



**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

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

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Field Local School District, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type and nonexpendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2000 on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

December 18, 2000

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**Field Local School District
Combined Balance Sheet
All Fund Types and Account Groups
For The Year Ended June 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,036,992	\$157,542	\$0	\$5,507
Equity in Pooled Cash and Cash Equivalents - Nonexpendable Trust	0	0	0	0
Receivables:				
Taxes	6,796,716	0	42,933	0
Accounts	989	100	0	0
Intergovernmental	1,525	11,253	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	3,324	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	236,815	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	\$8,076,361	\$168,895	\$42,933	\$5,507
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accrued Wages and Benefits	\$1,012,287	\$39,556	\$0	\$0
Compensated Absences Payable	9,543	0	0	0
Intergovernmental Payable	238,357	7,743	0	0
Deferred Revenue	6,436,918	0	42,933	0
Undistributed Monies	0	0	0	0
Due to Students	0	0	0	0
Notes Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	7,697,105	47,299	42,933	0
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	208,524	164	0	0
Reserved for Inventory	3,324	0	0	0
Reserved for Contributions	0	0	0	0
Reserved for Property Taxes	359,798	0	42,933	0
Reserved for Textbooks and Instructional Materials	325	0	0	0
Reserved for Capital Improvements	21,004	0	0	0
Reserved for Budget Stabilization	215,486	0	0	0
Unreserved:				
Designated for Budget Stabilization	76,221	0	0	0
Undesignated	(505,426)	121,432	(42,933)	5,507
Total Fund Equity and Other Credits	379,256	121,596	0	5,507
Total Liabilities, Fund Equity and Other Credits	\$8,076,361	\$168,895	\$42,933	\$5,507

See accompanying notes to the general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$27,602	\$52,631	\$0	\$0	\$1,280,274
0	14,037	0	0	14,037
0	0	0	0	6,839,649
21	112	0	0	1,222
20,462	0	0	0	33,240
10,486	0	0	0	10,486
3,889	0	0	0	7,213
0	0	0	0	236,815
42,052	0	7,400,668	0	7,442,720
0	0	0	1,267,849	1,267,849
<u>\$104,512</u>	<u>\$66,780</u>	<u>\$7,400,668</u>	<u>\$1,267,849</u>	<u>\$17,133,505</u>
\$23,590	\$0	\$0	\$0	\$1,075,433
15,583	0	0	1,003,485	1,028,611
13,325	0	0	95,496	354,921
4,387	0	0	0	6,484,238
0	7,329	0	0	7,329
0	45,414	0	0	45,414
0	0	0	88,868	88,868
0	0	0	80,000	80,000
56,885	52,743	0	1,267,849	9,164,814
0	0	7,400,668	0	7,400,668
47,627	0	0	0	47,627
0	0	0	0	208,688
0	0	0	0	3,324
0	11,730	0	0	11,730
0	0	0	0	402,731
0	0	0	0	325
0	0	0	0	21,004
0	0	0	0	215,486
0	0	0	0	76,221
0	2,307	0	0	(419,113)
47,627	14,037	7,400,668	0	7,968,691
<u>\$104,512</u>	<u>\$66,780</u>	<u>\$7,400,668</u>	<u>\$1,267,849</u>	<u>\$17,133,505</u>

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

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues:</u>				
Taxes	\$5,986,657	\$0	\$38,600	\$0
Intergovernmental	6,521,846	440,225	0	3,796
Interest	148,954	463	0	0
Tuition and Fees	123,208	0	0	0
Rent	150	0	0	0
Extracurricular Activities	0	60,958	0	0
Gifts and Donations	226	9,100	0	5,418
Miscellaneous	27,082	77,780	0	0
Total Revenues	12,808,123	588,526	38,600	9,214
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	6,729,979	81,447	0	21,808
Special	888,157	228,381	0	195
Vocational	199,361	969	0	0
Other	107,999	0	0	0
Support Services:				
Pupils	841,822	7,397	0	0
Instructional Staff	430,895	129,767	0	0
Board of Education	10,171	0	0	0
Administration	1,398,768	42,364	0	0
Fiscal	320,644	0	0	0
Operation and Maintenance of Plant	1,227,194	212	0	2,796
Pupil Transportation	756,267	25	0	0
Central	97	6,891	0	0
Operation of Non-Instructional Services	0	599	0	0
Extracurricular Activities	172,911	75,476	0	0
Debt Service:				
Principal Retirement	3,887	0	36,000	0
Interest and Fiscal Charges	3,708	0	6,370	0
Total Expenditures	13,091,860	573,528	42,370	24,799
Excess of Revenues Over (Under) Expenditures	(283,737)	14,998	(3,770)	(15,585)
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	400	0	0	0
Operating Transfers In	36,640	16,520	0	0
Operating Transfers Out	(16,520)	0	0	(36,640)
Total Other Financing Sources (Uses)	20,520	16,520	0	(36,640)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(263,217)	31,518	(3,770)	(52,225)
Fund Balances (Deficit) at Beginning of Year	642,473	90,078	3,770	57,732
Fund Balances at End of Year	\$379,256	\$121,596	\$0	\$5,507

See accompanying notes to the general purpose financial statements.

Totals
(Memorandum
Only)

\$6,025,257
6,965,867
149,417
123,208
150
60,958
14,744
104,862

13,444,463

6,833,234
1,116,733
200,330
107,999

849,219
560,662
10,171
1,441,132
320,644
1,230,202
756,292
6,988
599
248,387

39,887
10,078

13,732,557

(288,094)

400
53,160
(53,160)

400

(287,694)

794,053

\$506,359

Field Local School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types
For The Year Ended June 30, 2000

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues</u>			
Intergovernmental	\$6,521,846	\$6,521,846	\$0
Interest	148,954	148,954	0
Tuition and Fees	123,208	123,208	0
Rent	150	150	0
Extracurricular Activities	0	0	0
Gifts and Donations	226	226	0
Property and Other Local Taxes	6,483,664	6,483,664	0
Miscellaneous	13,240	13,240	0
Total Revenues	13,291,288	13,291,288	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	6,834,477	6,834,477	0
Special	893,556	893,556	0
Vocational	210,224	210,224	0
Other	163,028	163,028	0
Support services:			
Pupils	866,496	866,496	0
Instructional Staff	431,748	431,748	0
Board of Education	10,171	10,171	0
Administration	1,418,595	1,418,595	0
Fiscal	324,448	324,448	0
Operation and Maintenance of Plant	1,274,034	1,274,034	0
Pupil Transportation	869,610	869,610	0
Central	97	97	0
Non-Instructional Services	0	0	0
Extracurricular activities	176,214	176,214	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	13,472,698	13,472,698	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(181,410)	(181,410)	0
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	36,640	36,640	0
Proceeds from Sale of Fixed Assets	2,000	2,000	0
Refund of Prior Year Expenditures	12,690	12,690	0
Other Financing Sources	1,152	1,152	0
Operating Transfers Out	(16,520)	(16,520)	0
Refund of Prior Year Receipts	(13)	(13)	0
Total Other Financing Sources (Uses)	35,949	35,949	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(145,461)	(145,461)	0
Fund Balances at Beginning of Year	1,100,934	1,100,934	0
Prior Year Encumbrances Appropriated	109,811	109,811	0
Fund Balance at End of Year	\$1,065,284	\$1,065,284	\$0

See accompanying notes to the general purpose financial statements.

Special Revenue			Debt Service		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$433,972	\$433,972	\$0	\$0	\$0	\$0
463	463	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
61,683	61,683	0	0	0	0
1,100	1,100	0	0	0	0
0	0	0	38,600	38,600	0
77,780	77,780	0	0	0	0
<u>574,998</u>	<u>574,998</u>	<u>0</u>	<u>38,600</u>	<u>38,600</u>	<u>0</u>
75,015	75,015	0	0	0	0
220,019	220,019	0	0	0	0
966	966	0	0	0	0
0	0	0	0	0	0
7,368	7,368	0	0	0	0
126,516	126,516	0	0	0	0
0	0	0	0	0	0
42,514	42,514	0	0	0	0
0	0	0	0	0	0
212	212	0	0	0	0
25	25	0	0	0	0
6,891	6,891	0	0	0	0
600	600	0	0	0	0
75,477	75,477	0	0	0	0
0	0	0	36,000	36,000	0
0	0	0	6,370	6,370	0
<u>555,603</u>	<u>555,603</u>	<u>0</u>	<u>42,370</u>	<u>42,370</u>	<u>0</u>
<u>19,395</u>	<u>19,395</u>	<u>0</u>	<u>(3,770)</u>	<u>(3,770)</u>	<u>0</u>
16,520	16,520	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
8,000	8,000	0	0	0	0
0	0	0	0	0	0
(367)	(367)	0	0	0	0
<u>24,153</u>	<u>24,153</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
43,548	43,548	0	(3,770)	(3,770)	0
113,831	113,831	0	3,770	3,770	0
0	0	0	0	0	0
<u>\$157,379</u>	<u>\$157,379</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(continued)

Field Local School District
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis) (Continued)
All Governmental Fund Types
For The Year Ended June 30, 2000

	Capital Projects		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>			
Intergovernmental	\$6,046	\$6,046	\$0
Interest	0	0	0
Tuition and Fees	0	0	0
Rent	0	0	0
Extracurricular Activities	0	0	0
Gifts and Donations	5,418	5,418	0
Property and Other Local Taxes	0	0	0
Miscellaneous	0	0	0
Total Revenues	11,464	11,464	0
<u>Expenditures</u>			
Current:			
Instruction:			
Regular	21,811	21,811	0
Special	195	195	0
Vocational	0	0	0
Other	0	0	0
Support services:			
Pupils	0	0	0
Instructional Staff	2,250	2,250	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Operation and Maintenance of Plant	2,796	2,796	0
Pupil Transportation	0	0	0
Central	0	0	0
Non-Instructional Services	0	0	0
Extracurricular activities	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	27,052	27,052	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,588)	(15,588)	0
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	0	0	0
Proceeds from Sale of Fixed Assets	0	0	0
Refund of Prior Year Expenditures	0	0	0
Other Financing Sources	0	0	0
Operating Transfers Out	(36,640)	(36,640)	0
Refund of Prior Year Receipts	0	0	0
Total Other Financing Sources (Uses)	(36,640)	(36,640)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(52,228)	(52,228)	0
Fund Balances at Beginning of Year	57,735	57,735	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balance at End of Year	\$5,507	\$5,507	\$0

See accompanying notes to the general purpose financial statements.

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$6,961,864	\$6,961,864	\$0
149,417	149,417	0
123,208	123,208	0
150	150	0
61,683	61,683	0
6,744	6,744	0
6,522,264	6,522,264	0
91,020	91,020	0
<u>13,916,350</u>	<u>13,916,350</u>	<u>0</u>
6,931,303	6,931,303	0
1,113,770	1,113,770	0
211,190	211,190	0
163,028	163,028	0
873,864	873,864	0
560,514	560,514	0
10,171	10,171	0
1,461,109	1,461,109	0
324,448	324,448	0
1,277,042	1,277,042	0
869,635	869,635	0
6,988	6,988	0
600	600	0
251,691	251,691	0
36,000	36,000	0
6,370	6,370	0
<u>14,097,723</u>	<u>14,097,723</u>	<u>0</u>
<u>(181,373)</u>	<u>(181,373)</u>	<u>0</u>
53,160	53,160	0
2,000	2,000	0
12,690	12,690	0
9,152	9,152	0
(53,160)	(53,160)	0
(380)	(380)	0
<u>23,462</u>	<u>23,462</u>	<u>0</u>
(157,911)	(157,911)	0
1,276,270	1,276,270	0
109,811	109,811	0
<u>\$1,228,170</u>	<u>\$1,228,170</u>	<u>\$0</u>

**Field Local School District
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 Proprietary Fund Type and Similar Trust Fund
 For The Year Ended June 30, 2000**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
<u>Operating Revenues:</u>			
Sales	\$318,855	\$0	\$318,855
Interest	0	762	762
Refund of Prior Year Expense	146	0	146
Total Operating Revenues	<u>319,001</u>	<u>762</u>	<u>319,763</u>
<u>Operating Expenses:</u>			
Salaries	175,558	0	175,558
Fringe Benefits	71,558	0	71,558
Purchased Services	6,456	0	6,456
Materials and Supplies	25,536	0	25,536
Cost of Sales	204,701	0	204,701
Depreciation	4,731	0	4,731
Other Operating Expenses	2,086	0	2,086
Total Operating Expenses	<u>490,626</u>	<u>0</u>	<u>490,626</u>
Operating Income (Loss)	<u>(171,625)</u>	<u>762</u>	<u>(170,863)</u>
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	42,768	0	42,768
Interest	385	0	385
Federal and State Subsidies	126,753	0	126,753
Total Non-Operating Revenues	<u>169,906</u>	<u>0</u>	<u>169,906</u>
Net Income (Loss)	(1,719)	762	(957)
Retained Earnings/Fund Balance at Beginning of Year	<u>49,346</u>	<u>13,275</u>	<u>62,621</u>
Retained Earnings/Fund Balance at End of Year	<u>\$47,627</u>	<u>\$14,037</u>	<u>\$61,664</u>

See accompanying notes to the general purpose financial statements.

**Field Local School District
Combined Statement of Cash Flows
Proprietary Fund Type and Nonexpendable Trust Fund
For The Year Ended June 30, 2000**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Nonexpendable Trust	
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$318,855	\$0	\$318,855
Cash Payments to Suppliers for Goods and Services	(192,680)	0	(192,680)
Cash Payments to Employees for Services	(173,837)	0	(173,837)
Cash Payments for Employee Benefits	(88,920)	0	(88,920)
Cash Payments for Other Operating Revenues	146	0	146
Cash Payments for Other Operating Expenses	(2,086)	0	(2,086)
Net Cash Provided by (Used for) Operating Activities	(138,522)	0	(138,522)
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Grants Received	138,143	0	138,143
Net Cash Provided by Noncapital Financing Activities	138,143	0	138,143
<u>Cash Flows from Investing Activities:</u>			
Interest on Investments	385	762	1,147
Net Cash Provided by (Used for) Investing Activities	385	762	1,147
Net Increase (Decrease) in Cash and Cash Equivalents	6	762	768
Cash and Cash Equivalents at Beginning of Year	27,596	13,275	40,871
Cash and Cash Equivalents at End of Year	\$27,602	\$14,037	\$41,639
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss)	(171,625)	762	(170,863)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>			
Depreciation	4,731	0	4,731
Interest on Investments	0	(762)	(762)
Donated Commodities Used During Year	42,768	0	42,768
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(21)	0	(21)
(Increase)/Decrease in Inventory Held for Resale	293	0	293
(Increase)/Decrease in Materials and Supplies Inventory	973	0	973
Increase/(Decrease) in Accrued Wages and Benefits	(9,424)	0	(9,424)
Increase/(Decrease) in Compensated Absences Payable	1,894	0	1,894
Increase/(Decrease) in Intergovernmental Payable	(8,111)	0	(8,111)
Total Adjustments	33,103	(762)	32,341
Net Cash Provided by Operating Activities	(\$138,522)	\$0	(\$138,522)

See accompanying notes to the general purpose financial statements.

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**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

1. DESCRIPTION OF THE ENTITY

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

The District operates under a locally-elected five-member board of education and provides educational services as mandated by state and/or federal agencies. This Board controls the District's nine instructional/support facilities staffed by 101 non-certificated employees, 160 certificated full-time teaching personnel and 11 administrators who provide services to 2,349 students and other community members.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation - Fund Accounting

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

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories: governmental, proprietary, and fiduciary. Each category is then divided into various fund types. The following are the fund types and account groups utilized by the District.

1. Governmental Funds

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

General Fund

The general fund is the operating fund of the District and is used to account for all financial resources except those accounted for in another fund as required by law or contract. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds

Special revenue funds are used to account for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds

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

2. Proprietary Fund

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise Fund

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

3. Fiduciary Funds

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

Nonexpendable Trust Fund

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

Agency Funds

These funds are purely custodial in nature and thus do not involve measurement of results of operations.

4. Account Groups

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

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary fund.

General Long-Term Obligations Account Group

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

Proprietary funds are accounted for on the accrual basis of accounting. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds other than agency funds are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each function. Budgetary modifications may only be made by resolution of the Board of Education.

1. Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. No later than January 20, the Board-adopted budget is filed with the Portage County Budget Commission for rate determination.

2. Estimated Resources

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts set forth in the final amended Certificate issued for fiscal 2000.

3. Appropriations

By October 1, the annual Appropriation Resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter total object appropriations within functions must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Appropriation amounts are as originally adopted, or as amended by the Board of Education throughout the year by supplemental appropriations which either reallocate or increase the original appropriated amounts. During the year, several supplemental appropriation measures were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

4. Encumbrances

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

5. Lapsing of Appropriations

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

D. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the Combined Balance Sheet. During fiscal year 2000, investments were limited to STAR Ohio.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2000 amounted to \$148,954, which includes \$22,795 assigned from other District funds.

For purposes of the Combined Statement of Cash Flows and for presentation on the Combined Balance Sheet, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents.

E. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items are recorded as an expenditure in the governmental fund types when purchased and as an expense in the proprietary fund types when used. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated and purchased food, and they are expensed when used.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All purchased fixed assets are valued at cost when historical records are available and at an estimated historical cost when no historical cost records exist. Donated fixed assets are valued at their estimated fair market value on the date received. The District does not possess any infrastructure.

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

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

H. Intergovernmental Revenues

In governmental funds, entitlements and non-reimbursable grants are recorded as receivables and revenues when measurable and available. Reimbursable grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants for proprietary fund operations are recognized as non-operating revenues when measurable and earned. The District currently participates in various State and Federal programs, as follows:

Grants and Entitlements

Entitlements

General Fund

State Foundation Program
School Bus Allocation

State Property Tax Relief

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Reimbursable Grants

Special Revenue Funds

Title I

Title VI-B

Drug Free Schools

Title VI

Vocational Education

Reimbursable Grants

General Fund

Driver's Education

Proprietary Funds

National School Lunch Program Government Donated Commodities

I. Compensated Absences

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

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

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

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

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

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Accrued Liabilities and Long-term Obligations

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

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

K. Fund Balance Reserves

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

L. Interfund Transactions

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

M. Estimates

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

N. Total Columns on General Purpose Financial Statements

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

3. BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis), All Government Fund Types is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types.

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

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

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP Basis	\$(263,216)	\$31,518	\$(3,770)	\$ (52,225)
Net Adjustment for Revenue Accruals	498,606	(5,529)		2,250
Net Adjustment for Expenditure Accruals	(172,327)	17,723		(2,253)
Encumbrances	(208,524)	(164)		
Budget Basis	<u>\$ (145,461)</u>	<u>\$ 43,548</u>	<u>\$ (3,770)</u>	<u>\$ (52,228)</u>

4. DEPOSITS AND INVESTMENTS

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

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

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

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

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

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

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

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

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

Deposits

At fiscal year end, the reported amount of the District's deposits was \$(218,679) and the bank balance was \$181,661. Of the bank balance:

1. \$100,000 was covered by federal depository insurance; and
2. \$81,661 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

Investment

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during the fiscal year ended June 30, 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2000. At June 30, 2000, the fair value of STAR Ohio was \$1,749,805. Investments in STAR Ohio are not categorized since they are not evidenced by securities that exist in physical or book entry form.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

4. DEPOSITS AND INVESTMENTS (Continued)

The classification of cash and cash equivalents, and the investments on the combined financial statement is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined statements and the classification per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement No. 9	\$ 1,531,126	\$ 0
Investments which are part of the Cash Management Pool STAR Ohio	(1,749,805)	<u>1,749,805</u>
GASB Statement No. 3	<u>\$ (218,679)</u>	<u>\$1,749,805</u>

5. PROPERTY TAXES

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

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

	1999 Second Half Valuations		2000 First Half Valuations	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Property				
Commercial/Industrial	\$32,323,340	13.83	33,747,830	14.10
Residential/Agricultural	165,607,370	70.88	168,425,760	70.36
Public Utilities	10,530	0.00	10,680	0.00
Mobile Home	123,476	0.05	95,798	0.04
Tangible Personal Property				
Public Utilities	10,992,950	4.70	10,875,660	4.54
General	<u>24,596,059</u>	<u>10.53</u>	<u>26,228,254</u>	<u>10.96</u>
Total	<u>\$233,653,725</u>	<u>100%</u>	<u>\$239,383,982</u>	<u>100%</u>
Tax rate per \$1,000 of Assessed Valuation		\$50.60		\$50.60

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

5. PROPERTY TAXES (Continued)

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

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

The Portage County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically advances to the District their portion of the taxes collected. The amount available to the District as an advance at June 30, 2000, is available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 and reflected in 2000 revenue was \$359,798 all of which was available to the General Fund.

6. RECEIVABLES

Receivables at June 30, 2000 consisted of taxes, accounts, intergovernmental entitlements and grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund	<u>\$ 1,525</u>
Special Revenue	
Wellness Grant	2,500
Title VI Federal Aid	1,609
Drug Free School Grant	<u>7,144</u>
Total Special Revenue Funds	<u>11,253</u>
Enterprise Fund	
Food Service	<u>20,462</u>
Total Intergovernmental Receivables	<u>\$33,240</u>

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

7. FIXED ASSETS

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

Furniture and Equipment	\$ 179,578
Less: Accumulated Depreciation	<u>(137,526)</u>
Net Fixed Assets	<u>\$ 42,052</u>

A summary of the changes in general fixed assets follows:

	Balance 07/01/99	Additions	Reductions	Balance 06/30/00
Land	\$88,008	\$0	\$0	\$88,008
Buildings	4,608,424	0	0	4,608,424
Equipment	1,870,885	162,246	(105,099)	1,928,032
Vehicles	788,171	4,470	(16,437)	776,204
Total	<u>\$7,355,488</u>	<u>\$166,716</u>	<u>\$(121,536)</u>	<u>\$7,400,668</u>

8. RISK MANAGEMENT

A. General Insurance

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

B. Fidelity Bond

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

C. Workers' Compensation

The District pays the State Workers' Compensation System, an insurance purchasing pool, a premium based on a rate per \$100 of salaries. The District is a member of the Ohio School Board Association Group Rating System, an insurance purchasing pool. This rate is calculated based on accident history and administrative costs.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

8. RISK MANAGEMENT (Continued)

D. Portage Area Schools Consortium

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

9. LONG-TERM DEBT OBLIGATIONS

Changes in long-term obligations of the District from July 1, 1999 through June 30, 2000, were as follows:

General Long-term Obligations Account Group

<u>Issue</u>	<u>Balance 07/01/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/00</u>
OWDA Loan Payable 4.04%, 12/96 – 06/16	\$ 92,755	\$	\$ (3,887)	\$ 88,868
General Obligations Bonds:				
Energy Conservation 6.50%, 06/91 – 12/02	116,000		(36,000)	80,000
Compensated Absences Payable	953,986	49,499		1,003,485
Intergovernmental Payable	90,808	95,496	(90,808)	95,496
Total General Long-Term Obligations	<u>\$1,253,549</u>	<u>\$144,995</u>	<u>\$(130,695)</u>	<u>\$1,267,849</u>

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

The District entered into an agreement with the Portage County Commissioners to pay for the construction costs of a water main. The project was funded by the Ohio Water Development Authority (OWDA). The loan will be repaid from general operating monies of the District.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

9. LONG-TERM DEBT OBLIGATIONS (Continued)

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2000, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$39,000	\$3,932	\$42,932
2002	<u>41,000</u>	<u>1,332</u>	<u>42,332</u>
Total	<u>\$80,000</u>	<u>\$5,264</u>	<u>\$85,264</u>

All bonds are backed by the full faith and credit of the District.

Principal and interest requirements to retire the OWDA loan outstanding at June 30, 2000, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$ 4,046	\$ 3,550	\$ 7,596
2002	4,210	3,384	7,594
2003	4,383	3,213	7,596
2004	4,561	3,034	7,595
Thereafter	<u>71,668</u>	<u>19,478</u>	<u>91,146</u>
Total	<u>\$88,868</u>	<u>\$32,659</u>	<u>\$121,527</u>

10. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains one enterprise fund, food service, which is operated on a sales basis. The table below reflects the more significant financial data relating to the enterprise fund of the District for the fiscal year ended June 30, 2000:

	<u>Food Service</u>
Operating revenues	\$319,001
Operating expenses before depreciation	(485,895)
Depreciation expense	(4,731)
Operating income/(loss)	(171,625)
Federal donated commodities	42,768
Operating grants	126,753
Interest Earnings	385
Net income	(1,719)
Net working capital	25,545
Total Assets	104,512
Total Equity	47,627
Encumbrances at June 30, 2001	\$0

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

11. RETIREMENT PLANS

School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. The School Employees Retirement System issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of the annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The District's contributions to SERS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$136,229, \$151,878 and \$151,948, respectively, equal to the required contributions for each year; 77.0 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$62,787, representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6.0 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions to STRS for the fiscal years ended June 30, 2000, 1999 and 1998 were \$455,679, \$427,649 and \$727,917, respectively; 83.7 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$173,048 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

12. OTHER POSTEMPLOYMENT BENEFITS

School Employees Retirement Systems

SERS provides postretirement health care to retirees and their dependents with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989 with less than 25 years of qualified service credit pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. The Ohio Revised Code provides statutory authority requiring school employers to fund post retirement health care through their contributions to SERS. At June 30, 2000, the allocation rate was 6.30 percent. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2000, the minimum pay was established as \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate provides for maintenance of the asset target level for the health care fund. The District's actual contributions which were used to fund postemployment benefits, including surcharge, equaled \$136,992 during the 2000 fiscal year.

The Health care benefits are financed on a pay as you go basis. The target level for the health care reserve is 150 percent of annual health care expenses. At June 30, 1999 (the latest information available) the retirement systems' expenses for health care statewide was \$126,380,984 and the target level was \$189.6 million. The net assets available for payment of health care benefits was \$188.0 million. The number of participants currently receiving health care benefits is approximately 51,000.

State Teachers Retirement Systems

STRS provides comprehensive health care benefits to retirees and their dependents through the State Teachers Retirement System (STRS). Coverage includes hospitalization, physician fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. The District's actual contributions which were used to fund postemployment benefits equaled \$607,501 during the 2000 fiscal year.

Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board currently allocates employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. The balance in the Health Care Reserve Fund was \$2.783 billion statewide at June 30, 1999 (the latest information available). For the year ended June 30, 1999, net health care costs statewide paid by STRS were \$249,929,000. There were 95,796 eligible benefit recipients.

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

13. OTHER EMPLOYEE BENEFITS - COMPENSATED ABSENCES

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees working eleven or twelve months per year are entitled to an annual vacation, with pay, based on length of service in the District. Vacations must be taken within one year of the time earned with the exception that a portion may be carried over to the next year with prior approval. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators working fewer than ten months per year do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated for an unlimited number of days. For certified and classified employees, payment is made at retirement for accumulated sick leave and is determined by taking one-fourth of the first 140 days and adding to that one day for every ten days of the next 160 days accumulated, to a maximum of 46 days. For classified employees, payment made at retirement for accumulated sick leave is determined by taking one-fourth of the first 120 days and adding to that the total ten percent of the remaining days, to a maximum of 47 days. The amount of accumulated vacation and sick leave of employees paid from governmental funds that meets the eligibility requirements has been recorded in the appropriate governmental fund as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources. The balance of the liability is recorded in the general long-term debt account group. Vacation and sick leave for employees paid from proprietary funds is recorded as an expense and liability of the fund when earned.

14 COMPLIANCE AND ACCOUNTABILITY

Fund Deficits

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

<u>Fund</u>	<u>Deficit</u>
DPIA	\$ (94)
Ohio Reads	(30)
Vocational Education	(3)
EHA Preschool Grant	(69)
Miscellaneous Federal Grants	(3,443)

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

15. CONTINGENCIES

Grants

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

Litigation

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

16. SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the Ohio General Assembly to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 2000, the District received \$5,579,529 of school foundation support in total, with \$5,550,633 reported in the general fund and \$28,896 reported in the special revenue funds.

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

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000
(Continued)**

17. REQUIRED BUDGET SET-ASIDES

	<u>Textbooks</u>	<u>Capital Improvements</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set Aside Cash Balance as of June 30, 1999	\$0	\$53,127	\$114,016	\$167,143
Current Year Set Aside Requirement	304,408	304,408	101,470	710,285
Current Year Offsets	0	0	0	0
Qualifying Disbursements	<u>304,083</u>	<u>336,531</u>	<u>0</u>	<u>640,614</u>
Total	<u>325</u>	<u>21,004</u>	<u>215,486</u>	<u>236,815</u>
Cash Balance Carried Forward to Fiscal Year 2001	<u>\$325</u>	<u>\$21,004</u>	<u>\$215,486</u>	<u>236,815</u>
Amount restricted for Capital Improvements, Textbooks and Budget Stabilization				<u>236,815</u>
Total Restricted Assets				<u>\$236,815</u>

Amounts remaining at year-end have been set-aside to satisfy statutory requirements are represented by cash and are presented as restricted assets on the balance sheet. Corresponding amounts are reported as reserves of fund balance. The General Fund balance includes \$76,221 that has been designated for the amount of set-asides in excess of requirements.

FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000
(Cash Basis)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity's Number	Receipts	Non-Cash Receipts	Disburse- ments	Non-Cash Disburse- ments
UNITED STATES DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	10.550			\$43,668		\$43,668
National School Lunch Program	10.555	03-PU 98 03-PU 99 04-PU 98 04-PU 99	\$130,617		\$130,617	
			<u>130,617</u>		<u>130,617</u>	
Total Department of Agriculture - Nutrition Cluster			<u>130,617</u>	<u>43,668</u>	<u>130,617</u>	<u>43,668</u>
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed Through Ohio Department of Education:</i>						
Grants to Local Educational Agencies (ESEA Title 1)	84.010	C1-S1 00 C1-S1 99 C1-S1 98	156,808		130,004 2,634 <u>22,849</u>	
Total			<u>156,808</u>		<u>155,487</u>	
<i>Special Education Clusters:</i>						
Special Education Grants to States	84.027	6B-SF 00 6B-SF 99	152,918		126,957 6,215 <u>133,172</u>	
			<u>152,918</u>		<u>133,172</u>	
Special Education Preschool Grants	84.173		<u>10,856</u>		<u>10,856</u>	
Total Department of Educ. - Special Education Cluster			163,774		144,028	
Vocational Education Basic Grants to States	84.048		1,566		1,566	
Safe and Drug-Free Schools and Communities	84.186	DR-S1 00 DR-S1 99 DR-S1 98	3,062 (3,544) <u>3,553</u>		5,450 88 <u>5,538</u>	
Total			<u>3,071</u>		<u>5,538</u>	
Goals 2000 State and Local Education Systemic Improvement	84.276	G2-S2 99			580	
Eisenhower Professional Development State Grant	84.281		4,733		4,733	
Innovative Education Program Strategies	84.298	C2-S1 99	11,925		11,925	
Class Size Reduction Grant	84.340		30,037		29,423	
Total Department of Education			<u>371,914</u>		<u>353,280</u>	
Totals			<u>\$ 502,531</u>	<u>\$ 43,668</u>	<u>\$ 483,897</u>	<u>\$ 43,668</u>

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

**FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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



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

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

To the Board of Education:

We have audited the financial statements of the Field Local School District, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated December 18, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance that is required to be reported under *Government Auditing Standards*. However we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 18, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 18, 2000.

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

Jim Petro
Auditor of State

December 18, 2000



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

To the Board of Education:

Compliance

We have audited the compliance of the Field Local School District, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

Jim Petro
Auditor of State

December 18, 2000

FIELD LOCAL SCHOOL DISTRICT
PORTAGE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

1. SUMMARY OF AUDITOR'S RESULTS

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



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800-282-0370
Facsimile 614-466-4490

FIELD LOCAL SCHOOL DISTRICT

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 16, 2001**