



Dave Yost • Auditor of State

**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government Wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet –Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	15
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget (Non-GAAP Basis) and Actual-General Fund	18
Statement of Fiduciary Net Assets-Fiduciary Funds.....	19
Statement of Changes in Fiduciary Net Assets-Private Purpose Trust Fund.....	20
Notes to the Basic Financial Statements	21
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	43

THIS PAGE INTENTIONALLY LEFT BLANK.



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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 governmental activities, each major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, Ohio (the Center), as of and for the year ended June 30, 2012, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, Ohio, as of June 30, 2012, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2012, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

November 8, 2012

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

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, 2012. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for the 2012 fiscal year are as follows:

- Teachers and staff received an increase in base salary for fiscal year 2012 of 2.75 percent over fiscal year 2011. Three year contracts were approved which provided for a 2.75 percent increase in base salary each year for fiscal years 2010 through 2012.
- The Center conducted a number of small renovations projects of the summer of 2011. Lockers had dents removed and were painted with a textured paint. The 2008 addition received its first additional coat of paint. A storage facility was reconstructed for cafeteria supplies. The bus drive and parking lots were packed and sealed. New floor machines were purchased that strip floors without chemicals.
- Two trucks were purchased during fiscal year 2012. A 2012 Ford F-550 SD truck was purchased using State bid procurement pricing. The F-550 is equipped with a Dump/Plow/Spreader and is used primarily for maintenance of the facility. A 2008 Ford F-350 was also purchased. It will be used primarily by the carpentry program.
- The Center awarded bids on two renovation projects in June, 2012. The projects took place over the 2012 summer break. The existing HVAC system in the Welding Lab was replaced with a far more efficient system. The new system allows for larger volumes of exhaust and fresh air input is vastly improved. Noise levels are also greatly reduced and are more conducive to a teaching environment. The new system completes the recent replacement of all heating and cooling equipment for the school that took place over the summer of 2010. The ceiling tiles and grids were replaced in many of the academic classrooms. In some incidents, the ceiling tile that was removed was over 37 years old. Most expenses for these projects, other than architectural and engineering expenses, will be incurred in the 2013 fiscal year.
- The question of the renewal of an existing 3.0 mill tax levy for the purpose of current expenses was presented to and passed by the electors of the Maplewood Career Center School District on November 8, 2011. The Center will not experience any lapse in tax collections.
- The Maplewood Career Center has attained North Central Association (NCA) accreditation and is currently pursuing authorization to offer Federal financial aid to adult students.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

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.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 23-44 of this report.

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 2012?" 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, some financial, some not. 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 socioeconomic factors, the willingness of the community to support the Center and other factors.

Reporting the Center's Most Significant Funds

Fund Financial Statements

The analysis of the Center's major governmental fund begins on page 9. 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.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

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.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the Center. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the Center's programs. These funds use the accrual basis of accounting.

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 2012 compared to 2011:

Table 1
Net Assets

	Governmental Activities		
	2012	2011	Change
Assets			
Current and Other Assets	\$27,629,000	\$25,765,828	\$1,863,172
Capital Assets, Net	12,987,297	13,646,961	(659,664)
<i>Total Assets</i>	<u>40,616,297</u>	<u>39,412,789</u>	<u>1,203,508</u>
Liabilities			
Current Liabilities	6,719,713	6,783,042	63,329
Long-term Liabilities			
Due within one Year	79,154	73,840	(5,314)
Due in More than one Year	1,111,713	1,236,172	124,459
<i>Total Liabilities</i>	<u>7,910,580</u>	<u>8,093,054</u>	<u>182,474</u>
Net Assets			
Invested in Capital Assets	12,987,297	13,646,961	(659,664)
Restricted for:			
Other Purposes	26,379	51,310	(24,931)
Unrestricted	19,692,041	17,621,464	2,070,577
<i>Total Net Assets</i>	<u>\$32,705,717</u>	<u>\$31,319,735</u>	<u>\$1,385,982</u>

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

By comparing assets and liabilities, one can see the overall position of the Center has improved as evidenced by the increase in net assets. Unrestricted net assets primarily contributed to this increase. Current assets increased primarily due to an increase in cash and cash equivalents while current liabilities decreased primarily due to lower accrued wages payable. Net assets invested in capital assets decreased due to depreciation outpacing capital outlay.

Table 2 shows the changes in net assets for fiscal year 2012 compared to 2011.

Table 2
Change in Net Assets
Governmental Activities

	2012	2011	Change
Revenues			
<i>Program Revenues</i>			
Charges for Services	\$603,811	\$554,414	\$49,397
Operating Grants, Contributions, and Interest	572,594	745,891	(173,297)
<i>Total Program Revenues</i>	<u>1,176,405</u>	<u>1,300,305</u>	<u>(123,900)</u>
<i>General Revenues</i>			
Property Taxes	6,133,699	5,329,277	804,422
Intergovernmental	5,690,554	6,028,070	(337,516)
Investment Earnings	411,996	262,572	149,424
Miscellaneous	49,313	188,107	(138,794)
<i>Total General Revenues</i>	<u>12,285,562</u>	<u>11,808,026</u>	<u>477,536</u>
Total Revenues	<u>13,461,967</u>	<u>13,108,331</u>	<u>353,636</u>
<i>Program Expenses</i>			
Instruction:			
Regular	1,130,743	1,049,142	(81,601)
Vocational	5,202,104	4,331,117	(870,987)
Adult/Continuing	206,803	175,333	(31,470)
Support Services:			
Pupil	1,105,957	879,003	(226,954)
Instructional Staff	535,658	485,331	(50,327)
Board of Education	136,816	58,948	(77,868)
Administration	987,486	731,811	(255,675)
Fiscal	531,167	441,118	(90,049)
Business	243,659	215,486	(28,173)
Operation and Maintenance of Plant	1,251,510	999,323	(252,187)
Pupil Transportation	15,786	18,996	3,210
Central	355,104	291,754	(63,350)
Operation of Non-Instructional Services	53,121	56,048	2,927
Operation of Food Services	294,964	257,545	(37,419)
Extracurricular Activities	25,107	25,770	663
<i>Total Program Expenses</i>	<u>12,075,985</u>	<u>10,016,725</u>	<u>(2,059,260)</u>
Change in Net Assets	1,385,982	3,091,606	(1,705,624)
Net Assets Beginning of Year	<u>31,319,735</u>	<u>28,228,129</u>	<u>3,091,606</u>
Net Assets End of Year	<u>\$32,705,717</u>	<u>\$31,319,735</u>	<u>\$1,385,982</u>

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Governmental Activities

Net assets of the Center's governmental activities increased in fiscal year 2012 due to revenues outpacing expenses. The primary sources of revenue for the Center are derived from property taxes and intergovernmental revenue. These two revenue sources represent 87.83 percent of the total revenue. Property taxes, alone, represent 45.56 percent of revenues. The remaining 54.44 percent of revenue is from program revenues, State foundation, interest, and miscellaneous local sources.

A State law, enacted in 1976, does not allow for tax 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 2012 was 2.994873 mills for Residential/Agricultural property and 3.294189 mills for Commercial/Industrial 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
2012	\$2,241,339,510	\$56,110,980	\$2,297,450,490	(0.62) %
2011	2,249,316,830	62,353,560	2,311,670,390	0.11
2010	2,247,875,525	61,166,880	2,309,042,405	(2.20)
2009	2,300,090,760	60,988,046	2,361,078,806	(1.14)
2008	2,319,596,103	68,824,430	2,388,420,533	0.07
2007	2,310,725,427	76,099,634	2,386,825,061	7.40
2006	2,137,086,710	85,363,185	2,222,449,895	0.38
2005	2,122,585,194	91,553,938	2,214,139,132	3.77
2004	2,048,432,563	85,331,750	2,133,764,313	11.00
2003	1,837,968,775	84,259,994	1,922,228,769	3.28

The average rate of growth over the last 10 years is 2.21 percent.

Although the amount of State funding per pupil has risen slightly over the past several years, the Center has not received this increase because of a part of the funding formula called transitional aid guarantee. Being on the transitional aid guarantee means that the Center is guaranteed not to go below a certain amount of foundation funding and thus the number of pupils and funding per pupil is no longer impacting the funding equation. The Center has seen minor increases in State funding due to the passage of House Bill 1, the State's biennial budget for fiscal years 2010 and 2011, which specified that fiscal year 2010 funding for joint vocational schools would be inflated by 0.75 percent over the amount that was received in fiscal year 2009 and that fiscal year 2011 funding for joint vocational schools would be further inflated by 0.75 percent over the amount received in fiscal year 2010. House Bill 153, the State's biennial budget for fiscal years 2012 and 2013, specified zero percent increases for fiscal years 2012 and 2013 funding for joint vocational school districts.

Most of the expenses increased in comparison between 2012 and 2011. These increases are primarily due to an increase in the base salaries for all employees, increases in employee benefit expenses, and inflationary increases.

Program revenues covered 9.74 percent of program expenses overall. The remaining 90.26 percent is supported through tax revenues and other general revenues. In fiscal year 2012, however, revenues totaled 111.48 percent of expenses resulting in an increase in net assets of \$1,385,982.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

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.

Table 3
Total and Net Cost of Program Services
Governmental Activities

	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
Program Expenses				
Instruction:				
Regular	\$1,130,743	\$1,108,819	\$1,049,142	\$966,275
Vocational	5,202,104	4,837,873	4,331,117	4,049,271
Adult/Continuing	206,803	74,766	175,333	568
Support Services:				
Pupil	1,105,957	962,312	879,003	704,729
Instructional Staff	535,658	493,295	485,331	446,752
Board of Education	136,816	134,174	58,948	57,276
Administration	987,486	857,858	731,811	579,256
Fiscal	531,167	515,694	441,118	418,188
Business	243,659	238,947	215,486	209,229
Operation and Maintenance of Plant	1,251,510	1,224,583	999,323	968,119
Pupil Transportation	15,786	15,693	18,996	18,842
Central	355,104	346,228	291,754	275,598
Operation of Non-Instructional Services	53,121	52,608	56,048	55,420
Operation of Food Services	294,964	26,691	257,545	(43,881)
Extracurricular Activities	25,107	10,039	25,770	10,778
<i>Total</i>	<u>\$12,075,985</u>	<u>\$10,899,580</u>	<u>\$10,016,725</u>	<u>\$8,716,420</u>

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. 50.79 percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs support 47.12 percent while program revenues, investments and other miscellaneous types of 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 \$20,448,480, an increase of \$2,032,532 from fiscal year 2011.

General Fund

The general fund balance increased by \$2,259,283 in fiscal year 2012. The increase in fund balance can be attributed primarily to higher property tax revenue and significantly lower capital outlay compared to the prior fiscal year, which the Center was undergoing various building improvements at the time.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

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 2012, all funds were appropriated at the fund level.

In fiscal year 2012, the Center adopted its appropriations prior to October 1, 2011 and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues, including other financing sources, were \$12,440,095, a decrease of \$12,921 from the original estimate. Total final estimated revenues were less than original estimated revenues mainly due to decreases in property tax, investment earnings, and tuition and fees receipts.

General fund original appropriations, including other financing uses, of \$13,622,116 were increased slightly in the final appropriation measure of \$13,763,326. The Center's budget for instruction totaled 46.33 percent of general fund final appropriations; support services 45.1 percent; capital outlay 5.36 percent; and all other expenditures and transfers/advances made up the remaining 3.21 percent. Final appropriations exceeded actual expenditures by \$1,674,205. This difference was due to the Center appropriating for the entirety of projects and by fiscal year end not all of the projects had been completed and also from salaries and benefits coming in lower than original predictions.

Capital Assets and Debt Administration

Capital Assets

The following table shows fiscal year 2012 balances compared to 2011.

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

	Governmental Activities	
	2012	2011
Land	\$140,600	\$140,600
Buildings and Improvements	11,790,855	12,504,357
Furniture, Fixtures and Equipment	930,212	912,210
Vehicles	125,630	89,794
Total Capital Assets	\$12,987,297	\$13,646,961

Capital assets net of depreciation decreased by \$659,664, overall, which was mainly due to depreciation outpacing capital outlays for buildings and improvements.

The Center's capitalization threshold for capital assets was set at \$5,000. For additional information on capital assets, see Note 10 to the basic financial statements.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

Debt

At June 30, 2012, 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 15 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.

Keeping current is an ongoing challenge for the Maplewood Career Center, where success is measured by graduate employment. As part of the Maplewood Career Center's mission is to provide relevant career technical programs that meet the needs of its students and its communities, medical and dental assisting were added at the beginning of fiscal year 2009 because those two fields were among the fastest growing career fields in the region. Also added at the beginning of fiscal year 2009 were additional opportunities for students selecting auto service technology and cosmetology, doubling their capacity, since these programs have always been quickly filled. A new program titled Building and Property Maintenance was added as well. These programs were fully operational with both juniors and seniors in fiscal year 2010. Unfortunately, the Building and Property Maintenance program was eliminated due to low enrollment at the end of the 2012 fiscal year. Research is being conducted as to what program would be best to replace it. Maplewood Career Center will continue to assess the needs of the students and communities and make changes and additions to programs in the future.

The adult education program assists 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. The job training and re-training needs of area adults are important concerns to Maplewood Career Center's adult education department. In the fall of 2009, the Maplewood Career Center started offering three new long-term adult education training programs. The three programs offered are Medical Assisting, Ohio Basic Peace Officer Training Academy, and Welding Technologies. These three programs are among most requested by area employers. The programs will be affordable, in depth, and most importantly, graduates will be certified and ready to step into a job. The Maplewood Career Center has attained North Central Association (NCA) accreditation and is currently pursuing authorization to offer Federal financial aid to adult students.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2012
Unaudited

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. The Center has achieved a large measure of financial stability and forecasts a continuation of that stability throughout three of the five years of the required forecast period prior to a levy renewal or replacement being requested of its voters. Administrators and staff are cognizant of the vulnerability of this stability and the Board of Education and administration continue to closely monitor both revenues and expenses. The Board of Education and administration plan to maintain the current facility indefinitely and as a result must upgrade and maintain the facility in a manner distinctly different from many other school districts that are building or planning to build new facilities. Many capital improvements took place over the 2010 summer.

Contacting the Center's Financial Management Personnel

This financial report is designed to provide our citizens, 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 Michelle Seckman, Treasurer, Maplewood Career Center, 7075 State Route 88, Ravenna, Ohio 44266. You may also contact the Treasurer by phone at (330) 296-2892, extension 551005, or by e-mail at seckmanmi@mwood.cc.

Maplewood Career Center

Statement of Net Assets

June 30, 2012

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$20,735,735
Accounts Receivable	4,586
Intergovernmental Receivable	53,678
Prepaid Items	3,020
Materials and Supplies Inventory	1,130
Inventory Held for Resale	5,826
Property Taxes Receivable	6,771,057
Assets Held for Resale	53,968
Nondepreciable Capital Assets	140,600
Depreciable Capital Assets, Net	<u>12,846,697</u>
<i>Total Assets</i>	<u>40,616,297</u>
Liabilities	
Accounts Payable	52,877
Accrued Wages Payable	707,028
Matured Compensated Absences Payable	71,513
Vacation Benefits Payable	57,544
Intergovernmental Payable	149,561
Deferred Revenue	5,681,190
Long-Term Liabilities:	
Due Within One Year	79,154
Due In More Than One Year	<u>1,111,713</u>
<i>Total Liabilities</i>	<u>7,910,580</u>
Net Assets	
Invested in Capital Assets	12,987,297
Restricted for:	
Food Service Operations	19,605
Other Purposes	6,774
Unrestricted	<u>19,692,041</u>
<i>Total Net Assets</i>	<u><u>\$32,705,717</u></u>

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Activities
For the Fiscal Year Ended June 30, 2012

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Revenue and Changes in Net Assets
Governmental Activities:				
Instruction:				
Regular	\$1,130,743	\$19,053	\$1,871	(\$1,109,819)
Vocational	5,202,104	180,138	184,093	(4,837,873)
Adult/Continuing	206,803	53,223	78,814	(74,766)
Support Services:				
Pupil	1,105,957	25,632	118,013	(962,312)
Instructional Staff	535,658	25,699	17,664	(492,295)
Board of Education	136,816	2,406	236	(134,174)
Administration	987,486	110,722	18,906	(857,858)
Fiscal	531,167	9,279	6,194	(515,694)
Business	243,659	4,291	421	(238,947)
Operation and Maintenance of Plant	1,251,510	22,335	4,592	(1,224,583)
Pupil Transportation	15,786	85	8	(15,693)
Central	355,104	6,448	2,428	(346,228)
Operation of Non-Instructional Services	53,121	467	46	(52,608)
Operation of Food Services	294,964	129,009	139,264	(26,691)
Extracurricular Activities	25,107	15,024	44	(10,039)
<i>Totals</i>	<u>\$12,075,985</u>	<u>\$603,811</u>	<u>\$572,594</u>	<u>(10,899,580)</u>
General Revenues				
Property Taxes Levied for General Purposes				6,133,699
Grants and Entitlements not Restricted to Specific Programs				5,690,554
Investment Earnings				411,996
Miscellaneous				49,313
<i>Total General Revenues</i>				<u>12,285,562</u>
Change in Net Assets				1,385,982
<i>Net Assets Beginning of Year</i>				<u>31,319,735</u>
<i>Net Assets End of Year</i>				<u>\$32,705,717</u>

See accompanying notes to the basic financial statements

Maplewood Career Center

Balance Sheet

Governmental Funds

June 30, 2012

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$20,371,551	\$140,822	\$20,512,373
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	223,362	0	223,362
Accounts Receivable	4,586	0	4,586
Interfund Receivable	382,437	0	382,437
Intergovernmental Receivable	0	53,678	53,678
Prepaid Items	3,020	0	3,020
Materials and Supplies Inventory	0	1,130	1,130
Inventory Held for Resale	0	5,826	5,826
Property Taxes Receivable	6,771,057	0	6,771,057
Assets Held for Resale	53,968	0	53,968
<i>Total Assets</i>	<u>\$27,809,981</u>	<u>\$201,456</u>	<u>\$28,011,437</u>
Liabilities			
Accounts Payable	\$51,795	\$1,082	\$52,877
Accrued Wages Payable	656,333	50,695	707,028
Matured Compensated Absences Payable	71,513	0	71,513
Intergovernmental Payable	124,278	25,283	149,561
Interfund Payable	0	382,437	382,437
Deferred Revenue	6,199,541	0	6,199,541
<i>Total Liabilities</i>	<u>7,103,460</u>	<u>459,497</u>	<u>7,562,957</u>
Fund Balances			
Nonspendable	56,988	6,956	63,944
Restricted	12,592	41,291	53,883
Committed	696,356	0	696,356
Assigned	825,576	0	825,576
Unassigned (Deficit)	19,115,009	(306,288)	18,808,721
<i>Total Fund Balances (Deficit)</i>	<u>20,706,521</u>	<u>(258,041)</u>	<u>20,448,480</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$27,809,981</u>	<u>\$201,456</u>	<u>\$28,011,437</u>

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, 2012

Total Governmental Funds Balances	\$20,448,480
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	12,987,297
Other long-term assets, such as property taxes, are not available to pay for current-period expenditures and therefore are deferred in the funds.	518,351
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(57,544)
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(1,190,867)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$32,705,717</u></u>

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, 2012

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$6,246,805	\$0	\$6,246,805
Intergovernmental	5,690,554	555,115	6,245,669
Interest	411,996	24	412,020
Tuition and Fees	209,471	153,274	362,745
Rentals	14,579	0	14,579
Contributions and Donations	17,748	0	17,748
Charges for Services	97,933	128,530	226,463
Miscellaneous	39,617	9,696	49,313
<i>Total Revenues</i>	<u>12,728,703</u>	<u>846,639</u>	<u>13,575,342</u>
Expenditures			
Current:			
Instruction:			
Regular	1,055,273	0	1,055,273
Vocational	4,484,135	181,467	4,665,602
Adult/Continuing	7,276	184,987	192,263
Support Services:			
Pupil	905,284	137,776	1,043,060
Instructional Staff	509,242	16,829	526,071
Board of Education	132,859	0	132,859
Administration	713,914	254,811	968,725
Fiscal	508,200	5,285	513,485
Business	251,936	0	251,936
Operation and Maintenance of Plant	1,249,656	2,400	1,252,056
Pupil Transportation	4,656	0	4,656
Central	343,807	2,250	346,057
Operation of Non-Instructional Services	25,809	0	25,809
Operation of Food Services	227	287,585	287,812
Extracurricular Activities	24,577	0	24,577
Capital Outlay	252,569	0	252,569
<i>Total Expenditures</i>	<u>10,469,420</u>	<u>1,073,390</u>	<u>11,542,810</u>
<i>Net Change in Fund Balances</i>	2,259,283	(226,751)	2,032,532
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>18,447,238</u>	<u>(31,290)</u>	<u>18,415,948</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$20,706,521</u>	<u>(\$258,041)</u>	<u>\$20,448,480</u>

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, 2012*

Net Change in Fund Balances - Total Governmental Funds	\$2,032,532
---	--------------------

*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	355,922	
Depreciation	(971,696)	
	(615,774)	
Total		(615,774)

Governmental funds only report the disposal of capital assets to
the extent proceeds are received from the sale. In the statement
of activities, a gain or loss is reported for each disposal.

	(43,890)
--	----------

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues
in the funds.

Property Taxes	(113,106)	
Intergovernmental	(269)	
	(113,375)	
Total		(113,375)

Some expenses reported in the statement of activities, such as
compensated absences, do not require the use of current
financial resources and therefore are not reported as
expenditures in governmental funds.

Compensated Absences	119,145	
Vacation Benefits Payable	7,344	
	126,489	
Total		126,489

<i>Change in Net Assets of Governmental Activities</i>	<u><u>\$1,385,982</u></u>
--	----------------------------------

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, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$6,181,061	\$6,176,100	\$6,253,521	\$77,421
Intergovernmental	5,661,315	5,769,356	5,690,554	(78,802)
Interest	263,500	155,459	344,451	188,992
Tuition and Fees	92,075	81,475	173,670	92,195
Rentals	15,600	15,998	14,579	(1,419)
Contributions and Donations	1,000	918	948	30
Charges for Services	8,500	8,379	8,021	(358)
Miscellaneous	12,000	14,445	34,956	20,511
<i>Total Revenues</i>	<u>12,235,051</u>	<u>12,222,130</u>	<u>12,520,700</u>	<u>298,570</u>
Expenditures				
Current:				
Instruction:				
Regular	1,280,976	1,275,294	1,044,475	230,819
Vocational	5,139,428	5,101,730	4,483,066	618,664
Support Services:				
Pupil	1,040,669	1,040,669	908,651	132,018
Instructional Staff	531,449	531,449	527,823	3,626
Board of Education	232,655	232,655	187,901	44,754
Administration	832,284	830,411	727,698	102,713
Fiscal	729,608	729,608	613,259	116,349
Business	259,335	259,335	253,556	5,779
Operation and Maintenance of Plant	2,041,704	2,033,704	1,741,613	292,091
Pupil Transportation	29,007	28,358	11,192	17,166
Central	451,595	449,024	367,238	81,786
Operation of Non-Instructional Services	26,784	26,009	25,809	200
Extracurricular Activities	45,535	45,535	25,056	20,479
Capital Outlay	739,962	737,108	729,347	7,761
<i>Total Expenditures</i>	<u>13,380,991</u>	<u>13,320,889</u>	<u>11,646,684</u>	<u>1,674,205</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,145,940)</u>	<u>(1,098,759)</u>	<u>874,016</u>	<u>1,972,775</u>
Other Financing Sources (Uses)				
Advances In	217,965	217,965	217,965	0
Advances Out	(216,125)	(417,437)	(412,437)	5,000
Transfers Out	(25,000)	(25,000)	(7,375)	17,625
<i>Total Other Financing Sources (Uses)</i>	<u>(23,160)</u>	<u>(224,472)</u>	<u>(201,847)</u>	<u>22,625</u>
<i>Net Change in Fund Balance</i>	(1,169,100)	(1,323,231)	672,169	1,995,400
<i>Fund Balance Beginning of Year</i>	17,527,191	17,527,191	17,527,191	0
Prior Year Encumbrances Appropriated	721,047	721,047	721,047	0
<i>Fund Balance End of Year</i>	<u>\$17,079,138</u>	<u>\$16,925,007</u>	<u>\$18,920,407</u>	<u>\$1,995,400</u>

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$40,508	\$66,096
Liabilities		
Due to Students	0	\$66,096
Net Assets		
Held in Trust for Scholarships	\$40,508	

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, 2012

	Private Purpose Trust
	Scholarship
Additions	
Contributions and Donations	\$3,500
Interest	19
Miscellaneous	7,200
<i>Total Additions</i>	10,719
Deductions	
Scholarships Awarded	12,500
<i>Change in Net Assets</i>	(1,781)
<i>Net Assets Beginning of Year</i>	42,289
<i>Net Assets End of Year</i>	\$40,508

See accompanying notes to the basic financial statements

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 1 – Description of the 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 a Board of Education consisting of eleven members appointed for three year terms. Each Board member is selected in their home district and then appointed to the Center’s board. The Center provides educational services as authorized by state statute and federal guidelines to the following school districts: Crestwood Local School District, Field Local School District, James A. Garfield Local School District, Mogadore Local School District, Ravenna City School District, Rootstown Local School District, Southeast Local School District, Streetsboro City School District, Waterloo Local School District, and Windham Exempted Village School District. Each of these school districts has one board member on the Center’s Board of Education, except for Ravenna City School District which has two members. The Center employs 74 certified employees and 30 non-certified employees who provide services to 625 students and other community members.

Reporting Entity

The Center is considered to be a stand-alone government because it is a legally separate entity but does not have an elected board. The reporting entity is composed of the stand-alone government, component units, and other organizations that are included to insure that the basic financial statements are not misleading. The stand-alone government consists of all funds, departments, boards, and agencies that are not legally separate from the Center. For the Center, 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 insurance purchasing pools. These organizations are the Northeast Ohio Network for Educational Technology, the Ohio School Boards Association Workers’ Compensation Group Rating Program and the Portage Area Schools Consortium. These organizations are presented in Notes 18 and 19 to the basic financial statements.

The Center’s management believes these financial statements present all activities for which the Center is financially accountable.

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 activities unless those pronouncements conflict with or contradict GASB pronouncements. Following are the more significant of the Center’s accounting policies.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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. These statements usually distinguish between those activities of the Center that are governmental and those that are considered business-type. The Center, however, has no business-type activities.

The statement of net assets presents the financial condition of the governmental 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. 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 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 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.

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 two categories: governmental 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 is the Center's major governmental fund:

General Fund The general fund is the general operating fund of the Center and is used to account for and report all financial resources except those required to be accounted for and reported 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, committed, or assigned to a particular purpose.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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 fund accounts for student activities.

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.

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

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 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.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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, 2012, but which were levied to finance fiscal year 2013 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.

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 Treasurer has been given the authority to allocate Board appropriations to the function and object levels.

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 passed by the Board of Education.

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.

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.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

During fiscal year 2012, investments were limited to United States Treasury notes, federal home loan mortgage corporation notes, federal home loan bank notes, federal national mortgage association notes and STAR Ohio. Investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share, which is the price the investment could be sold for on June 30, 2012.

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 2012 amounted to \$411,996, which includes \$2,774 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.

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 externally imposed by creditors, contributors, grantors, or the laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent amounts required by State statute to be set aside to create a budget stabilization balance. See Note 17 for additional information regarding set-asides.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2012, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

Inventories are presented at the lower of cost or market value and donated commodities are presented at their entitlement value. Inventories are presented 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 held for resale.

Assets Held for Resale

Assets held for resale represent land purchased by the Center which will be sold with student-built houses.

Capital Assets

All capital assets of the Center are classified as general capital assets. 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.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. The Center was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital 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.

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
Buildings and Improvements	40-60 years
Furniture, Fixtures and Equipment	5-25 years
Vehicles	5-15 years

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.

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. The Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the 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 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 from which the employees who have resigned or retired will be paid.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Accrued Liabilities and Long-Term Obligations

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

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Center Board of Education.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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 includes vocational education programs and other miscellaneous federal grant programs.

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

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. The Center did not have any extraordinary or special items.

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 – Change in Accounting Principle

For fiscal year 2012, the School District has implemented Governmental Accounting Standard Board (GASB) Statement No. 64, “Derivative Instruments: Application of Hedge Accounting Termination.” GASB Statement No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not result in any change in the School District’s financial statements.

Note 4 – Fund Deficits

Fund balances at June 30, 2012, included the following individual fund deficits:

<i>Special Revenue Funds:</i>	
Adult Education	\$301,203
Adult Basic Education	5,085

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

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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 restricted, committed, or assigned fund balance (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments reported at cost (budget basis) rather than fair value (GAAP basis).
6. Budgetary revenues and expenditures of the uniform school supplies, rotary-special services, and public school support funds are reclassified to the general fund for GAAP reporting.

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	\$2,259,283
Net Adjustment for Revenue Accruals	(304,775)
Advances In	217,965
Beginning Fair Value Adjustment for Investments	182,641
Ending Fair Value Adjustment for Investments	(250,186)
Net Adjustment for Expenditure Accruals	280,858
Advances Out	(412,437)
Excess of Revenue and Other Financing Sources and Over (Under) Expenditures and Other Financing Sources (Uses):	
Uniform School Supplies	(821)
Rotary - Special Services	(4,845)
Public School Support	(344)
Encumbrances	(1,295,170)
Budget Basis	\$672,169

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 6 – Deposits and Investments

Monies held by the Center are classified by State statute into three categories.

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

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

Interim monies held by the Center can be deposited or 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 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;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

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. Investments may only be made through specified dealers and institutions.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Investments

All investments are in an internal investment pool. As of June 30, 2012, the Center had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-2	2-3	3-5
U.S. Treasury Notes	\$1,597,512	\$405,064	\$262,130	\$0	\$930,318
Federal Home Loan Mortgage Corporation Notes	3,381,870	415,998	1,094,973	600,974	1,269,925
Federal Home Loan Bank Notes	4,606,309	1,766,150	1,410,688	342,204	1,087,267
Federal National Mortgage Association Notes	4,495,702	708,938	1,191,401	1,401,232	1,194,131
STAR Ohio	1,958,216	1,958,216	0	0	0
Total Investments	<u>\$16,039,609</u>	<u>\$5,254,366</u>	<u>\$3,959,192</u>	<u>\$2,344,410</u>	<u>\$4,481,641</u>

Interest Rate Risk. The Center has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Center, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk. The United States Treasury Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes, and Federal National Mortgage Association Notes, carry a rating of Aaa by Moody's. STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The Center has no investment policy that addresses credit risk.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The United States Treasury Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes, and the Federal National Mortgage Association Notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty. The Center has no investment policy dealing with the investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk. The Center places no limit on the amount it may invest in any one issuer. The following is the Center's allocation as of June 30, 2012:

Investment Issuer	Percentage of Investments
United States Treasury Notes	9.96 %
Federal Home Loan Mortgage Corporation Notes	21.08
Federal Home Loan Bank Notes	28.72
Federal National Mortgage Association Notes	28.03

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 7 – Property Taxes

Property taxes are levied and assessed on a calendar year basis while the Center's 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 and public utility property located in the Center's parameters. Real property tax revenue received in calendar year 2012 represents collections of calendar year 2011 taxes. Real property taxes received in calendar year 2012 were levied after April 1, 2011, on the assessed value listed as of January 1, 2011, the lien date. Assessed values for real property taxes are established by State law at 35 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 year 2012 represents collections of calendar year 2011 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien December 31, 2010, were levied after April 1, 2011 and are collected in calendar year 2012 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The Center receives property taxes from Portage and Summit Counties. The County Auditor and Fiscal Officer periodically advance to the Center its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2012, are available to finance fiscal year 2012 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, 2012 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 \$571,516 at June 30, 2012, and \$578,232 at June 30, 2011. The difference was in the timing and collection by the County Auditors.

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.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The assessed values upon which the fiscal year 2012 taxes were collected are:

	2011 Second Half Collections		2012 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Residential/Agricultural	\$1,824,556,010	78.93 %	\$1,829,532,720	79.63 %
Commercial/Industrial/Public Utility	424,760,820	18.37	402,483,900	17.52
Tangible Personal Property:				
Public Utility	62,353,560	2.70	65,433,870	2.85
Total	<u>\$2,311,670,390</u>	<u>100.00 %</u>	<u>\$2,297,450,490</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation		\$4.00		\$4.00

Note 8 – Receivables

Receivables at June 30, 2012, consisted of taxes, accounts (rent, student fees and tuition), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

The Center has an intergovernmental receivable for the adult education, adult basic education, and vocational education special revenue funds in the amounts of \$2,735, \$17,029, and \$33,914, respectively, for Federal grants.

Note 9 – Assets Held for Resale

Assets held for resale represents home lots purchased by and donated to the Center, which will be sold with student-built houses. One lot was purchased in fiscal year 2005, with a value of \$37,168, and another was donated in fiscal year 2011, with a value of \$27,200. In fiscal year 2012, the Center donated the \$27,200 lot to the Family and Community Services Agency, but had two additional lots, valued at \$8,400 each, donated to the Center. At June 30, 2012, the Center had three lots held for resale with a value of \$53,968.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 10 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance 6/30/11	Additions	Reductions	Balance 6/30/12
Governmental Activities:				
Capital assets not being depreciated				
Land	\$140,600	\$0	\$0	\$140,600
Capital assets being depreciated				
Buildings and improvements	19,023,563	0	(59,039)	18,964,524
Furniture, fixtures and equipment	2,867,135	287,040	(346,833)	2,807,342
Vehicles	297,474	68,882	(24,157)	342,199
Total capital assets being depreciated	22,188,172	355,922	(430,029)	22,114,065
Accumulated depreciation				
Buildings and improvements	(6,519,206)	(707,846)	53,383	(7,173,669)
Furniture, fixtures and equipment	(1,954,925)	(234,025)	311,820	(1,877,130)
Vehicles	(207,680)	(29,825)	20,936	(216,569)
Total accumulated depreciation	(8,681,811)	(971,696) *	386,139	(9,267,368)
Capital assets being depreciated, net	13,506,361	(615,774)	(43,890)	12,846,697
Governmental activities capital assets, net	\$13,646,961	(\$615,774)	(\$43,890)	\$12,987,297

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$54,617
Vocational	799,350
Adult/Continuing	10,174
Support Services:	
Pupil	8,220
Instructional Staff	16,858
Board of Education	1,069
Administration	5,948
Fiscal	2,203
Operation and Maintenance of Plant	16,668
Pupil Transportation	10,797
Operation of Non-Instructional Services	39,334
Operation of Food Services	6,458
Total Depreciation Expense	\$971,696

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 11 - Risk Management

Property and Liability Insurance

The Center maintains comprehensive insurance coverage with a private carrier, Ohio Casualty, a member of the Liberty Group, for liability coverage. Real property, building contents and vehicles are also maintained with Ohio Casualty; however, the Center makes the payment through the Portage Area School Consortium Property and Casualty Pool. Settled claims have not exceeded commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year. See Note 19 for more information on the Pool.

Workers' Compensation

For fiscal year 2012, the Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). 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. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Comp Management, A Sedgwick CMS Company, provides administrative, cost control and actuarial services to the GRP.

Employee Medical Benefits

The Center is a member of the Portage Area School Consortium Health and Welfare Insurance Pool (the Consortium), a shared risk pool (See Note 19), 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 districts. These funds are pooled together for the purposes of paying health benefit claims of employees and their covered dependents, administrative expenses of the program and premiums for stop-loss insurance coverage. A reserve exists which is to cover any unpaid claims if the Center were to withdraw from the pool. If the reserve would not cover such claims, the Center would be liable for any costs above the reserve.

Note 12 – Defined Benefit Pension Plans

School Employees Retirement System

Plan Description – The Center participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2012, the allocation to pension and death benefits was 12.7 percent. The remaining 1.3 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2012, 2011, and 2010 were \$183,314, \$167,542, and \$176,139, respectively. For fiscal year 2012, 97.57 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

State Teachers Retirement System

Plan Description – The Center participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2012, plan members were required to contribute 10 percent of their annual covered salary. The Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The Center's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were \$597,867 and \$38,991 for the fiscal year ended June 30, 2012, \$623,183 and \$36,902 for the fiscal year ended June 30, 2011, and \$617,947 and \$29,447 for the fiscal year ended June 30, 2010. For fiscal year 2012, 86.94 percent has been contributed for the DB plan and 86.94 percent has been contributed for the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2012 was \$28,782 made by the Center and \$20,558 made by the plan members. In addition, member contributions of \$27,851 were made for fiscal year 2012 for the defined contribution portion of the Combined Plan.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2012, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

Note 13 – Postemployment Benefits

School Employees Retirement System

Plan Description – The Center participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administrated by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2012, 0.55 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2012, this amount was \$35,800. During fiscal year 2012, the Center paid \$19,219 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The Center's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$27,158, \$40,755, and \$25,995, respectively. For fiscal year 2012, 97.57 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2011, this actuarially required allocation was 0.75 percent of covered payroll. The Center's contributions for Medicare Part B for the fiscal years ended June 30, 2012, 2011, and 2010, were \$10,826, \$10,782, and \$10,475, respectively. For fiscal year 2012, 97.57 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

State Teachers Retirement System

Plan Description – The Center contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2012, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The Center's contributions for health care for the fiscal years ended June 30, 2012, 2011, and 2010 were \$51,042, \$50,776, and \$49,800, respectively. For fiscal year 2012, 86.94 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2011 and 2010.

Note 14 – Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty five days of vacation per fiscal year, depending upon length of service. Classified employees' vacation that is accrued in one fiscal year must be used by the end of the following fiscal year. Administrators may accrue a maximum of ten days of vacation time from one year to the next. 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.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 15 – Long-term Obligations

The changes in the Center’s long-term obligations during fiscal year 2012 were as follows:

	Amount Outstanding 06/30/11	Additions	Reductions	Amount Outstanding 06/30/12	Amount Due in One Year
Governmental Activities					
Compensated Absences	\$1,310,012	\$23,784	(\$142,929)	\$1,190,867	\$79,154

Compensated absences will be paid from the general fund and the food service and adult education special revenue funds.

The Center's overall legal debt margin was \$206,770,544 with an unvoted debt margin of \$2,297,450 at June 30, 2011.

Note 16 – Operating Lease

During fiscal year 2012, the Center entered into an operating lease with Lake Business Products for nine copiers. The Center paid \$17,765 on the lease in fiscal year 2012. The following is a schedule by year of future minimum lease payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of June 30, 2012:

Fiscal Year	Principal	Interest	Total Payments
2013	\$17,386	\$1,994	\$19,380
2014	17,915	1,465	19,380
2015	18,460	920	19,380
2016	19,021	359	19,380
2017	1,611	4	1,615
Total	\$74,393	\$4,742	\$79,135

Note 17 – 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 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, 2012, only the unspent portion of certain workers’ compensation refunds continues to be set aside.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

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

	Budget Stabilization Reserve	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2011	\$223,362	\$0
Current Year Set-aside Requirement	0	118,615
Qualifying Disbursements	0	(118,615)
Totals	<u>\$223,362</u>	<u>\$0</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$223,362</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2012	<u>\$223,362</u>	<u>\$0</u>

The total reserve balance for the two set-asides at the end of the fiscal year was \$223,362.

Note 18 – Jointly Governed Organization

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the Center. NEONET is a jointly governed organization among twenty-five school districts, three career centers, and the Summit and Medina County Educational Service Centers. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The Career Center does not retain an ongoing financial interest or an ongoing financial responsibility in NEONET. During the current fiscal year, the Career Center made \$65,413 in payments to NEONET. Financial information can be obtained by writing to the Summit County Educational Service Center, 420 Washington Avenue, Suite 200, Cuyahoga Falls, OH 44221.

Note 19 – Insurance Purchasing Pools

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.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Portage Area Schools Consortium

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

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

Note 20 – Contingencies

Grants

The Auditor of State is currently performing a statewide review of supporting documentation for student attendance data reported to the Ohio Department of Education. The results of this review are still pending and will be reported separately to the Ohio Department of Education at a later date.

The Center received financial assistance from Federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. This also encompasses the Auditor of State's ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the Center at June 30, 2012, if applicable, cannot be determined at this time.

Litigation

The Center is not party to legal proceedings as of June 30, 2012.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 21 – Interfund Balances

Interfund Payable	Interfund Receivable General
<i>Nonmajor Governmental Funds:</i>	
Adult Education	\$315,000
Adult Basic Education	24,470
Race To The Top	2,100
Vocational Education	33,310
Improving Teacher Quality	2,557
Miscellaneous Federal Grants	5,000
Total	\$382,437

Interfund receivables and payables are due to the timing of the receipt of grant monies and monies collected for some programs received by various funds. The general fund provides money to operate the programs until grants and other monies are received and the advances can be repaid.

Note 22 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Center is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Other Governmental	Total
<u>Nonspendable:</u>			
Inventory	\$0	\$6,956	\$6,956
Prepays	3,020	0	3,020
Assets Held for Resale	53,968	0	53,968
<i>Total Nonspendable</i>	56,988	6,956	63,944
<u>Restricted for:</u>			
Food Service	0	34,517	34,517
Vocational Education	0	6,075	6,075
Internal Services	12,592	0	12,592
Other Purposes	0	699	699
<i>Total Restricted</i>	12,592	41,291	53,883
<u>Committed to:</u>			
Compensated Absences	277,456	0	277,456
Other Purposes	418,900	0	418,900
<i>Total Committed</i>	696,356	0	696,356
<u>Assigned to:</u>			
Public School Support	4,809	0	4,809
Other Purposes	820,767	0	820,767
<i>Total Assigned</i>	825,576	0	825,576
Unassigned (Deficit)	19,115,009	(306,288)	18,808,721
<i>Total Fund Balances</i>	\$20,706,521	(\$258,041)	\$20,448,480



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, (the Center) as of and for the year ended June 30, 2012, which collectively comprise the Center's basic financial statements and have issued our report thereon dated November 8, 2012. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Center's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Center's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the management, the audit committee, the Board of Education, and others within the Center. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

November 8, 2012



Dave Yost • Auditor of State

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
JANUARY 15, 2013