</u>
Total	<u>\$ 839,156</u>

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 - LONG-TERM OBLIGATIONS

A. During fiscal year 2022, the following activity occurred in governmental activities long-term obligations.

Governmental activities:	Balance at 7/1/2021	Additions	Reductions	Balance at 6/30/2022	Amounts Due in One Year
General obligation bonds					
Series 2013 Refunding Bonds	\$ 1,424,475	\$ 195,789	\$ (600,000)	\$ 1,020,264	\$ 679,395
Energy Conservation Bonds	375,000	-	(75,000)	300,000	75,000
Series 2020 Refunding Bonds	7,270,000	-	(710,000)	6,560,000	735,000
Series 2021 Refunding Bonds	8,940,000	-	(80,000)	8,860,000	60,000
Total general obligation bonds	<u>18,009,475</u>	<u>195,789</u>	<u>(1,465,000)</u>	<u>16,740,264</u>	<u>1,549,395</u>
Leases payable	225,516	-	(42,305)	183,211	44,469
Tax Anticipation Note	855,000	-	(210,000)	645,000	210,000
Net pension liability	23,773,796	-	(10,257,085)	13,516,711	-
Net OPEB liability	1,798,039	4,079	-	1,802,118	-
Compensated absences	<u>1,342,031</u>	<u>56,557</u>	<u>(465,771)</u>	<u>932,817</u>	<u>78,455</u>
Total governmental activities	<u>\$ 46,003,857</u>	<u>\$ 256,425</u>	<u>\$ (12,440,161)</u>	<u>\$ 33,820,121</u>	<u>\$ 1,882,319</u>

B. Compensated Absences

Compensated absences will be paid from the fund from which the employees' salaries are paid. For the District, these are primarily the general fund and the food service fund (a nonmajor governmental fund).

C. General Obligation Bonds

General obligation bonds are direct obligations of the District for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from voted and unvoted general property taxes. Property tax monies will be received in and the debt will be repaid from the bond retirement debt service fund. Payments of principal and interest related to these bonds are recorded as expenditures of the bond retirement fund.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of activity for the District's general obligation bonds:

	Balance 7/1/2021	Additions	Reductions	Balance 6/30/2022	Amounts Due in One Year
General obligation bonds:					
Series 2013 Refunding Bonds					
Current interest bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital appreciation bonds	395,000	-	(150,000)	245,000	130,000
Accreted interest	1,029,475	195,789	(450,000)	775,264	549,395
Total Series 2013 Refunding Bonds	<u>1,424,475</u>	<u>195,789</u>	<u>(600,000)</u>	<u>1,020,264</u>	<u>679,395</u>
Energy Conservation Bonds					
Current interest bonds	375,000	-	(75,000)	300,000	75,000
Total 2011 Energy Conservation Bonds	<u>375,000</u>	<u>-</u>	<u>(75,000)</u>	<u>300,000</u>	<u>75,000</u>
Series 2020 Refunding Bonds					
Current interest bonds	7,270,000	-	(710,000)	6,560,000	735,000
Total Series 2020 Refunding Bonds	<u>7,270,000</u>	<u>-</u>	<u>(710,000)</u>	<u>6,560,000</u>	<u>735,000</u>
Series 2021 Refunding Bonds					
Current interest bonds	8,940,000	-	(80,000)	8,860,000	60,000
Total Series 2021 Refunding Bonds	<u>8,940,000</u>	<u>-</u>	<u>(80,000)</u>	<u>8,860,000</u>	<u>60,000</u>
Total General Obligation Bonds	<u>\$ 18,009,475</u>	<u>\$ 195,789</u>	<u>\$ (1,465,000)</u>	<u>\$ 16,740,264</u>	<u>\$ 1,549,395</u>

Series 2013 Refunding Bonds - On April 18, 2013, the District issued Series 2013 Refunding general obligation bonds to advance refund an \$8,770,000 portion of the District's Series 2005 School Facilities Construction and Improvement general obligation bonds. The issuance proceeds of \$8,770,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt.

The original issue was comprised of current interest serial refunding bonds, par value \$7,630,000, current interest term refunding bonds, par value \$745,000, and capital appreciation refunding bonds, par value \$395,000. The outstanding current interest bonds were refunded during fiscal year 2021.

The capital appreciation bonds mature on November 1, 2021, 2022, and 2023 at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date at stated approximate yields to maturity of 3.00%, 3.15%, and 3.35%, respectively. The accreted value at maturity for the capital appreciation bonds is \$1,790,000. Total accreted interest of \$1,029,475 has been included in the statement of net position.

Series 2014 Refunding Bonds - On May 22, 2014, the District issued Series 2014 Refunding general obligation bonds to advance refund \$9,310,000 of the District's Series 2005 School Facilities Construction and Improvement general obligation bonds. The issuance proceeds of \$9,310,000 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt.

The original issue was comprised of current interest serial refunding bonds, par value \$7,625,000, current interest term refunding bonds, par value \$1,680,000, and capital appreciation refunding bonds, par value \$5,000. The outstanding current interest bonds were refunded during fiscal year 2021.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

Series 2015 Refunding Bonds - On March 18, 2015, the District issued Series 2015 Refunding general obligation bonds to advance refund the remaining \$4,395,000 of the District's Series 2005 School Facilities Construction and Improvement general obligation bonds. The issuance proceeds of \$4,394,998 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt.

The original issue was comprised of current interest serial refunding bonds, par value \$4,235,000, current interest term refunding bonds, par value \$155,000, and capital appreciation refunding bonds, par value \$4,998. The outstanding current interest bonds were refunded during fiscal year 2021.

Energy Conservation Bonds - During fiscal year 2011, the District issued \$1,140,000 in Energy Conservation general obligation bonds to finance renovations that would significantly reduce the energy consumption of the District's facilities. The issue is composed of current interest bonds bearing an interest rate of 5.2% with a final maturity at December 1, 2025.

The current interest bonds are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Fiscal Year	Principal Amount to be Redeemed	Fiscal Year	Principal Amount to be Redeemed
2022	\$ 75,000	2024	\$ 75,000
2023	75,000	2025	75,000

Remaining principal of \$75,000 is payable at maturity on December 1, 2025. Sinking fund payments made during the current fiscal year amounted to \$75,000 and are reflected as principal payments of the bond retirement fund.

Series 2020 Refunding Bonds - On October 29, 2020, the District issued Series 2020 Refunding general obligation bonds to currently refund \$7,270,000 of the District's Series 2014 Refunding general obligation bonds. The net issuance proceeds, plus a District contribution of \$183,203, were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt.

The original issue was comprised of current interest serial refunding bonds, par value \$7,270,000. Interest payments are due on June 1 and December 1 of each year until final maturity at December 1, 2031 at an interest rate of 1.54%.

The reacquisition price exceeded the net carrying amount of the old debt exceeded the reacquisition cost by \$123,787. This amount is amortized as a deferred inflow of resources over the remaining term of the refunded debt, which is equal to the life of the new debt issued.

Series 2021 Refunding Bonds - On February 1, 2021, the District issued Series 2021 Refunding general obligation bonds to currently refund \$8,940,000 of the District's Series 2013 Refunding and Series 2015 Refunding general obligation bonds. The net issuance proceeds, plus a District contribution of \$199,462, were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt.

The original issue was comprised of current interest serial refunding bonds, par value \$8,940,000. Interest payments are due on June 1 and December 1 of each year until final maturity at December 1, 2032 at an interest rate of 1.73%.

The reacquisition price exceeded the net carrying amount of the old debt exceeded the reacquisition cost by \$106,688. This amount is amortized as a deferred inflow of resources over the remaining term of the refunded debt, which is equal to the life of the new debt issued.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a summary of the future debt service requirements to maturity for the District's general obligation bonds:

Fiscal Year	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 870,000	\$ 261,774	\$ 1,131,774	\$ 130,000	\$ 465,000	\$ 595,000
2024	880,000	245,444	1,125,444	115,000	480,000	595,000
2025	1,485,000	223,819	1,708,819	-	-	-
2026	1,510,000	196,769	1,706,769	-	-	-
2027	1,455,000	171,302	1,626,302	-	-	-
2028 - 2032	7,770,000	477,853	8,247,853	-	-	-
2033	1,750,000	15,138	1,765,138	-	-	-
Total	<u>\$ 15,720,000</u>	<u>\$ 1,592,099</u>	<u>\$ 17,312,099</u>	<u>\$ 245,000</u>	<u>\$ 945,000</u>	<u>\$ 1,190,000</u>

D. Tax Anticipation Note

The District issued a Tax Anticipation Note in fiscal year 2020 for \$1,068,000. The interest rate is 1.44% per year to the final maturity date of the Note, payable on June 1 and December 1, beginning June 1, 2020, through December 1, 2024. The Note was issued in anticipation of future property tax revenues which will be used for capital improvements throughout the District. Payments are made from the bond retirement fund.

The following is a summary of the future debt service requirements to maturity for the District's Tax Anticipation Note:

Fiscal Year	Principal	Interest	Total
2023	\$ 210,000	\$ 7,776	\$ 217,776
2024	215,000	4,716	219,716
2025	220,000	1,584	221,584
Total	<u>\$ 645,000</u>	<u>\$ 14,076</u>	<u>\$ 659,076</u>

E. Net Pension Liability and Net OPEB Liability/Asset

See Notes 12 and 13 for details on the net pension liability and net OPEB liability/asset, respectively. The District pays obligations related to employee compensation from the fund benefitting from their service.

F. Leases Payable

The District has entered into a lease agreement for the right to use copier equipment. The term of the lease is 5 years. Payments are due monthly with the final payment due on April 1, 2026. Lease payments have been reclassified and are reflected as debt service expenditures for the general fund in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

**FIELD LOCAL SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of future lease payments under the agreement:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 44,469	\$ 8,151	\$ 52,620
2024	46,744	5,876	52,620
2025	49,136	3,484	52,620
2026	<u>42,862</u>	<u>988</u>	<u>43,850</u>
Total	<u>\$ 183,211</u>	<u>\$ 18,499</u>	<u>\$ 201,710</u>

G. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District’s legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2022 are a voted debt margin of \$33,942,194 (including available funds of \$1,388,021), an unvoted debt margin of \$535,769 and an energy conservation debt margin of \$4,521,917.

NOTE 11 - RISK MANAGEMENT

A. Property and Liability Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage in the last year.

B. Fidelity Bonds

The Board President, Superintendent, Assistant Treasurer, and Bank Courier each have a \$50,000 position bond. The Treasurer is covered under a surety bond in the amount of \$100,000.

C. Employee Benefits

The District is a member of the Portage Area School Consortium (the “Consortium”), an insurance purchasing pool (See Note 2.A), through which a cooperative Health Benefit Program was created for the benefit of its members. The Consortium acts as a fiscal agent for the cash funds paid into the program by the participating school districts. These funds are pooled together for the purposes of paying health benefit claims of employees and their covered dependents, administrative expenses of the program, and premiums for stop-loss insurance coverage. A reserve exists which is to cover any unpaid claims if the school district were to withdraw from the pool. If the reserve would not cover such claims, the school district would be liable for any costs above the reserve.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 11 - RISK MANAGEMENT - (Continued)

D. Workers' Compensation

The District pays the Ohio Bureau of Workers' Compensation a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that the State calculates.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represents the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

The Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities (assets) within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017 will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2% for the first thirty years of service and 2.5% for years of service credit over 30. Final average salary is the average of the highest three years of salary.

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2021, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2022.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$430,501 for fiscal year 2022. Of this amount, \$102,088 is reported as pension obligation payable.

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PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at www.strsoh.org.

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate goes to the DC Plan and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 and after termination of employment.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$1,402,197 for fiscal year 2022. Of this amount, \$233,760 is reported as pension obligation payable.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.07952930%	0.07651357%	
Proportion of the net pension liability current measurement date	<u>0.09254580%</u>	<u>0.07900922%</u>	
Change in proportionate share	<u>0.01301650%</u>	<u>0.00249565%</u>	
Proportionate share of the net pension liability	\$ 3,414,672	\$ 10,102,039	\$ 13,516,711
Pension expense	\$ 263,514	\$ (34,322)	\$ 229,192

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 330	\$ 312,106	\$ 312,436
Changes of assumptions	71,903	2,802,487	2,874,390
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	556,507	567,976	1,124,483
Contributions subsequent to the measurement date	<u>430,501</u>	<u>1,402,197</u>	<u>1,832,698</u>
Total deferred outflows of resources	<u>\$ 1,059,241</u>	<u>\$ 5,084,766</u>	<u>\$ 6,144,007</u>

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 88,556	\$ 63,322	\$ 151,878
Net difference between projected and actual earnings on pension plan investments	1,758,655	8,706,022	10,464,677
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>-</u>	<u>391,501</u>	<u>391,501</u>
Total deferred inflows of resources	<u>\$ 1,847,211</u>	<u>\$ 9,160,845</u>	<u>\$ 11,008,056</u>

\$1,832,698 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2023	\$ (71,999)	\$ (1,507,456)	\$ (1,579,455)
2024	(188,525)	(1,201,101)	(1,389,626)
2025	(418,145)	(1,149,401)	(1,567,546)
2026	<u>(539,802)</u>	<u>(1,620,318)</u>	<u>(2,160,120)</u>
Total	<u>\$ (1,218,471)</u>	<u>\$ (5,478,276)</u>	<u>\$ (6,696,747)</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.50%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.50% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.50%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement year, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 5,681,175	\$ 3,414,672	\$ 1,503,230

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50%	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.45%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.45%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2021, actuarial valuation, post-retirement mortality rates are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Tables with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

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

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 18,917,338	\$ 10,102,039	\$ 2,653,130

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 3.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2022. It is unknown what the effect this change will have on the net pension liability.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2022, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the District's surcharge obligation was \$60,443.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$60,443 for fiscal year 2022. Of this amount, \$60,443 is reported as pension obligation payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2021, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.08273210%	0.07651357%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.09522010%</u>	<u>0.07900922%</u>	
Change in proportionate share	<u>0.01248800%</u>	<u>0.00249565%</u>	
Proportionate share of the net OPEB liability	\$ 1,802,118	\$ -	\$ 1,802,118
Proportionate share of the net OPEB asset	\$ -	\$ (1,665,845)	\$ (1,665,845)
OPEB expense	\$ 35,129	\$ (118,511)	\$ (83,382)

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 19,208	\$ 59,318	\$ 78,526
Changes of assumptions	282,708	106,408	389,116
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	345,409	30,733	376,142
Contributions subsequent to the measurement date	<u>60,443</u>	<u>-</u>	<u>60,443</u>
Total deferred outflows of resources	<u>\$ 707,768</u>	<u>\$ 196,459</u>	<u>\$ 904,227</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 897,537	\$ 305,215	\$ 1,202,752
Net difference between projected and actual earnings on OPEB plan investments	39,152	461,743	500,895
Changes of assumptions	246,785	993,800	1,240,585
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>37,808</u>	<u>51,037</u>	<u>88,845</u>
Total deferred inflows of resources	<u>\$ 1,221,282</u>	<u>\$ 1,811,795</u>	<u>\$ 3,033,077</u>

\$60,443 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2023.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2023	\$ (152,923)	\$ (457,164)	\$ (610,087)
2024	(153,197)	(445,610)	(598,807)
2025	(148,530)	(452,417)	(600,947)
2026	(110,913)	(196,818)	(307,731)
2027	(29,589)	(65,057)	(94,646)
Thereafter	21,195	1,730	22,925
Total	\$ (573,957)	\$ (1,615,336)	\$ (2,189,293)

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation dated June 30, 2021 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	3.00%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.50% to 18.20%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.50% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	1.92%
Prior measurement date	2.45%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	2.27%
Prior measurement date	2.63%
Medical trend assumption:	
Current measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%
Prior measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%

In 2021, Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement year, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five-year period ended June 30, 2020.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020 and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	<u>100.00 %</u>	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27%. The discount rate used to measure total OPEB liability prior to June 30, 2021 was 2.63%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the District at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic pension benefits plan. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92% at June 30, 2021 and 2.45% at June 30, 2020.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 2,233,043	\$ 1,802,118	\$ 1,457,865

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 1,387,484	\$ 1,802,118	\$ 2,355,943

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2021, actuarial valuation, compared with June 30, 2020, are presented below:

	<u>June 30, 2021</u>		<u>June 30, 2020</u>	
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	5.00%	4.00%	5.00%	4.00%
Medicare	-16.18%	4.00%	-6.69%	4.00%
Prescription Drug				
Pre-Medicare	6.50%	4.00%	6.50%	4.00%
Medicare	29.98%	4.00%	11.87%	4.00%

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

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

Actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Assumption Changes Since the Prior Measurement Date - The discount rate was adjusted to 7.00% from 7.45% for the June 30, 2021 valuation.

Benefit Term Changes Since the Prior Measurement Date - The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

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

Discount Rate - The discount rate used to measure the total OPEB asset was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB asset as of June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate - The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,405,715	\$ 1,665,845	\$ 1,883,144
	Current		
	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,874,339	\$ 1,665,845	\$ 1,408,022

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 14 - BUDGETARY BASIS OF ACCOUNTING

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

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

The major differences between the budget basis and the GAAP basis are that:

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

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 1,927,072
Net adjustment for revenue accruals	(68,268)
Net adjustment for expenditure accruals	51,734
Net adjustment for other sources and uses	(349,692)
Funds budgeted elsewhere	6,390
Adjustment for encumbrances	<u>1,258,737</u>
GAAP basis	<u>\$ 2,825,973</u>

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. These include the public school support fund, the uniform school supplies fund, unclaimed funds fund and the employee benefits fund.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 15 - CONTINGENCIES

A. Grants

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

B. Litigation

The District management is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial statements.

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. The fiscal year 2022 adjustment resulted in a payable to the District of \$72.

NOTE 16 - SET-ASIDES

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2021	\$ -
Current year set-aside requirement	346,730
Current year qualifying expenditures	(100,750)
Current year offsets	<u>(245,980)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2023	<u>\$ -</u>
Set-aside balance June 30, 2022	<u>\$ -</u>

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 17 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. To the extent of available balances at June 30, 2022, encumbrances outstanding at year-end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year-end, the District’s commitments for encumbrances in the governmental funds, net of any reported payables, were as follows:

Fund	Year-End Encumbrances
General fund	\$ 1,122,405
Nonmajor governmental funds	433,737
Total	\$ 1,556,142

NOTE 18 - TAX ABATEMENT AGREEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under Enterprise Zone Agreements (“EZAs”) and the Ohio Community Reinvestment Area (“CRA”) program within the taxing districts of the District. The EZAs and CRA programs are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under these programs, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Tallmadge, Brimfield Township, and Suffield Township have entered into such agreements. In fiscal year 2022, the District’s property taxes were reduced by \$59,509 as a result of these agreements.

NOTE 19 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the District received COVID-19 funding. The District’s investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The impact on the District’s future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

REQUIRED SUPPLEMENTARY INFORMATION

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.09254580%	0.07952930%	0.07792150%	0.08123150%
District's proportionate share of the net pension liability	\$ 3,414,672	\$ 5,260,235	\$ 4,662,180	\$ 4,652,278
District's covered payroll	\$ 3,580,957	\$ 3,044,486	\$ 2,704,756	\$ 2,544,459
District's proportionate share of the net pension liability as a percentage of its covered payroll	95.36%	172.78%	172.37%	182.84%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	68.55%	70.85%	71.36%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.08064750%	0.08113680%	0.08200120%	0.08113800%	0.08113800%
\$ 4,818,510	\$ 5,938,465	\$ 4,679,068	\$ 4,106,348	\$ 4,825,016
\$ 2,371,193	\$ 2,344,071	\$ 2,468,665	\$ 2,357,720	\$ 2,112,348
203.21%	253.34%	189.54%	174.17%	228.42%
69.50%	62.98%	69.16%	71.70%	65.52%

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net pension liability	0.07900922%	0.07651357%	0.07515642%	0.07893075%
District's proportionate share of the net pension liability	\$ 10,102,039	\$ 18,513,561	\$ 16,620,391	\$ 17,355,100
District's covered payroll	\$ 10,052,479	\$ 9,295,336	\$ 8,731,257	\$ 9,047,721
District's proportionate share of the net pension liability as a percentage of its covered payroll	100.49%	199.17%	190.36%	191.82%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	75.48%	77.40%	77.31%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2018	2017	2016	2015	2014
0.08098159%	0.07915581%	0.08043692%	0.08096191%	0.08096191%
\$ 19,237,350	\$ 26,495,836	\$ 22,230,412	\$ 19,692,738	\$ 23,457,861
\$ 8,972,479	\$ 8,216,686	\$ 8,533,164	\$ 8,272,069	\$ 7,759,431
214.40%	322.46%	260.52%	238.06%	302.31%
75.30%	66.80%	72.10%	74.70%	69.30%

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 430,501	\$ 501,334	\$ 426,228	\$ 365,142
Contributions in relation to the contractually required contribution	<u>(430,501)</u>	<u>(501,334)</u>	<u>(426,228)</u>	<u>(365,142)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,075,007	\$ 3,580,957	\$ 3,044,486	\$ 2,704,756
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 343,502	\$ 331,967	\$ 328,170	\$ 325,370	\$ 326,780	\$ 292,349
<u>(343,502)</u>	<u>(331,967)</u>	<u>(328,170)</u>	<u>(325,370)</u>	<u>(326,780)</u>	<u>(292,349)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,544,459	\$ 2,371,193	\$ 2,344,071	\$ 2,468,665	\$ 2,357,720	\$ 2,112,348
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 1,402,197	\$ 1,407,347	\$ 1,301,347	\$ 1,222,376
Contributions in relation to the contractually required contribution	<u>(1,402,197)</u>	<u>(1,407,347)</u>	<u>(1,301,347)</u>	<u>(1,222,376)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,015,693	\$ 10,052,479	\$ 9,295,336	\$ 8,731,257
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 1,266,681	\$ 1,256,147	\$ 1,150,336	\$ 1,194,643	\$ 1,075,369	\$ 1,008,726
<u>(1,266,681)</u>	<u>(1,256,147)</u>	<u>(1,150,336)</u>	<u>(1,194,643)</u>	<u>(1,075,369)</u>	<u>(1,008,726)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,047,721	\$ 8,972,479	\$ 8,216,686	\$ 8,533,164	\$ 8,272,069	\$ 7,759,431
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net OPEB liability	0.09522010%	0.08273210%	0.08008670%	0.08175690%
District's proportionate share of the net OPEB liability	\$ 1,802,118	\$ 1,798,039	\$ 2,014,012	\$ 2,268,157
District's covered payroll	\$ 3,580,957	\$ 3,044,486	\$ 2,704,756	\$ 2,544,459
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	50.33%	59.06%	74.46%	89.14%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	18.17%	15.57%	13.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>
0.08170780%	0.08210278%
\$ 2,192,823	\$ 2,340,233
\$ 2,371,193	\$ 2,344,071
92.48%	99.84%
12.46%	11.49%

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSET
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SIX FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
District's proportion of the net OPEB liability/asset	0.07900922%	0.07651357%	0.07515642%	0.07893075%
District's proportionate share of the net OPEB liability/(asset)	\$ (1,665,845)	\$ (1,344,725)	\$ (1,244,770)	\$ (1,268,336)
District's covered payroll	\$ 10,052,479	\$ 9,295,336	\$ 8,731,257	\$ 9,047,721
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	-16.57%	-14.47%	-14.26%	-14.02%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.73%	182.13%	174.74%	176.00%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>
0.08098159%	0.07915581%
\$ 3,159,603	\$ 4,233,273
\$ 8,972,479	\$ 8,216,686
35.21%	51.52%
47.10%	37.30%

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 60,443	\$ 60,216	\$ 54,117	\$ 63,496
Contributions in relation to the contractually required contribution	<u>(60,443)</u>	<u>(60,216)</u>	<u>(54,117)</u>	<u>(63,496)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,075,007	\$ 3,580,957	\$ 3,044,486	\$ 2,704,756
Contributions as a percentage of covered payroll	1.97%	1.68%	1.78%	2.35%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 53,993	\$ 43,928	\$ 41,028	\$ 65,838	\$ 39,878	\$ 36,732
<u>(53,993)</u>	<u>(43,928)</u>	<u>(41,028)</u>	<u>(65,838)</u>	<u>(39,878)</u>	<u>(36,732)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,544,459	\$ 2,371,193	\$ 2,344,071	\$ 2,468,665	\$ 2,357,720	\$ 2,112,348
2.12%	1.85%	1.75%	2.67%	1.69%	1.74%

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

	LAST TEN FISCAL YEARS			
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,015,693	\$ 10,052,479	\$ 9,295,336	\$ 8,731,257
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ -	\$ -	\$ -	\$ -	\$ 82,721	\$ 77,594
-	-	-	-	(82,721)	(77,594)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,047,721	\$ 8,972,479	\$ 8,216,686	\$ 8,533,164	\$ 8,272,069	\$ 7,759,431
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.

(Continued)

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PENSION (CONTINUED)

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal years 2017-2022.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table.

(Continued)

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate; and prescription drug Medicare (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; and prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures	Total Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education</i>					
School Breakfast Program	10.553	104070-3L70-2022		\$185,789	
National School Lunch Program	10.555	104070-3L60-2022		689,055	\$47,633
COVID-19 National School Lunch Program	10.555	104070-3L60-2022		71,769	
Total Child Nutrition Cluster				<u>946,613</u>	<u>47,633</u>
COVID-19 State Pandemic Electronic Benefit Transfer Administrative Cost Grants	10.649	104070-3HF0-2022		614	
Total U.S. Department of Agriculture				<u>947,227</u>	<u>47,633</u>
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Federal Communications Commission</i>					
Emergency Connectivity Fund Program	32.009	Not Available		261,286	
<i>Passed Through Ohio Department of Education</i>					
Title I Grants to Local Educational Agencies	84.010	104070-3M00-2021		39,716	
Title I Grants to Local Educational Agencies	84.010	104070-3M00-2022		244,140	
Total Title I Grants to Local Educational Agencies				<u>283,856</u>	
Special Education Grants to States - Restoration	84.027	104070-3M20-2019		1,020	
Special Education Grants to States	84.027	104070-3M20-2021		52,125	
Special Education Grants to States	84.027	104070-3M20-2022		366,688	
COVID-19 Special Education Grants to States - ARP	84.027	104070-3IA0-2022		3,697	
Total Special Education Cluster				<u>423,530</u>	
English Language Acquisition State Grants	84.365A	104070-3Y70-2022	\$3,575	3,575	
Supporting Effective Instruction State Grant	84.367	104070-3HI0-2021		10,076	
Supporting Effective Instruction State Grant	84.367	104070-3HI0-2022		31,630	
Total Supporting Effective Instruction State Grant				<u>41,706</u>	
Student Support and Academic Enrichment Program	84.424	104070-3HI0-2022		19,209	
COVID-19 Elementary and Secondary School Emergency Relief Fund I	84.425D	104070-3HS0-2022		17,110	
COVID-19 Elementary and Secondary School Emergency Relief Fund II	84.425D	104070-3HS0-2022		549,971	
COVID-19 Elementary and Secondary School Emergency Relief Fund III - ARP	84.425U	104070-3HS0-2022		178,181	
Total COVID-19 Education Stabilization Fund				<u>745,262</u>	
Total U.S. Department of Education			<u>3,575</u>	<u>1,778,424</u>	
Total Expenditures of Federal Awards			<u><u>\$3,575</u></u>	<u><u>\$2,725,651</u></u>	<u><u>\$47,633</u></u>

The accompanying notes are an integral part of this schedule.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Field Local School District (the District) under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The District passes certain federal awards received from the Ohio Department of Education (ODE) to other governments or not-for-profit agencies (subrecipients). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass through entity, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award’s performance goals.

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

NOTE G - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with the ODE’s consent, schools can transfer unobligated amounts to the subsequent fiscal year’s program. The District transferred the following amounts from 2022 to 2023 programs:

<u>Program Title</u>	<u>AL Number</u>	<u>Amount Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$33,583
Special Education Grants to States	84.027	\$71,884
COVID-19 Special Education Grants to States	84.027	\$88,095
Special Education Preschool Grants	84.173	\$10,699
COVID-19 Special Education Preschool Grants	84.173	\$6,988
Supporting Effective Instruction State Grant	84.367	\$53,428
COVID-19 Elementary and Secondary School Emergency Relief Fund III - ARP	84.425D	\$1,677,836



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

Field Local School District
Portage County
2900 State Route 43
Mogadore, Ohio 44

To the Board of Education:

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Field Local School District, Portage County, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 6, 2023

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
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(800) 282-0370

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Field Local School District
Portage County
2900 State Route 43
Mogadore, Ohio 44260

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Field Local School District's, Portage County, (District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Field Local School District's major federal program for the year ended June 30, 2022. Field Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Field Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 6, 2023

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**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Elementary and Secondary School Emergency Relief
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



FIELD LOCAL SCHOOL DISTRICT

PORTAGE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/28/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov