MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2003

Auditor of State
Betty Montgomery

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

TABLE OF CONTENTS

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Auditor of State
Betty Montgomery

INDEPENDENT ACCOUNTANT'S REPORT

Maplewood Career Center
Portage County
7075 State Route 88
Ravenna, Ohio 44266

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Maplewood Career Center, Portage County, (the Center), as of and for the year ended June 30, 2003, which collectively comprise the Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the business-type activities, and the aggregate remaining fund information of Maplewood Career Center, Portage County, Ohio, as of June 30, 2003 and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2003, the Center implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2003 on our consideration of the Center'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.

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The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the Center's basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Betty Montgomery

Betty Montgomery
Auditor of State

December 29, 2003

It is a privilege to present to you the financial picture of the Maplewood Career Center. This discussion and analysis of the Center's financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2003. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for the 2003 fiscal year are as follows:

- In total net assets increased by $1,809,502 or 21.7 percent. Net assets of governmental activities increased $1,766,251, which represents a 21.7 percent increase from fiscal year 2002. Net assets of business-type activities increased $43,251, which represents a 25.9 percent increase from fiscal year 2002.

- General revenues accounted for $10,228,060 in revenues or 86.4 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for $1,607,036 or 13.6 percent of total revenues.

- Of the $10,228,060 in general revenues, $5,908,086 or 57.8 percent was derived from local tax revenue, $4,113,569 or 40.2 percent from state revenue and $206,405 or 2.0 percent was derived from interest and other local revenues.

- The Center had $9,890,127 in expenses related to governmental activities. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $10,228,060 were adequate to provide for these programs. Governmental activities expenses consumed 96.7 percent of general revenues in fiscal year 2003.

- The Center's only major governmental fund is the General Fund.

- The General Fund cash balance was $7,257,540 at year-end; up from $5,469,935 at June 30, 2002, an increase of $1,787,605. This increase was largely due to the passage of the 3-mill replacement levy in February 2002, of which collection started the second half of fiscal year 2003.

Using this Financial Report

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 Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole Center, presenting both an aggregate view of the Center'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 Center's most significant funds with all other non-major funds presented in total in one column. In the case of the Center, the general fund is by far the most significant fund.

Reporting the Center as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2003?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all non-fiduciary assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Center's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the Center as a whole, the *financial position* of the Center has improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, the Center's performance, required educational programs, demographic and socio-economic factors, the willingness of the community to support the Center and other factors. On the other hand, financial factors may include the Center's financial position, liquidity and solvency, fiscal capacity and risk and exposure.

In the Statement of Net Assets and the Statement of Activities, the Center is divided into two distinct kinds of activities:

> Governmental Activities – Most of the Center's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of non-instructional services, operation of food service and extracurricular activities.
>
> Business-Type Activities – A business-type activity is one in which the Board of Education charges a fee to customers to help it recover some or all of the costs incurred in the program. The Center's uniform school supplies and rotary special services are reported here.

Reporting the Center's Most Significant Funds

Fund Financial Statements

The analysis of the Center's major governmental fund begins on page 10. Fund financial reports provide detailed information about the Center's major fund. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant fund. The Center's only major governmental fund is the General Fund.

Governmental Funds Most of the Center's activities are reported in governmental funds that focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. These funds are reported using the *modified accrual* accounting method that 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 Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Center uses two enterprise funds to account for uniform school supplies and rotary special services. The Center has two major enterprise funds.

The Center as a Whole

You may recall that the Statement of Net Assets provides the perspective of the Center as a whole. Table 1 provides a comparison of the Center's Net Assets for fiscal year 2003 compared to 2002:

Table 1
Net Assets

	Governmental Activites		Business-Type Activites		Total	
	2003	2002	2003	2002	2003	2002
Assets						
Current and Other Assets	$14,453,995	$11,045,564	$6,379	$145,921	$14,460,374	$11,191,485
Capital Assets, Net	3,555,788	3,587,201	203,846	211,012	3,759,634	3,798,213
Total Assets	18,009,783	14,632,765	210,225	356,933	18,220,008	14,989,698
Liabilities						
Current Liabilities	6,962,142	5,432,907	0	189,959	6,962,142	5,622,866
Long-term Liabilities						
Due within one Year	77,129	77,339	0	0	77,129	77,339
Due in More than one Year	1,050,545	968,803	0	0	1,050,545	968,803
Total Liabilities	8,089,816	6,479,049	0	189,959	8,089,816	6,669,008
Net Assets						
Invested in Capital Assets	3,555,788	3,585,423	203,846	211,012	3,759,634	3,796,435
Restricted for:						
Set Asides	224,792	0	0	0	224,792	0
Other Purposes	112,511	136,307	0	0	112,511	136,307
Unrestricted (Deficit)	6,026,876	4,431,986	6,379	(44,038)	6,033,255	4,387,948
Total Net Assets	$9,919,967	$8,153,716	$210,225	$166,974	$10,130,192	$8,320,690

Total assets of governmental activities increased $3,377,018. Equity in pooled cash and cash equivalents was the largest increase due to passage of the replacement levy in February 2002.

The net assets of our business type activities increased by $43,251. This increase was due to revenues exceeding expenses during the fiscal year.

Total liabilities of governmental activities increased $1,610,767. The Center had an increase in accrued wages due to the normal step increases for employees as well as an increase in insurance premiums. This increase was offset by the increase from the passage of the replacement levy.

By comparing assets and liabilities, one can see the overall position of the Center has improved as evidenced by the increase in net assets of $1,809,502.

Table 2 shows the changes in net assets for fiscal year 2003. Since this is the first year the Center has prepared financial statements following GASB Statement 34, revenue and expense comparisons to fiscal year 2002 are not available. In future fiscal years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Change in Net Assets
Governmental Activities

	Governmental Activities	Business-Type	Total
Revenues			
Program Revenues			
Charges for Services	$474,110	$139,947	$614,057
Operating Grants and Contributions	959,079	0	959,079
Capital Grants and Contributions	0	33,900	33,900
Total Program Revenues	1,433,189	173,847	1,607,036
General Revenues			
Property Taxes	5,908,086	0	5,908,086
Intergovernmental	4,113,569	0	4,113,569
Investment Earnings	116,916	0	116,916
Miscellaneous	89,489	0	89,489
Total General Revenues	10,228,060	0	10,228,060
Total Revenues	11,661,249	173,847	11,835,096
Program Expenses			
Instruction:			
Regular	1,319,992	0	1,319,992
Vocational	3,869,169	0	3,869,169
Adult/Continuing	182,361	0	182,361
Support Services:			
Pupil	983,375	0	983,375
Instructional Staff	453,766	0	453,766
Board of Education	62,700	0	62,700
Administration	672,130	0	672,130
Fiscal	401,297	0	401,297
Business	209,067	0	209,067
Operation and Maintenance of Plant	1,018,132	0	1,018,132
Pupil Transportation	90,418	0	90,418
Central	347,662	0	347,662
Operation of Non-Instructional Services	29,318	0	29,318
Operation of Food Services	230,153	0	230,153

Table 2 (continued)
Change in Net Assets
Governmental Activities

	Governmental Activities	Business-Type	Total
Program Expenses			
Extracurricular Activities	$20,558	$0	$20,558
Interest and Fiscal Charges	29	0	29
Uniform School Supplies	0	49,742	49,742
Rotary Special Services	0	85,725	85,725
Total Program Expenses	9,890,127	135,467	10,025,594
Transfers	(4,871)	4,871	0
Change in Net Assets	1,766,251	43,251	1,809,502
Net Assets Beginning of Year	8,153,716	166,974	8,320,690
Net Assets End of Year	$9,919,967	$210,225	$10,130,192

Governmental Activities

Net assets of the Center's governmental activities increased by $1,766,251 in fiscal year 2003. Program revenues of $1,433,189 and general revenues of $10,228,060 offset total governmental expenses of $9,890,127. Program revenues supported 14.5 percent of the total governmental expenses.

The primary sources of revenue for the Center are derived from property taxes and state foundation payments. These two revenue sources represent 84.7 percent of the total revenue. Property taxes, alone, represent 49.9 percent of revenues. The remaining 15.3 percent of revenue is from program revenues, interest and miscellaneous local sources.

A state law, enacted in 1976, does not allow for revenue increases caused by inflationary growth of real property. Increases in valuation prompt corresponding annual reductions in the "effective millage," the tax rates applied to real property. The Center operates on voted millage of 4 mills. The reduced or effective millage in fiscal year 2003 was 3.5697 mills for Residential/Agricultural property and 3.6756 mills for other property. The following table illustrates the rate of growth in property values in the past ten years which has positively impacted the Center:

Year Ending	Portage County	Summit County	Total Valuation	Growth Rate
2003	$1,837,968,775	$84,259,994	$1,922,228,769	3.28 %
2002	1,783,566,161	77,688,190	1,861,254,351	4.31
2001	1,710,388,183	74,016,987	1,784,405,170	16.02
2000	1,461,444,912	76,559,342	1,538,004,254	3.47
1999	1,418,035,869	68,413,512	1,486,449,381	3.19
1998	1,373,978,796	66,469,461	1,440,448,257	14.38
1997	1,197,717,287	61,671,762	1,259,389,049	4.22
1996	1,155,151,898	53,264,354	1,208,416,252	1.34
1995	1,138,652,798	53,756,783	1,192,409,581	15.88
1994	976,147,805	52,827,605	1,028,975,410	1.88

The average rate of growth over the last 10 years is 6.80 percent.

In recent years, support from the State in terms of foundation increases, the implementation of weighted funding for special education students and career-tech students, and ADM funding for career technical students has combined to increase the financial condition of the Center. State support for educational programs has averaged an increase of 16.23 percent over the last three years. This increase is largely due to the change in the method of funding provided for career-technical students from unit funding to average daily membership funding, the weighted funding for special education and career-tech students, and increased enrollment at the Center.

Program revenues covered 16.0 percent of program expenses overall. The remaining 84.0 percent is supported through tax revenues and other general revenues. In fiscal year 2003, however, revenues totaled 118 percent of expenses resulting in an increase in net assets $1,809,502.

The Statement of Activities shows the cost of program services and the charges for services and grants and contributions offsetting those services. The following table shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted State grants and entitlements. Comparisons to 2002 have not been presented since they are not available.

Table 3
Governmental Activities

	Total Cost of Services 2003	Net Cost of Services 2003
Program Expenses		
Governmental Activities		
Instruction:		
Regular	$1,319,992	$1,279,338
Vocational	3,869,169	3,470,944
Adult/Continuing	182,361	32,591
Support Services:		
Pupil	983,375	675,015
Instructional Staff	453,766	341,895
Board of Education	62,700	61,063
Administration	672,130	539,992
Fiscal	401,297	388,821
Business	209,067	203,437
Operation and Maintenance of Plant	1,018,132	989,435
Pupil Transportation	90,418	88,505
Central	347,662	327,339
Operation of Non-Instructional Services	29,318	28,417
Operation of Food Services	230,153	10,110
Extracurricular Activities	20,558	20,007
Interest and Fiscal Charges	29	29
Business-Type Activities		
Uniform School Supplies	49,742	(2,950)
Rotary Special Services	85,725	(35,430)
Total	$10,025,594	$8,418,558

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. 58.9 percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs support 41.0 percent while investments and other miscellaneous type revenues support the remaining activity costs.

The Center's Funds

The Center's governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of $7,074,777, an increase of $1,633,940 from fiscal year 2002. The June 30, 2002 fund balances have been restated as described in Note 3 to the basic financial statements.

General Fund

The general fund balance increased by $1,699,249 in fiscal year 2003. The increase in fund balance can be attributed primarily to passage of a replacement levy and a continued pattern of revenues exceeding expenditures.

Budgeting Highlights

The Center's appropriations are prepared according to Ohio law and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. In fiscal year 2003 all funds were appropriated at the fund level.

In fiscal year 2003, the Center adopted its appropriations prior to October 1, 2002 and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues were $14,718,663, an increase of $853,031 over the original revenue estimate. The Center's state revenue was reduced by $32,009 in fiscal year 2003 due to the budget reduction order issued by the governor's office. However, total final estimated revenues exceeded original estimated revenues due mostly to an original conservative estimate of State Foundation receipts. The Center had a replacement tax levy on the ballot that failed. The replaced millage would have generated approximately $2.6 million. That additional anticipated revenue is in the original and final taxes revenue estimate.

General fund original appropriations of $9,844,875 were increased to $9,850,200 in the final appropriation measure. This slight increase in the general fund appropriations was due mainly to increased capital outlay expenditures for career technical education. The final total appropriations for all funds decreased from $11,792,174 to $11,732,385, a decrease of $59,789. This decrease is the result of expected grants not materializing or reduction in grants or other specific programs not supported by the general fund. The Center's budget for salaries, wages and fringe benefits totaled 68 percent of general fund appropriations; purchased services 11 percent; supplies 4 percent; capital outlay 10 percent; transfers and advances 5 percent and other/miscellaneous expenses 2 percent.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2003, the Center had $3,759,634 invested in land, buildings and improvements, furniture, fixtures and equipment and vehicles. The following table shows fiscal 2003 balances compared to 2002.

Table 4
Capital Assets at June 30
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2003	2002	2003	2002	2003	2002
Land	$169,975	$169,975	$64,559	$59,659	$234,534	$229,634
Buildings and Improvements	2,233,986	2,414,959	131,275	135,951	2,365,261	2,550,910
Furniture, Fixtures and Equipment	1,052,842	950,922	3,177	5,735	1,056,019	956,657
Vehicles	98,985	51,345	4,835	9,667	103,820	61,012
Total Capital Assets	$3,555,788	$3,587,201	$203,846	$211,012	$3,759,634	$3,798,213

Capital Assets net of depreciation decreased $38,579 overall. The decrease was mainly due to an additional year of accumulated depreciation.

The increase in value for vehicles represents the purchase of one new school bus. The Center does not receive State aid for the purchase of school buses. The Center's capitalization threshold for capital assets was set at $5,000. For additional information on capital assets, see Note 9 to the basic financial statements.

Debt

At June 30, 2003 the Center had no outstanding bonded long-term debt. The long-term liabilities listed in Table 1 are those accumulated for compensated absences. For additional information on long-term obligations, see Note 14 to the basic financial statements.

Challenges and Opportunities

The vision of the Maplewood Career Center is to prepare learners to be productive, responsible, and successful members of society. Through progressive curriculum and dynamic hands-on learning, Maplewood Career Center challenges each student to develop lifelong skills that relate to the leadership and teamwork necessary in their future careers and community roles. Maplewood Career Center establishes a relationship with staff, students, parents and community businesses that allows all learners to reach their full potential.

The mission of the Maplewood Career Center is to prepare all students to meet, to the best of their abilities, the career/technical, academic, social, cultural, current and future needs of the community. The mission will be accomplished by creating a safe learning environment that emphasizes the lifelong skills and knowledge necessary to continue learning, communicate clearly, solve problems, use information and technology effectively, enjoy productive employment, appreciate aesthetics, and meet their obligations as citizens in a democratic and global society.

The adult education program shall assist individuals and companies in their efforts to develop leadership, build new skills, upgrade skills, keep abreast of technological developments and to develop competencies in areas of need and workforce development and personal interest.

In order to meet the goals mentioned above, it is imperative that the Center's management and staff continue to carefully and prudently plan in order to provide the resources and education required to meet student needs over the next several years.

Although the Center has achieved a large measure of financial stability and forecasts a continuation of that stability throughout the five years of the required forecast period, the Center also anticipates financial stability throughout the remainder of the current 10-year 3-mill replacement levy period. Administrators and staff are cognizant of the vulnerability of this stability and the Board of Education and administrators continue to closely monitor both revenues and expenses. The Treasurer continues to prepare annually monthly cash flow estimates in order to ascertain that actual revenues meet or exceed estimated revenues and actual expenditures do not exceed estimates.

Contacting the Center's Financial Management Personnel

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Doris A. Hart, Treasurer, Maplewood Career Center, 7075 State Route 88, Ravenna, Ohio 44266. You may also contact the Treasurer by phone at (330) 296-2892, extension 112, or by e-mail at hartdo@maplenet.sparcc.org .

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Maplewood Career Center

Statement of Net Assets

June 30, 2003

	Governmental Activities	Business-Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	$7,432,589	$146,111	$7,578,700
Accounts Receivable	14,669	268	14,937
Intergovernmental Receivable	108,583	0	108,583
Internal Balances	140,000	(140,000)	0
Inventory Held for Resale	1,975	0	1,975
Materials and Supplies Inventory	445	0	445
Property Taxes Receivable	6,755,734	0	6,755,734
Nondepreciable Capital Assets	169,975	64,559	234,534
Depreciable Capital Assets, Net	3,385,813	139,287	3,525,100
Total Assets	18,009,783	210,225	18,220,008
Liabilities			
Accounts Payable	86,599	0	86,599
Accrued Wages Payable	578,557	0	578,557
Matured Compensated Absences Payable	47,272	0	47,272
Intergovernmental Payable	109,691	0	109,691
Deferred Revenue	6,140,023	0	6,140,023
Long-Term Liabilities:			
Due Within One Year	77,129	0	77,129
Due In More Than One Year	1,050,545	0	1,050,545
Total Liabilities	8,089,816	0	8,089,816
Net Assets			
Invested in Capital Assets	3,555,788	203,846	3,759,634
Restricted for:			
Set Asides	224,792	0	224,792
Other Purposes	112,511	0	112,511
Unrestricted	6,026,876	6,379	6,033,255
Total Net Assets	$9,919,967	$210,225	$10,130,192

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Activities

For the Fiscal Year Ended June 30, 2003

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instruction:				
Regular	$1,319,992	$20,841	$19,813	$0
Vocational	3,869,169	135,189	263,036	0
Adult/Continuing	182,361	8,992	140,778	0
Support Services:				
Pupil	983,375	29,637	278,723	0
Instructional Staff	453,766	6,045	105,826	0
Board of Education	62,700	877	760	0
Administration	672,130	69,693	62,445	0
Fiscal	401,297	5,708	6,768	0
Business	209,067	3,016	2,614	0
Operation and Maintenance of Plant	1,018,132	14,299	14,398	0
Pupil Transportation	90,418	971	942	0
Central	347,662	4,593	15,730	0
Operation of Non-Instructional Services	29,318	603	298	0
Operation of Food Services	230,153	173,351	46,692	0
Extracurricular Activities	20,558	295	256	0
Interest and Fiscal Charges	29	0	0	0
Total Governmental Activities	9,890,127	474,110	959,079	0
Business-Type Activities				
Uniform School Supplies	49,742	52,692	0	0
Rotary Special Services	85,725	87,255	0	33,900
Total Business-Type Activities	135,467	139,947	0	33,900
Totals	$10,025,594	$614,057	$959,079	$33,900

General Revenues

Property Taxes Levied for
General Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year - Restated (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
($1,279,338)	$0	($1,279,338)
(3,470,944)	0	(3,470,944)
(32,591)	0	(32,591)
(675,015)	0	(675,015)
(341,895)	0	(341,895)
(61,063)	0	(61,063)
(539,992)	0	(539,992)
(388,821)	0	(388,821)
(203,437)	0	(203,437)
(989,435)	0	(989,435)
(88,505)	0	(88,505)
(327,339)	0	(327,339)
(28,417)	0	(28,417)
(10,110)	0	(10,110)
(20,007)	0	(20,007)
(29)	0	(29)
(8,456,938)	0	(8,456,938)
0	2,950	2,950
0	35,430	35,430
0	38,380	38,380
(8,456,938)	38,380	(8,418,558)
5,908,086	0	5,908,086
4,113,569	0	4,113,569
116,916	0	116,916
89,489	0	89,489
10,228,060	0	10,228,060
(4,871)	4,871	0
10,223,189	4,871	10,228,060
1,766,251	43,251	1,809,502
8,153,716	166,974	8,320,690
$9,919,967	$210,225	$10,130,192

Maplewood Career Center

Balance Sheet

Governmental Funds

June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$7,032,748	$175,049	$7,207,797
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	224,792	0	224,792
Accounts Receivable	8,323	6,346	14,669
Interfund Receivable	206,027	0	206,027
Intergovernmental Receivable	0	108,583	108,583
Materials and Supplies Inventory	0	445	445
Inventory Held for Resale	0	1,975	1,975
Taxes Receivable	6,755,734	0	6,755,734
Total Assets	$14,227,624	$292,398	$14,520,022
Liabilities			
Accounts Payable	$85,918	$681	$86,599
Accrued Wages	535,143	43,414	578,557
Intergovernmental Payable	93,609	8,810	102,419
Deferred Revenue	6,501,118	63,253	6,564,371
Matured Compensated Absences Payable	47,272	0	47,272
Interfund Payable	0	66,027	66,027
Total Liabilities	7,263,060	182,185	7,445,245
Fund Balances			
Reserved for Encumbrances	583,198	38,112	621,310
Reserved for Capital Improvements	1,430	0	1,430
Reserved for Property Taxes	254,616	0	254,616
Reserved for Budget Stabilization	223,362	0	223,362
Unreserved:			
Designated for Severance Payments	198,553	0	198,553
Undesignated, Reported in:			
General Fund	5,703,405	0	5,703,405
Special Revenue Funds	0	72,101	72,101
Total Fund Balances	6,964,564	110,213	7,074,777
Total Liabilities and Fund Balances	$14,227,624	$292,398	$14,520,022

See accompanying notes to the basic financial statements

Maplewood Career Center

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2003

Total Governmental Funds Balances		$7,074,777
Amounts reported for governmental activities in the statement of net assets are different because		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		3,555,788
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	361,095	
Grants	63,253	
Total		424,348
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(7,272)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated Absences		(1,127,674)
Net Assets of Governmental Activities		$9,919,967

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2003

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$5,681,033	$0	$5,681,033
Intergovernmental	4,217,656	828,338	5,045,994
Interest	116,916	277	117,193
Tuition and Fees	102,582	151,309	253,891
Rentals	11,156	0	11,156
Contributions and Donations	1,179	0	1,179
Charges for Services	7,740	201,046	208,786
Miscellaneous	37,003	52,486	89,489
Total Revenues	10,175,265	1,233,456	11,408,721
Expenditures			
Current:			
Instruction:			
Regular	1,252,964	9,106	1,262,070
Vocational	3,285,471	334,091	3,619,562
Adult/Continuing	0	171,318	171,318
Support Services:			
Pupil	601,109	321,150	922,259
Instructional Staff	306,028	112,566	418,594
Board of Education	61,122	0	61,122
Administration	510,336	136,127	646,463
Fiscal	401,159	2,086	403,245
Business	207,753	0	207,753
Operation and Maintenance of Plant	980,135	2,300	982,435
Pupil Transportation	64,636	181	64,817
Central	315,883	16,503	332,386
Operation of Non-Instructional Services	23,977	351	24,328
Operation of Food Services	0	221,580	221,580
Extracurricular Activities	20,558	0	20,558
Capital Outlay	411,945	0	411,945
Debt Service:			
Principal Retirement	1,778	0	1,778
Interest and Fiscal Charges	29	0	29
Total Expenditures	8,444,883	1,327,359	9,772,242
Excess of Revenues Over (Under) Expenditures	1,730,382	(93,903)	1,636,479
Other Financing Sources (Uses)			
Proceeds from Sale of Fixed Assets	2,332	0	2,332
Transfers In	0	28,594	28,594
Transfers Out	(33,465)	0	(33,465)
Total Other Financing Sources (Uses)	(31,133)	28,594	(2,539)
Net Change in Fund Balances	1,699,249	(65,309)	1,633,940
Fund Balances Beginning of Year - Restated (See Note 3)	5,265,315	175,522	5,440,837
Fund Balances End of Year	$6,964,564	$110,213	$7,074,777

See accompanying notes to the basic financial statements

Maplewood Career Center

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, 2003

Net Change in Fund Balances - Total Governmental Funds		$1,633,940
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital Outlay	330,906	
Depreciation	(354,222)	
Total		(23,316)
Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(8,097)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	227,053	
Grants	25,475	
Total		252,528
Repayment of the capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		1,778
Some expenses reported in the statement of activities, such as compensated absences and intergovernmental payable (which represents contractually required pension contributions), do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(83,310)	
Pension Obligation	(7,272)	
Total		(90,582)
Change in Net Assets of Governmental Activities		$1,766,251

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$7,615,381	$8,088,273	$5,502,000	($2,586,273)
Intergovernmental	5,840,620	6,203,307	4,219,762	(1,983,545)
Interest	151,000	160,376	109,095	(51,281)
Tuition and Fees	167,816	173,760	101,307	(72,453)
Rentals	20,292	20,299	9,083	(11,216)
Contributions and Donations	2,644	2,644	1,179	(1,465)
Charges for Services	9,603	9,603	4,282	(5,321)
Miscellaneous	58,276	60,401	37,179	(23,222)
Total Revenues	13,865,632	14,718,663	9,983,887	(4,734,776)
Expenditures				
Current:				
Instruction:				
Regular	1,209,589	1,215,175	1,233,410	(18,235)
Vocational	3,724,627	3,642,382	3,349,014	293,368
Support Services:				
Pupil	692,849	699,144	636,782	62,362
Instructional Staff	386,648	386,648	318,049	68,599
Board of Education	166,669	161,169	127,979	33,190
Administration	611,949	617,514	546,638	70,876
Fiscal	521,177	526,677	498,671	28,006
Business	221,346	218,581	214,971	3,610
Operation and Maintenance of Plant	1,356,806	1,325,391	1,214,172	111,219
Pupil Transportation	67,171	65,771	65,653	118
Central	382,625	382,625	374,982	7,643
Operation of Non-Instructional Services	28,095	28,095	24,038	4,057
Extracurricular Activities	30,435	30,435	23,674	6,761
Capital Outlay	444,889	550,593	542,795	7,798
Total Expenditures	9,844,875	9,850,200	9,170,828	679,372
Excess of Revenues Over Expenditures	4,020,757	4,868,463	813,059	(4,055,404)
Other Financing Sources (Uses)				
Proceeds from Sale of Fixed Assets	2,332	2,332	2,332	0
Advances In	343,539	343,539	343,539	0
Advances Out	(350,000)	(350,000)	(206,027)	143,973
Transfers In	191,230	191,230	0	(191,230)
Transfers Out	(47,000)	(47,000)	(33,465)	13,535
Total Other Financing Sources (Uses)	140,101	140,101	106,379	(33,722)
Net Change in Fund Balance	4,160,858	5,008,564	919,438	(4,089,126)
Fund Balance Beginning of Year	4,938,372	4,938,372	4,938,372	0
Prior Year Encumbrances Appropriated	722,793	722,793	722,793	0
Fund Balance End of Year	$9,822,023	$10,669,729	$6,580,603	($4,089,126)

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Fund Net Assets

Enterprise Funds

June 30, 2003

	Enterprise		
	Uniform School Supplies	Rotary Special Services	Total
Assets			
Current Assets			
Equity in Pooled Cash and Cash Equivalents	$28,957	$117,154	$146,111
Accounts Receivable	168	100	268
Total Current Assets	29,125	117,254	146,379
Noncurrent Assets			
Nondepreciable Capital Assets	0	64,559	64,559
Depreciable Capital Assets, Net	0	139,287	139,287
Total Noncurrent Assets	0	203,846	203,846
Total Assets	29,125	321,100	350,225
Liabilities			
Interfund Payable	15,000	125,000	140,000
Net Assets			
Invested in Capital Assets	0	203,846	203,846
Unrestricted (Deficit)	14,125	(7,746)	6,379
Total Net Assets	$14,125	$196,100	$210,225

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Revenues,

Expenses and Changes in Fund Net Assets

Enterprise Funds

For the Fiscal Year Ended June 30, 2003

	Enterprise		
	Uniform School Supplies	Rotary Special Services	Total
Operating Revenues			
Sales	$52,692	$0	$52,692
Customer Services	0	87,255	87,255
Total Operating Revenues	52,692	87,255	139,947
Operating Expenses			
Salaries	0	12,179	12,179
Fringe Benefits	0	1,479	1,479
Purchased Services	0	3,909	3,909
Materials and Supplies	32,178	58,696	90,874
Depreciation	0	7,390	7,390
Cost of Sales	17,564	0	17,564
Other	0	121	121
Total Operating Expenses	49,742	83,774	133,516
Operating Income	2,950	3,481	6,431
Non-Operating Expenses			
Loss on Sale of Capital Assets	0	(1,951)	(1,951)
Income Before Capital Contributions and Transfers	2,950	1,530	4,480
Capital Contributions	0	33,900	33,900
Transfers In	4,871	0	4,871
Change in Net Assets	7,821	35,430	43,251
Net Assets Beginning of Year - Restated (See Note 3)	6,304	160,670	166,974
Net Assets End of Year	$14,125	$196,100	$210,225

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Cash Flows

Enterprise Funds

For the Fiscal Year Ended June 30, 2003

	Enterprise		
	Uniform School Supplies	Rotary Special Services	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	$52,724	$0	$52,724
Cash Received from Customer Services	0	87,155	87,155
Cash Payments to Suppliers for Goods and Services	(50,673)	(63,591)	(114,264)
Cash Payments to Employees for Services	0	(14,102)	(14,102)
Cash Payments for Employees Benefits	0	(2,188)	(2,188)
Cash Payments for Other Operating Expenses	0	(121)	(121)
Net Cash Provided by Operating Activities	2,051	7,153	9,204
Cash Flows from Noncapital Financing Activities			
Advances In	0	125,000	125,000
Advances Out	0	(170,410)	(170,410)
Transfers In	4,871	0	4,871
Net Cash Provided by (Used for) Noncapital Financing Activities	4,871	(45,410)	(40,539)
Cash Flows from Capital and Related Financing Activities			
Payments for Capital Acquisitions	0	(131,275)	(131,275)
Proceeds from Sale of Capital Assets	0	163,000	163,000
Net Cash Provided by Capital and Related Financing Activities	0	31,725	31,725
Net Increase (Decrease) in Cash and Cash Equivalents	6,922	(6,532)	390
Cash and Cash Equivalents Beginning of Year	22,035	123,686	145,721
Cash and Cash Equivalents End of Year	$28,957	$117,154	$146,111

(continued)

Maplewood Career Center

Statement of Cash Flows

Enterprise Funds (continued)

For the Fiscal Year Ended June 30, 2003

	Enterprise		
	Uniform School Supplies	Rotary Special Services	Total
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	$2,950	$3,481	$6,431
Adjustments:			
Depreciation	0	7,390	7,390
(Increase)/Decrease in Assets:			
Accounts Receivable	32	(100)	(68)
Decrease in Liabilities:			
Accounts Payable	(931)	(986)	(1,917)
Accrued Wages Payable	0	(1,923)	(1,923)
Compensated Absences Payable	0	(376)	(376)
Intergovernmental Payable	0	(333)	(333)
Total Adjustments	(899)	3,672	2,773
Net Cash Provided by Operating Activities	$2,051	$7,153	$9,204

Non Cash Non Capital Financing Activities

During fiscal year 2003, the general fund paid $33,900 for land on behalf of the rotary special services fund. The amount is included in capital contributions.

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2003

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	$55,091	$23,048
Liabilities		
Due to Students	0	$23,048
Net Assets		
Held in Trust for Scholarships	$55,091	

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2003

	Scholarship
Additions	
Contributions and Donations	$717
Interest	2,500
Miscellaneous	6,437
Total Additions	9,654
Deductions	
Scholarships Awarded	4,700
Change in Net Assets	4,954
Net Assets Beginning of Year	50,137
Net Assets End of Year	$55,091

See accompanying notes to the basic financial statements

Note 1 - Description of th e Center and Reporting Entity

The Maplewood Career Center (the "Center") 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 Center is a joint vocational center as defined by Section 3311.18 of the Ohio Revised Code. The Center operates under an elected Board of Education consisting of eleven members for three year terms. Each Board member is elected to their home district and then appointed to the Center's board. The Center provides educational services as authorized by state statute and/or federal guidelines. The Center employs 79 certified employees and 30 non-certified employees who provide services to 621 students and other community members.

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure that the basic financial statements are not misleading. The primary government of the Center consists of all funds, departments, boards, and agencies that are not legally separate from the Center. For Maplewood, this includes the agencies and departments that provide the following services: general operations, food service, and student related activities of the Center.

Component units are legally separate organizations for which the Center is financially accountable. Component units may also include organizations that are fiscally dependent on the Center in that the Center approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Maplewood Career Center.

The Center participates in a jointly governed organization and two public entity risk pools. These organizations are the Stark/Portage Area Computer Consortium, the Portage Area School Consortium and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

The Center's basic financial statements consist of government-wide statements, including a statement of net assets 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 assets and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Center that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges).

The statement of net assets presents the financial condition of the governmental and business-type activities of the Center at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Center's governmental activities and for the two business-type activities of the Center. 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 charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Center.

Fund Financial Statements During the year, the Center segregates transactions related to certain Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Center at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The Center uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Center are grouped into the categories governmental, proprietary and fiduciary.

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

> ***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 Center for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the Center account for grants and other resources whose uses are restricted to a particular purpose.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The Center has no internal service funds. The following are the Center's proprietary funds:

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the Center's major enterprise funds.

Uniform School Supplies The uniform school supplies fund is used to account for the purchase and sale of school supplies for use in the Center.

Rotary Special Services The rotary special services fund is used to account for monies used in all of the Center's customer service programs, such as auto services, cosmetology, culinary art, horticulture and student build houses.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's own programs. The Center's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Center's agency funds account for student activities.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Center are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

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

Like the government-wide statements, the enterprise funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Center finances and meets the cash flow needs of its enterprise funds.

The private purpose trust fund is accounted for on a flow of economic resources measurement focus.

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 and the statements presented for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange 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 soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Center, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the Center 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 7). 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 Center must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenditures/Expenses On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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. Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the

Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require a resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final appropriations were adopted.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

F. Cash and Investments

To improve cash management, cash received by the Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Center's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2003, investments were limited to federal national mortgage association bonds, federal home loan bank bonds, STAROhio and a repurchase agreement.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as the repurchase agreement are reported at cost.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2003.

By Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2003 amounted to $116,916, which includes $5,616 assigned from other Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Center are presented on the financial statements as cash equivalents.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or the laws of other governments, or imposed by enabling legislation. Restricted assets in the general fund represent amounts required by State statute to be set aside to create a reserve for budget stabilization and unspent resources restricted for capital improvements. See Note 15 for additional information regarding set-asides.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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 assets but are not reported on the fund financial statements. Capital assets utilized by the Rotary Special Services enterprise fund are reported both in the business-type activities column of the government-wide statement of net assets and in the fund.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Center maintains a capitalization threshold of five thousand dollars. The Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

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

Description	Governmental Activities Estimated Lives	Business - Type Activities Estimated Lives
Land Improvements	40 years	N/A
Buildings and Improvements	40 years	40 years
Furniture, Fixtures and Equipment	5-25 years	5-25 years
Vehicles	10-15 years	10-15 years

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Interfund balance amounts are eliminated in the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer 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 benefits will result in termination payments. The liability is an estimate based on the Center's past experience of making termination payments.

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

On 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 “matured compensated absences payable” in the fund(s) from which the employees who have resigned or retired will be paid.

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Capital leases are recognized as a liability on the governmental fund financial statements when due.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net assets restricted for other purposes include instructional activities and food service operations.

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

N. Fund Balance Reserves

The Center reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, capital improvements, property taxes and budget stabilization.

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the Center, these revenues are sales for uniform school supplies and rotary special services. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Any revenues and expenses not meeting the definitions of operating are reported as nonoperating.

P. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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 and after nonoperating revenues/expenses in the uniform school supplies enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

R. 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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3 – Changes in Accounting Principles and Restatement of Fund Balance

A. Changes in Accounting Principles

For fiscal year 2003, the Center has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus", Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements" and GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences."

GASB 34 creates new basic financial statements for reporting on the Center's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Fiduciary funds are reported by type.

The government-wide financial statements split the Center's programs between business-type and governmental activities. Except for the restatements explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2002, caused by the conversion to the accrual basis of accounting.

GASB Statement No. 37 clarifies certain provisions of Statement No. 34, including the required content of the Management's Discussion and Analysis, the classification of program revenues and the criteria for determining major funds. GASB Statement No. 38 modifies, establishes and rescinds certain financial statement note disclosures.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

GASB Statement No. 41 allows the presentation of budgetary schedules as required supplementary information based on the fund, organization or program structure that the government uses for its legally adopted budget when significant budgetary perspective differences result in the Center not being able to present budgetary comparisons for the general and each major special revenue fund. This situation did not exist for fiscal year 2003.

B. Restatement of Net Assets/Fund Balance

At June 30, 2002, the business type activities had the following restatements. These restatements had the following effect on fund equity as it was previously reported.

	Uniform School Supplies	Rotary Special Services	Business-Type Activities
Net Change in Fund Equity June 30, 2002	($5,176)	($14,822)	($19,998)
Correction to Capital Assets	0	211,012	211,012
Adjusted Net Change June 30, 2002	($5,176)	$196,190	$191,014

At June 30, 2002, the business type activities had the following restatements. These restatements had the following effect on net assets as it was previously reported.

	Uniform School Supplies	Rotary Special Services	Business-Type Activities
Fund Equity (Deficit), June 30, 2002	$6,304	($50,342)	($44,038)
Correction to Capital Assets	0	211,012	211,012
Adjusted Net Assets June 30, 2002	$6,304	$160,670	$166,974

The implementation of these changes had the following effects on fund balance of the major and nonmajor governmental funds of the Center as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Nonmajor	Total
Fund Balances, June 30, 2002	$5,016,718	$275,633	$5,292,351
Fund Reclassification	248,597	(100,111)	148,486
Adjusted Fund Balances, June 30, 2002	$5,265,315	$175,522	5,440,837
GASB 34 Adjustments:			
Capital Assets			3,587,201
Long-Term (Deferred) Assets:			
Property Taxes			134,042
Intergovernmental			37,778
Long-Term Liabilities:			
Compensated Absences			(1,044,364)
Capital Leases			(1,778)
Governmental Activities Net Assets, June 30, 2002			$8,153,716

Note 4 – Compliance

Fund balances at June 30, 2003, included the following individual fund deficits:

Special Revenue Funds:	
Career Development	$12,290
Vocational Education	51,213

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

Note 5 - Budgetary Basis of Accounting

While the Center is reporting its 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, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual 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 GAAP (modified accrual) basis are as follows:

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 fund liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

4. Investments reported at cost (budget basis) rather than fair value (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance

GAAP Basis	$1,699,249
Net Adjustment for Revenue Accruals	(193,564)
Advances In	343,539
Ending Fair Value Adjustment for Investments	2,186
Net Adjustment for Expenditure Accruals	(56,829)
Advances Out	(206,027)
Encumbrances	(669,116)
Budget Basis	$919,438

Note 6 - Deposits and Investments

State statutes classify monies held by the Center 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 Center 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 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.

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

Interim monies may be invested in the following securities:

1. United States treasury bills, bonds, notes, 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 obligation or security 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 banker's acceptance and commercial paper notes for a period not to exceed one hundred and eighty days 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, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Cash on Hand At fiscal year end, the Center had $739 in undeposited cash on hand which is included on the balance sheet of the Center as part of equity in pooled cash and cash equivalents.

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

Deposits At year end, the carrying amount of the Center's deposits was ($165,490) and the bank balance was $9,081. The entire bank balance was covered by federal depository insurance.

Investments GASB Statement 3 requires investments to be categorized to give an indication of the level of risk assumed by the Center at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Center or its agent in the Center's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Center's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Center's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 3	Carrying Value	Fair Value
Repurchase Agreement	$179,960	$179,960	$179,960
Federal National Mortgage Association Bonds	4,026,045	4,026,045	4,026,045
Federal Home Loan Bank Bonds	1,000,320	1,000,320	1,000,320
STAROhio		2,615,265	2,615,265
Total	$5,206,325	$7,821,590	$7,821,590

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

	Cash and Cash Equivalents	Investments
GASB Statement No. 9	$7,656,839	$0
Investments Which are Part of a Cash Management Pool		
Repurchase Agreement	(179,960)	179,960
Federal National Mortgage Association Bonds	(4,026,045)	4,026,045
Federal Home Loan Bank Bonds	(1,000,320)	1,000,320
STAROhio	(2,615,265)	2,615,265
Cash on hand	(739)	0
GASB Statement No. 3	($165,490)	$7,821,590

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the Center. Real property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Real property taxes received in calendar year 2003 were levied after April 1, 2002, on the assessed value listed as of January 1, 2002, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2003 represents collections of calendar year 2002 taxes. Public utility real and tangible personal property taxes received in calendar year 2003 became a lien December 31, 2001, were levied after April 1, 2002 and are collected in 2003 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2003 (other than public utility property) represents the collection of 2003 taxes. Tangible personal property taxes received in calendar year 2003 were levied after April 1, 2002, on the value as of December 31, 2002. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments 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. Tangible personal property taxes paid by April 30 are usually received by the Center prior to June 30.

The Center receives property taxes from Portage and Summit Counties. The County Auditors periodically advance to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2003, are available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2003 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 revenue.

The amount available as an advance in the general fund was $254,616 at June 30, 2003 and $75,583 at June 30, 2002.

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

The assessed values upon which the fiscal year 2003 taxes were collected are:

	2002 Second Half Collections		2003 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	$1,563,075,610	83.98 %	$1,622,853,920	84.42 %
Public Utility Personal	80,553,840	4.33	82,646,380	4.30
Tangible Personal Property	217,624,901	11.69	216,728,469	11.28
Total	$1,861,254,351	100.00 %	$1,922,228,769	100.00 %
Tax rate per $1,000 of assessed valuation	$4.00		$4.00	

Note 8 - Receivables

Receivables at June 30, 2003, consisted of taxes, accounts (rent, student fees and tuition), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Vocational Education Grant	$41,357
Adult Basic Education Grant	36,070
Adult Education State Aid	14,924
Vocational Education Enhancement Grant	6,301
Federal Lunchroom Reimbursement	4,747
Miscellaneous Federal Grant	4,092
GED Testing	1,092
Total	$108,583

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2003, was as follows:

	Balance 6/30/02	Additions	Reductions	Balance 6/30/03
Governmental Activities:				
Capital assets not being depreciated				
Land	$169,975	$0	$0	$169,975
Capital assets being depreciated				
Buildings and improvements	7,186,374	6,910	(6,462)	7,186,822
Furniture, fixtures and equipment	1,452,012	269,236	(48,464)	1,672,784
Vehicles	187,874	54,760	0	242,634
Total capital assets being depreciated	8,826,260	330,906	(54,926)	9,102,240
Accumulated depreciation				
Buildings and improvements	(4,771,415)	(187,883)	6,462	(4,952,836)
Furniture, fixtures and equipment	(501,090)	(159,219)	40,367	(619,942)
Vehicles	(136,529)	(7,120)	0	(143,649)
Total accumulated depreciation	(5,409,034)	(354,222) *	46,829	(5,716,427)
Capital assets being depreciated, net	3,417,226	(23,316)	(8,097)	3,385,813
Governmental activities capital assets, net	$3,587,201	($23,316)	($8,097)	$3,555,788
Business type activities:				
Capital assets not being depreciated				
Land	$59,659	$33,900	($29,000)	$64,559
Capital assets being depreciated				
Buildings and improvements	135,951	131,275	(135,951)	131,275
Furniture, fixtures and equipment	18,092	0	0	18,092
Vehicles	24,157	0	0	24,157
Total capital assets being depreciated	178,200	131,275	(135,951)	173,524
Accumulated depreciation				
Furniture, fixtures and equipment	(12,357)	(2,558)	0	(14,915)
Vehicles	(14,490)	(4,832)	0	(19,322)
Total accumulated depreciation	(26,847)	(7,390)	0	(34,237)
Capital assets being depreciated, net	151,353	123,885	(135,951)	139,287
Business type activities capital assets, net	$211,012	$157,785	($164,951)	$203,846

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$59,278
Vocational	180,177
Adult/Continuing	11,043
Support Services:	
Pupil	12,126
Instructional Staff	24,868
Board of Education	1,578
Administration	8,775
Fiscal	3,248
Operation and Maintenance of Plant	24,585
Pupil Transportation	15,928
Operation of Non-Instructional Services	4,990
Operation of Food Services	7,626
Total Depreciation Expense	$354,222

Note 10 - Risk Management

A. Property and Liability

The Center maintains comprehensive insurance coverage with a private carrier for liability coverage. Real property, building contents and vehicles are through Portage Area School Consortium Property and Casualty Pool (the "Pool"). See Note 17 for more information on the Pool.

B. Workers' Compensation

The Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "equity pooling fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical Benefits

The Center is a member of the Portage Area School Consortium (the Consortium), a shared risk pool (Note 17), through which a cooperative Health Benefit Program was created for the benefit of its members. The Health Benefit Program (the Program) is an employee health benefit plan which covers the participating members' employees. The Consortium acts as a fiscal agent for the cash funds paid into the program by the participating school Centers. 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. The Center accounts for the premiums paid as expenditures in the general or applicable fund.

Note 11 - Pension Plans

A. School Employees Retirement System

The Center contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statue Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 9 percent of their annual covered salary and the Center is required to contribute at an actuarially determined rate. The current Center rate is 14 percent of annual covered payroll. A portion of the Center's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2002, 5.46 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were $73,429, $177,967 and $165,419 respectively; 97.69 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001.

B. State Teachers Retirement System

The Center participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or

Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2003, plan members were required to contribute 9.3 percent of their annual covered salaries. The Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2002, the portion used to fund pension obligations was 9.5 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Center's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2003, 2002 and 2001 were $491,228, $690,038 and $664,428 respectively; 84.94 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. Contributions to the DC and Combined Plans for fiscal year 2003 were $3,150 made by the School District and $11,054 made by the plan members.

Note 12 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2003, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the Center, this amount equaled $37,787 for fiscal year 2003.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2002, (the latest information available) the balance in the Fund was $3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were $354,697,000 and STRS had 105,300 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll, a decrease of 2.71 percent from fiscal year 2002. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established as $14,500. For the Center, the amount to fund health care benefits, including surcharge, during the 2003 fiscal year equaled $59,670.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2002, (the latest information available), were $182,946,777 and the target level was $274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of $335.2 million. SERS has approximately 50,000 participants currently receiving health care benefits.

Note 13 - Other Employee Benefits

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

All employees are entitled to a sick leave credit equal to one and one-quarter days for each month of service. This sick leave will either be absorbed by time off due to illness or injury or, within certain limitations, be paid to the employee upon retirement. The amount paid to certified and classified employees upon retirement is limited to fifty percent of accumulated sick days not to exceed 170 days. The total maximum payment is for 85 days.

Note 14 - Long-term Obligations

The changes in the Center's long-term obligations during fiscal year 2003 were as follows:

	Principal Outstanding 06/30/02	Additions	Reductions	Principal Outstanding 06/30/03	Amount Due in One Year
Governmental Activities					
Capital Leases Payable	$1,778	$0	$1,778	$0	$0
Compensated Absences	1,044,364	158,871	75,561	1,127,674	77,129
Total Governmental Activities Long-Term Liabilities	$1,046,142	$158,871	$77,339	$1,127,674	$77,129

The capital lease was paid from the general fund and compensated absences will be paid from the general and food service special revenue funds.

The Center's overall legal debt margin was $173,000,589 with an unvoted debt margin of $1,922,229 at June 30, 2003.

Note 15 - Set-Asides

The Center is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the Center was also required to set aside money for budget stabilization. At June 30, 2003, only the unspent portion of certain workers' compensation refunds continues to be set aside.

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

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbook Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2002	$223,362	$771	$0
Current Year Set-aside Requirement	0	90,407	90,407
Qualifying Disbursements	0	(89,748)	(213,018)
Totals	$223,362	$1,430	($122,611)
Set-aside Balance Carried Forward to Future Fiscal Years	$223,362	$1,430	($122,611)
Set-aside Reserve Balance as of June 30, 2003	$223,362	$1,430	$0

The Center had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was $224,792.

Note 16 - Jointly Governed Organization

Stark/Portage Area Computer Consortium The Stark/Portage Area Computer Consortium (SPARCC) is a jointly governed organization created as a regional council of governments pursuant to State Statutes made up of public school district's and county boards of education from Stark, Portage and Carroll counties. The primary function of SPARCC is to provide data processing services to its member districts with the major emphasis being placed on accounting, inventory control and payroll services. Other areas of service provided by SPARCC include student scheduling, registration, grade reporting and test scoring. Each member district pays an annual fee for the services provided by SPARCC.

SPARCC is governed by a board of directors comprised of each Superintendent within the Consortium. The Stark County Educational Service Center serves as the fiscal agent of the Consortium and receives funding from the State Department of Education. Each district has one vote in all matters and each member district's control over budgeting and financing of SPARCC is limited to its voting and any representation it may have on the board of directors. The continued existence of SPARCC is not dependent on the District's continued participation and no equity interest exists. Maplewood Career Center paid $10,497 to SPARCC during fiscal year 2003 for services. Financial information can be obtained by writing the Stark/Portage Area Computer Consortium, 2100 38th Street NW, Canton, Ohio 44709.

Note 17 - Public Entity Risk Pools

A. Insurance Purchasing Pool

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

B. Shared Risk Pool

Portage Area School Consortium - The Portage Area School Consortium (the Consortium) is a regional council of government 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 County 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 5th, 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.

The Ohio Revised Code Section 167.04 requires the Consortium to adopt bylaws designating the officers of the Consortium and the method of selection therefore, 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 one representation to the Consortium (usually the superintendent or designee). In the case of a member that is a board of education, that representative shall be an executive appointed by the member's governing body. The Assembly serves without compensation.

Note 18 - Contingencies

A. Grants

The Center received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Center at June 30, 2003.

B. Litigation

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

Note 19 - Interfund Transactions

A. Interfund Balances

	Interfund Receivable
Interfund Payable	General
Nonmajor Governmental Funds:	
Vocational Education Enhancement	$13,085
Adult Basic Education	5,649
Vocational Education	41,357
Miscellaneous Federal Grants	5,936
Business Type Activities:	
Uniform School Supplies	15,000
Rotary Special Services	125,000
Total	$206,027

Interfund receivables and payables are due to the timing of the receipt of grant monies and fees received by the various funds.

B. Interfund Transfers

Transfers made during the year ended June 30, 2003 were as follows:

	Transfers From
Transfers To	General
Nonmajor Governmental Funds:	
Adult Education	$4,339
Career Development	23,345
Eisenhower Grant	910
Business Type Activity:	
Uniform School Supplies	4,871
Total	$33,465

The transfer from the General Fund to the Adult Education Fund was to cover the difference in revenue and expenses of the high school credit evening program that sometimes does not generate enough tuition revenue to cover expenses since the classes can be quite small. The Board of Education agreed by resolution to fund any deficit that occurs through the operation of the high school credit evening classes. The transfer from the

General Fund to the Career Development Fund was to cover the Board's percentage requirement of the State funded grant program. The transfer from the General Fund to the Eisenhower Grant Fund was to cover additional expense of the program not covered by the grant dollars. The transfer from the General Fund to the Uniform School Supplies Fund was to cover losses for uncollectible amounts owed by withdrawn students from 1998 through 2002.

Note 20 - State School Funding Decision

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

The Supreme Court relinquished jurisdiction over the case and directed "…the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient…"

The Center is currently unable to determine what effect, if any, this decision will have its future State funding and on its financial operations.

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED June 30, 2003

Federal Grantor/ *Pass Through Grantor* **Program Title**	**Pass Through Entity Number**	**Federal CFDA Number**	**Receipts**	**Non-Cash Receipts**	**Disbursements**	**Non-Cash Disbursements**
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
Food Distribution Program		10.550		$9,797		$9,211
National School Lunch Program	051391-LLP4-2002	10.555	7,222		7,222	
	051391-LLP4-2003		26,974		26,974	
Total U.S. Department of Agriculture - Nutrition Cluster			34,196	9,797	34,196	9,211
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Adult Education- State Grant Program	051391-ABS1-2003	84.002	112,222		112,222	
	051391-ABSL-2003		18,929		15,177	
	051391-ABS2-2002P				9,503	
	051391-ABS2-2003		32,989		29,327	
	051391-ABSL-2002				76,785	
	051391-ABS1-2001		10,750		10,751	
	051391-ABS1-01C		34,956		34,813	
	051391-ABSL-2001C				1,420	
	051391-ABSL-02		1,440		3,873	
	051391-ABSL-2002		4,572		4,572	
			215,858		298,443	
Vocational Education-	051391-20A0-2001	84.048	25,600		25,600	
	051391-20C1-2002		79,450		81,609	
	051391-20C1-2003		234,357		251,928	
			339,407		359,137	
Drug Free School Grant Title IV	051391-DRS1-2003	84.186	1,426		1,380	
Eisenhower Program	051391-MSS1-2002	84.281	911		1,659	
Baldridge In Education	051391-G2S9-2001	84.276			9,251	
Innovative Educational Program	051391-C2S1-2002	84.298	2,141		2,141	
			3,428		3,428	
			5,569		5,569	
Family Literacy	Thur Portage County	84.314	3,800		3,800	
	Thur Portage County		38,000		37,254	
			41,800		41,054	
Improving Teacher Quality State Grants (Title II)	051391-TRS1-2003	84.367	3,365		2,338	
Total Department of Education			608,336		718,831	
U.S. DEPARTMENT OF LABOR						
Passed Through Workforce Department Agency (WDA):						
Workforce Investment Act - Adult	Thur Portage County	17.258			2,521	
			1,700		5,018	
					128	
			3,873		3,689	
			5,573		11,356	
Workforce Investment Act - Youth	Thur Portage County	17.259			125	
			922		922	
			1,500		1,500	
			2,422		2,547	
Total U.S. Department of Labor			7,995		13,903	
Totals			**$650,527**	**$9,797**	**$766,930**	**$9,211**

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

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2003

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B— FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the Center had no significant food commodities in inventory.

NOTE C -- MATCHING REQUIREMENTS

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

Auditor of State
Betty Montgomery

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

Maplewood Career Center
Portage County
7075 State Route 88
Ravenna, Ohio 44266

To the Board of Education:

We have audited the accompanying financial statements of the Maplewood Career Center, Portage County, (the Center) as of and for the year ended June 30, 2003, and have issued our report thereon dated December 29, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center'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.

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

Betty Montgomery
Auditor of State

December 29, 2003

Auditor of State
Betty Montgomery

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

Maplewood Career Center
Portage County
7075 State Route 88
Ravenna, Ohio 44266

Compliance

We have audited the compliance of the Maplewood Career Center, Portage County (the Center) 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, 2003. The Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the Center'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 Center's compliance with those requirements.

In our opinion, the Maplewood Career Center 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, 2003.

Internal Control Over Compliance

The management of the Center 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 Center'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.

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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 audit committee, management, Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Betty Montgomery

Betty Montgomery
Auditor of State

December 29, 2003

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY
JUNE 30, 2003

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):**	Vocational Education 84.048
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

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

Finding Number	N/A – No Finding is Reported

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	N/A – No Finding is Reported

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MAPLEWOOD CAREER CENTER

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
MARCH 4, 2004