MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2014

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

TABLE OF CONTENTS

TITLE **PAGE**

This page intentionally left blank.

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Maplewood Career Center, Portage County, Ohio (the Center), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Center's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

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 Maplewood Career Center, Portage County, Ohio, as of June 30, 2014, and the respective changes in financial position thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the Center's basic financial statements taken as a whole.

The Federal Awards Receipts and Expenditures Schedule (the Schedule) presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2014, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

November 21, 2014

This page intentionally left blank.

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, 2014. 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 2014 fiscal year are as follows:

- Certified staff received a base salary increase of one percent over fiscal year 2013. A two year contract was approved which provided for a one percent increase in base salary for fiscal year 2014 and zero percent increase in fiscal year 2015. Insurance copays for the certified staff were increased from five percent of medical, prescription, and vision premiums to ten percent of medical, prescription, dental, and vision premiums in fiscal year 2014. The contract was considered cost neutral with concessions making up for salary increases.

- The Center completed a terrazzo flooring restoration project. The terrazzo flooring was restored in all parts of the building except the 2008 addition.

- Various projects were started in fiscal year 2014 that will be completed in fiscal year 2015. The clocks, bells, and public address system were replaced throughout the building. The previous Horticulture laboratory was renovated into an Animal Science laboratory.

- The Animal Science program was successfully marketed in fiscal year 2014. The program is opening to juniors for fiscal year 2015. It is at maximum capacity with students on a waiting list. The Center continues to research new programming options, but is limited by the availability of high bay laboratory space. New programming options are also limited to those that would lead to the opportunity for immediate work or pursuit of additional education.

- The Administrative and Medical Office Technology program was closed at the end of fiscal year 2014.

- The Center attained candidacy status with the Council on Occupational Education (COE) and continues to pursue authorization to offer Federal financial aid to adult students.

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 Position 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 nonmajor 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 25-46 of this report.

Reporting the Center as a Whole

Statement of Net Position 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 2014?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all non-fiduciary assets, liabilities and deferred inflows of resources* 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 position* and changes in the net position. This change in net position 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 10. Fund financial reports provide detailed information about the Center's major fund. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant fund. The Center's only major governmental fund is the general fund.

Governmental Funds Most of the Center's activities are reported in governmental funds that focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. These funds are reported using the *modified accrual* accounting method that measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Center's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position 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 Position provides the perspective of the Center as a whole. Table 1 provides a comparison of the Center's Net Position for fiscal year 2014 compared to 2013:

Table 1
Net Position

	Governmental Activites		
	2014	2013	Change
Assets			
Current and Other Assets	$31,513,319	$29,322,808	$2,190,511
Capital Assets, Net	12,139,563	12,611,137	(471,574)
Total Assets	43,652,882	41,933,945	1,718,937
Liabilities			
Current Liabilities	930,411	927,100	(3,311)
Long-term Liabilities			
Due within one Year	81,956	86,266	4,310
Due in More than one Year	1,035,993	1,027,091	(8,902)
Total Liabilities	2,048,360	2,040,457	(7,903)
Deferred Inflows of Resources	5,067,043	5,763,854	696,811
Net Position			
Net Investment in Capital Assets	12,139,563	12,611,137	(471,574)
Restricted for:			
Other Purposes	41,157	7,860	33,297
Unrestricted	24,356,759	21,510,637	2,846,122
Total Net Position	$36,537,479	$34,129,634	$2,407,845

By comparing assets, liabilities and deferred inflows of resources one can see the overall position of the Center has improved as evidenced by the increase in net position. Unrestricted net position primarily contributed to this increase. Current assets increased primarily due to an increase in equity in pooled cash and cash equivalents, which was primarily due to certified staff retiring or leaving and being replaced by less experienced personnel, the reduction of one classified position, contract negotiations that were cost neutral, and revenues currently outpacing expenditures. Current liabilities remained comparable to fiscal year 2013. Net position investment in capital assets decreased due to depreciation outpacing capital outlay.

Table 2 shows the changes in net position for fiscal year 2014 compared to 2013.

Table 2
Change in Net Position
Governmental Activities

	2014	2013	Change
Revenues			
Program Revenues			
Charges for Services	$586,094	$669,752	($83,658)
Operating Grants, Contributions, and Interest	1,447,950	1,183,791	264,159
Total Program Revenues	2,034,044	1,853,543	180,501
General Revenues			
Property Taxes	7,066,320	6,238,395	827,925
Intergovernmental	4,790,675	4,950,049	(159,374)
Unrestricted Contributions	1,380	867	513
Investment Earnings	172,468	29,484	142,984
Miscellaneous	73,034	46,396	26,638
Total General Revenues	12,103,877	11,265,191	838,686
Total Revenues	14,137,921	13,118,734	1,019,187
Program Expenses			
Instruction:			
Regular	1,254,768	1,136,406	(118,362)
Vocational	4,812,615	4,935,264	122,649
Adult/Continuing	261,164	198,233	(62,931)
Support Services:			
Pupil	1,113,438	1,055,119	(58,319)
Instructional Staff	512,272	547,305	35,033
Board of Education	126,971	94,178	(32,793)
Administration	848,977	875,589	26,612
Fiscal	540,298	535,964	(4,334)
Business	246,035	258,967	12,932
Operation and Maintenance of Plant	1,269,600	1,245,932	(23,668)
Pupil Transportation	12,373	19,638	7,265
Central	388,887	421,862	32,975
Operation of Non-Instructional Services	48,801	73,954	25,153
Operation of Food Services	270,348	276,474	6,126
Extracurricular Activities	23,529	19,932	(3,597)
Total Program Expenses	11,730,076	11,694,817	(35,259)
Change in Net Position	2,407,845	1,423,917	983,928
Net Position Beginning of Year	34,129,634	32,705,717	1,423,917
Net Position End of Year	$36,537,479	$34,129,634	$2,407,845

Governmental Activities

Net position of the Center's governmental activities increased in fiscal year 2014 due to an increase in revenues, mainly property taxes. The primary sources of revenue for the Center are derived from property taxes and intergovernmental revenue. These two revenue sources represent 83.87 percent of the total revenue. Property taxes, alone, represent 49.98 percent of revenues. The remaining 50.02 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 2014 was 3.139997 mills for Residential/Agricultural property and 3.425367 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
2014	$2,181,580,620	$56,230,880	$2,237,811,500	1.21 %
2013	2,154,881,120	56,190,650	2,211,071,770	(3.76)
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

The average rate of growth over the last 10 years is 0.52 percent.

Although the amount of State funding per pupil has risen slightly over the past several years, the Center has not received this increase due in part to 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. House Bill 59, the State's biennial budget for fiscal years 2014 and 2015, changed the formula for joint vocational schools. The per pupil funding amount is $5,745 for fiscal year 2014 and $5,800 for fiscal year 2015. The formula maintains a transitional aide guarantee, but it is now based on total funding, which has reduced unrestricted and increased restricted funding for the Center.

Expenses remained comparable with fiscal year 2013. Program revenues covered 17.34 percent of program expenses overall. The remaining 82.66 percent is supported through tax revenues and other general revenues. In fiscal year 2014, however, revenues totaled 120.53 percent of expenses resulting in an increase in net position of $2,407,845.

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 2014	Net Cost of Services 2014	Total Cost of Services 2013	Net Cost of Services 2013
Program Expenses				
Instruction:				
Regular	$1,254,768	$1,171,785	$1,136,406	$1,051,322
Vocational	4,812,615	3,769,068	4,935,264	4,531,605
Adult/Continuing	261,164	34,502	198,233	58,978
Support Services:				
Pupil	1,113,438	938,778	1,055,119	903,606
Instructional Staff	512,272	476,200	547,305	515,188
Board of Education	126,971	124,079	94,178	91,694
Administration	848,977	736,001	875,589	744,031
Fiscal	540,298	527,948	535,964	516,283
Business	246,035	240,392	258,967	252,039
Operation and Maintenance of Plant	1,269,600	1,238,230	1,245,932	1,212,630
Pupil Transportation	12,373	12,295	19,638	19,463
Central	388,887	378,212	421,862	408,824
Operation of Non-Instructional Services	48,801	48,236	73,954	73,274
Operation of Food Services	270,348	(7,673)	276,474	17,075
Extracurricular Activities	23,529	7,979	19,932	4,834
Total	$11,730,076	$9,696,032	$11,694,817	$10,400,846

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. 60.24 percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs support 40.84 percent while program revenues, unrestricted contributions, investment earnings 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 17) reported a combined fund balance of $25,148,816, an increase of $2,913,375 from fiscal year 2013.

General Fund

The general fund balance increased by $2,990,016 in fiscal year 2014. The increase in fund balance can be attributed to higher property tax revenue and interest revenue, as well as some reductions in expenditures.

Budgeting Highlights

The Center's appropriations are prepared according to Ohio law and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. In fiscal year 2014, all funds were appropriated at the fund level.

In fiscal year 2014, the Center adopted its appropriations prior to October 1, 2013, and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues, including other financing sources, were $12,876,514, an increase of $44,610 from the original estimate. Total actual revenues were more than original and final estimated revenues mainly due to higher than expected property tax receipts.

General fund original appropriations, including other financing uses, of $13,889,738 were equal to the final appropriations. The Center's budget for instruction totaled 42.43 percent of general fund final appropriations; support services 45.80 percent; capital outlay 6.35 percent; and all other expenditures and transfers/advances made up the remaining 5.42 percent. Final appropriations exceeded actual expenditures by $1,984,216. 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, benefits, and purchased services coming in lower than original predictions.

Capital Assets and Debt Administration

Capital Assets

The following table shows fiscal year 2014 balances compared to 2013.

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

	Governmental Activities	
	2014	2013
Land	$140,600	$140,600
Construction in Progress	287,275	0
Buildings and Improvements	10,861,898	11,504,653
Furniture, Fixtures and Equipment	791,386	882,245
Vehicles	58,404	83,639
Total Capital Assets	$12,139,563	$12,611,137

Capital assets net of depreciation decreased by $471,574, 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 15 to the basic financial statements.

Debt

At June 30, 2014, 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 13 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, the Center challenges each student to develop lifelong skills that relate to the leadership and teamwork necessary in their future careers and community roles. The Center establishes a relationship with staff, students, parents and community businesses that allows all learners to reach their full potential.

The mission of the 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 Center, where success is measured by graduate employment. As part of the Center's mission 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, at the beginning of fiscal year 2009, additional opportunities were added 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. The previous Horticulture laboratory was renovated into an Animal Science laboratory over the summer of 2014. Animal Science is being added in the fall of 2014 for juniors and will be offered to both juniors and seniors in fiscal year 2016. It is at maximum capacity with students on a waiting list to enter. The Center continues to research new programming options but is limited by the availability of high bay laboratory space. New programming options are also limited to those that would lead to the opportunity for immediate work or pursuit of additional education. The Center will continue to access 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 the Center's adult education department. In the fall of 2009, the 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 those 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 Center has attained candidacy status with the Council on Occupational Education (COE) and is continuing to pursue authorization to offer Federal financial aid to adult students starting with the Welding Technologies program and adding the other programs when possible.

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 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.

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.

Basic Financial Statements

Maplewood Career Center

Statement of Net Position

June 30, 2014

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$24,567,823
Accounts Receivable	646
Intergovernmental Receivable	45,273
Prepaid Items	51,944
Materials and Supplies Inventory	887
Inventory Held for Resale	11,940
Property Taxes Receivable	6,780,838
Assets Held for Resale	53,968
Nondepreciable Capital Assets	427,875
Depreciable Capital Assets, Net	11,711,688
Total Assets	43,652,882
Liabilities	
Accounts Payable	40,022
Accrued Wages Payable	694,833
Vacation Benefits Payable	52,470
Intergovernmental Payable	143,086
Long-Term Liabilities:	
Due Within One Year	81,956
Due In More Than One Year	1,035,993
Total Liabilities	2,048,360
Deferred Inflows of Resources	
Property Taxes	5,067,043
Net Position	
Net Investment in Capital Assets	12,139,563
Restricted for:	
Food Service Operations	19,875
Other Purposes	21,282
Unrestricted	24,356,759
Total Net Position	$36,537,479

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Activities

For the Fiscal Year Ended June 30, 2014

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$1,254,768	$26,106	$56,877	($1,171,785)
Vocational	4,812,615	198,763	844,784	(3,769,068)
Adult/Continuing	261,164	37,470	189,192	(34,502)
Support Services:				
Pupil	1,113,438	25,845	148,815	(938,778)
Instructional Staff	512,272	11,202	24,870	(476,200)
Board of Education	126,971	2,892	0	(124,079)
Administration	848,977	80,250	32,726	(736,001)
Fiscal	540,298	12,350	0	(527,948)
Business	246,035	5,643	0	(240,392)
Operation and Maintenance of Plant	1,269,600	28,825	2,545	(1,238,230)
Pupil Transportation	12,373	78	0	(12,295)
Central	388,887	8,875	1,800	(378,212)
Operation of Non-Instructional Services	48,801	565	0	(48,236)
Operation of Food Services	270,348	131,680	146,341	7,673
Extracurricular Activities	23,529	15,550	0	(7,979)
Totals	$11,730,076	$586,094	$1,447,950	(9,696,032)

General Revenues	
Property Taxes Levied for General Purposes	7,066,320
Grants and Entitlements not Restricted to Specific Programs	4,790,675
Unrestricted Contributions	1,380
Investment Earnings	172,468
Miscellaneous	73,034
Total General Revenues	12,103,877
Change in Net Position	2,407,845
Net Position Beginning of Year	34,129,634
Net Position End of Year	$36,537,479

See accompanying notes to the basic financial statements

Maplewood Career Center

Balance Sheet

Governmental Funds

June 30, 2014

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$24,098,626	$245,835	$24,344,461
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	223,362	0	223,362
Accounts Receivable	646	0	646
Interfund Receivable	674,509	0	674,509
Intergovernmental Receivable	0	45,273	45,273
Prepaid Items	51,944	0	51,944
Materials and Supplies Inventory	0	887	887
Inventory Held for Resale	0	11,940	11,940
Property Taxes Receivable	6,780,838	0	6,780,838
Assets Held for Resale	53,968	0	53,968
Total Assets	$31,883,893	$303,935	$32,187,828
Liabilities			
Accounts Payable	$38,169	$1,853	$40,022
Accrued Wages Payable	637,224	57,609	694,833
Intergovernmental Payable	120,038	23,048	143,086
Interfund Payable	0	674,509	674,509
Total Liabilities	795,431	757,019	1,552,450
Deferred Inflows of Resources			
Property Taxes	5,067,043	0	5,067,043
Unavailable Revenue	409,689	9,830	419,519
Total Deferred Inflows of Resources	5,476,732	9,830	5,486,562
Fund Balances			
Nonspendable	105,912	887	106,799
Restricted	12,522	52,945	65,467
Committed	668,671	0	668,671
Assigned	995,622	0	995,622
Unassigned (Deficit)	23,829,003	(516,746)	23,312,257
Total Fund Balances (Deficit)	25,611,730	(462,914)	25,148,816
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$31,883,893	$303,935	$32,187,828

See accompanying notes to the basic financial statements

Maplewood Career Center

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2014

Total Governmental Funds Balances		$25,148,816
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		12,139,563
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Delinquent Property Taxes	409,689	
Intergovernmental	9,830	
Total		419,519
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.		(52,470)
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(1,117,949)
Net Position of Governmental Activities		$36,537,479

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, 2014

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$7,119,370	$0	$7,119,370
Intergovernmental	5,462,662	766,124	6,228,786
Interest	172,468	9	172,477
Tuition and Fees	251,123	99,828	350,951
Rentals	15,010	0	15,010
Contributions and Donations	1,380	0	1,380
Charges for Services	88,529	131,604	220,133
Miscellaneous	64,580	8,454	73,034
Total Revenues	13,175,122	1,006,019	14,181,141
Expenditures			
Current:			
Instruction:			
Regular	1,117,371	56,877	1,174,248
Vocational	3,764,208	171,678	3,935,886
Adult/Continuing	6,600	243,448	250,048
Support Services:			
Pupil	948,506	151,612	1,100,118
Instructional Staff	476,727	23,719	500,446
Board of Education	126,080	0	126,080
Administration	696,554	167,571	864,125
Fiscal	536,337	0	536,337
Business	255,709	0	255,709
Operation and Maintenance of Plant	1,265,720	2,400	1,268,120
Pupil Transportation	3,380	0	3,380
Central	385,906	1,937	387,843
Operation of Non-Instructional Services	24,662	0	24,662
Operation of Food Services	83	263,418	263,501
Extracurricular Activities	23,529	0	23,529
Capital Outlay	553,734	0	553,734
Total Expenditures	10,185,106	1,082,660	11,267,766
Net Change in Fund Balances	2,990,016	(76,641)	2,913,375
Fund Balances (Deficit) Beginning of Year	22,621,714	(386,273)	22,235,441
Fund Balances (Deficit) End of Year	$25,611,730	($462,914)	$25,148,816

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, 2014

Net Change in Fund Balances - Total Governmental Funds		$2,913,375
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	590,844	
Depreciation	(1,043,039)	
Total		(452,195)
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.		(19,379)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property Taxes	(53,050)	
Intergovernmental	9,830	
Total		(43,220)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Compensated Absences	(4,592)	
Vacation Benefits Payable	13,856	
Total		9,264
Change in Net Position of Governmental Activities		$2,407,845

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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$6,214,301	$6,258,933	$6,353,337	$94,404
Intergovernmental	5,537,109	5,537,109	5,498,142	(38,967)
Interest	288,434	288,434	298,001	9,567
Tuition and Fees	200,000	200,000	213,927	13,927
Rentals	15,100	14,160	15,010	850
Contributions and Donations	1,000	850	1,380	530
Charges for Services	5,500	4,368	4,368	0
Miscellaneous	27,001	29,201	66,161	36,960
Total Revenues	12,288,445	12,333,055	12,450,326	117,271
Expenditures				
Current:				
Instruction:				
Regular	1,240,295	1,240,295	1,113,907	126,388
Vocational	4,653,680	4,653,680	3,737,498	916,182
Support Services:				
Pupil	1,126,640	1,126,640	956,725	169,915
Instructional Staff	498,228	498,228	477,772	20,456
Board of Education	225,859	225,859	150,431	75,428
Administration	818,978	818,978	693,538	125,440
Fiscal	738,396	738,396	635,327	103,069
Business	264,459	264,459	255,054	9,405
Operation and Maintenance of Plant	2,132,119	2,132,119	1,678,436	453,683
Pupil Transportation	17,465	17,465	9,289	8,176
Central	539,509	539,509	423,919	115,590
Operation of Non-Instructional Services	25,200	25,200	24,662	538
Extracurricular Activities	44,883	44,883	23,629	21,254
Capital Outlay	882,027	882,027	1,044,485	(162,458)
Total Expenditures	13,207,738	13,207,738	11,224,672	1,983,066
Excess of Revenues Over (Under) Expenditures	(919,293)	(874,683)	1,225,654	2,100,337
Other Financing Sources (Uses)				
Advances In	543,459	543,459	543,459	0
Advances Out	(675,000)	(675,000)	(674,509)	491
Transfers Out	(7,000)	(7,000)	(6,341)	659
Total Other Financing Sources (Uses)	(138,541)	(138,541)	(137,391)	1,150
Net Change in Fund Balance	(1,057,834)	(1,013,224)	1,088,263	2,101,487
Fund Balance Beginning of Year	21,201,798	21,201,798	21,201,798	0
Prior Year Encumbrances Appropriated	860,752	860,752	860,752	0
Fund Balance End of Year	$21,004,716	$21,049,326	$23,150,813	$2,101,487

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2014

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	$43,207	$81,479
Liabilities		
Due to Students	0	$81,479
Net Position		
Held in Trust for Scholarships	$43,207	

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2014

	Private Purpose Trust
	Scholarship
Additions	
Contributions and Donations	$5,000
Interest	12
Miscellaneous	7,804
Total Additions	12,816
Deductions	
Scholarships Awarded	15,041
Change in Net Position	(2,225)
Net Position Beginning of Year	45,432
Net Position End of Year	$43,207

See accompanying notes to the basic financial statements

(This Page Intentionally Left Blank.)

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 Schools, 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 Schools which has two members. The Center employs 69 certified employees and 28 non-certified employees who provide services to 612 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. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's governing board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; the Center is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or the Center is obligated for the debt of the organization. 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 and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The Center has no component units.

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.

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. Following are the more significant of the Center's accounting policies.

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the 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 position 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 and deferred inflows of resources 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.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. 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 deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the Center are included on the statement of net position. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position.

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 deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include 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 inflows of resources and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2014, but which were levied to finance fiscal year 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the Center, unavailable revenue includes delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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.

During fiscal year 2014, 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, 2014.

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 2014 amounted to $172,468, which includes $1,717 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. Restricted assets in the general fund represent amounts required by State statute to be set aside to create a budget stabilization balance. See Note 16 for additional information regarding set-asides.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2014, 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 position but are not reported on the fund financial statements.

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 position.

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. Since the Center's policy limits the accrual of vacation time to one year from the employee's anniversary date, the outstanding liability is recorded as "vacation benefits payable" on the statement of net position rather than as a long-term liability.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the Center has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the Center's termination policy. The Center records a liability for accumulated unused sick leave for employees after one year of service with the Center.

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

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 and compensated absences 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. These amounts are assigned by the Center Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the Center Board of Education or by State statute. State statue authorizes the Treasurer to assign fund balances for purchases on order provided such amounts have been lawfully appropriated. The Center Board of Education assigned fund balance to cover a gap between estimated revenue and appropriations in the fiscal year 2015 appropriated budget.

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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets, 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 position is reported as restricted when there are limitations imposed on its use through either external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net position restricted for other purposes includes vocational education programs and other miscellaneous Federal grant programs.

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

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 – Fund Deficits

Fund balances at June 30, 2014, included an individual fund deficit in the adult education special revenue fund in the amount of $516,746.

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

Note 4 – 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. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

4. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).

5. 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.

6. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).

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

Net Change in Fund Balance

GAAP Basis	$2,990,016
Net Adjustment for Revenue Accruals	(728,307)
Advances In	543,459
Beginning Fair Value Adjustment for Investments	21,893
Ending Fair Value Adjustment for Investments	103,640
Net Adjustment for Expenditure Accruals	(39,766)
Advances Out	(674,509)
Perspective Differences:	
Uniform School Supplies	(579)
Rotary - Special Services	(8,753)
Public School Support	(213)
Encumbrances	(1,118,618)
Budget Basis	$1,088,263

Note 5 – 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.

<u>Deposits</u> Custodial credit risk for deposits is the risk that in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in possession of an outside party. At fiscal year end, $365,745 of the Center's bank balance of $8,896,309 was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Center to a successful claim by the FDIC.

The Center has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Center or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

All investments are in an internal investment pool. As of June 30, 2014, the Center had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years) Less than 1	1-2	2-3	3-5
United States Treasury Notes	$2,016,855	$204,176	$1,352,085	$460,594	$0
Federal Home Loan Mortgage Corporation Notes	4,492,430	606,893	1,254,415	2,631,122	0
Federal Home Loan Bank Notes	4,769,219	306,700	1,880,386	1,268,604	1,313,529
Federal National Mortgage Association Notes	4,716,642	1,126,533	521,299	1,970,093	1,098,717
STAR Ohio	320,464	320,464	0	0	0
Total Investments	$16,315,610	$2,564,766	$5,008,185	$6,330,413	$2,412,246

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 AAAm 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, 2014:

Investment Issuer	Percentage of Investments
United States Treasury Notes	12.36 %
Federal Home Loan Mortgage Corporation Notes	27.53
Federal Home Loan Bank Notes	29.23
Federal National Mortgage Association Notes	28.91

Note 6 – Receivables

Receivables at June 30, 2014, consisted of taxes, accounts (miscellaneous), 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.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
Vocational Education Grant	$35,443
Adult Basic Education Grant	9,830
Total	$45,273

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 2014 represents collections of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed value listed as of January 1, 2013, 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 2014 represents collections of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2014 became a lien December 31, 2012, were levied after April 1, 2013, and are collected in calendar year 2014 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, 2014, are available to finance fiscal year 2014 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, 2014, 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 to deferred inflows of resources – property taxes.

The amount available as an advance in the general fund was $1,304,106 at June 30, 2014, and $538,073 at June 30, 2013. The difference was in the timing and collection by the County Auditors.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The assessed values upon which the fiscal year 2014 taxes were collected are:

	2013 Second Half Collections		2014 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Residential/Agricultural	$1,752,861,770	79.28 %	$1,755,716,940	78.46 %
Commercial/Industrial/Public Utility	387,391,510	17.52	402,242,410	17.97
Tangible Personal Property:				
Public Utility	70,818,490	3.20	79,852,150	3.57
Total	$2,211,071,770	100.00 %	$2,237,811,500	100.00 %
Tax rate per $1,000 of assessed valuation	$4.00		$4.00	

Note 8 – 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, 2014, the Center had three lots held for resale with a value of $53,968.

Note 9 – Risk Management

Property and Liability Insurance

The Center maintains comprehensive insurance coverage with a private carrier, Hylant Administrative Services, LLC. Hylant Administrative Services is the insurer for the Ohio School Plan, an insurance pool of approximately 300 members. Real property, building contents and vehicles are also maintained with Hylant Administrative Services and the Ohio School Plan. Payments for coverages are made directly to Hylant Administrative Services. 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.

Workers' Compensation

For fiscal year 2014, the Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (See 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 10 – 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.

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, 2014, the allocation to pension and death benefits was 13.1 percent. The remaining 0.9 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, 2014, 2013, and 2012, were $184,876, $184,936, and $183,314, respectively. For fiscal year 2014, 98.37 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

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 system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that can 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 11 percent for members and 14 percent for employers. The statutory maximum employee contribution rate was increased one percent July 1, 2013, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2014, plan members were required to contribute 11 percent of their annual covered salaries. The Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The Center's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were $563,046 and $30,613 for the fiscal year ended June 30, 2014, $579,565 and $40,206 for the fiscal year ended June 30, 2013, and $597,867 and $38,991 for the fiscal year ended June 30, 2012. For fiscal year 2014, 85.82 percent has been contributed for the DB plan and 85.82 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 2013 and 2012.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2014 were $28,598 made by the Center and $22,470 made by the plan members. In addition, member contributions of $24,053 were made for fiscal year 2014 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, 2014, six members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

Note 11 – 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 2014, 0.14 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 2014, this amount was $20,250. During fiscal year 2014, the Center paid $12,566 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, 2014, 2013, and 2012, were $14,542, $22,292, and $27,158, respectively. For fiscal year 2014, 98.37 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2014, this actuarially required allocation was 0.76 percent of covered payroll. The Center's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012, were $10,726, $10,447, and $10,826, respectively. For fiscal year 2014, 98.37 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012.

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. Ohio law authorizes STRS to offer this plan. 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 can 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 2014, 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, 2014, 2013, and 2012, were $45,666, $47,675, and $51,042, respectively. For fiscal year 2014, 85.82 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2013 and 2012. The STRS Board voted to discontinue the current one percent allocation to the health care fund effective July 1, 2014.

Note 12 – 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.

Note 13 – Long-term Obligations

The changes in the Center's long-term obligations during fiscal year 2014 were as follows:

	Amount Outstanding 06/30/13	Additions	Reductions	Amount Outstanding 06/30/14	Amount Due in One Year
Governmental Activities					
Compensated Absences	$1,113,357	$90,858	($86,266)	$1,117,949	$81,956

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 $201,403,035 with an unvoted debt margin of $2,237,812 at June 30, 2014.

Note 14 – Operating Lease

During fiscal year 2012, the Center entered into an operating lease with Lake Business Products for nine copiers. The Center paid $17,915 in principal and $1,465 in interest on the lease in fiscal year 2014. 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, 2014:

Fiscal Year	Principal	Interest	Total Payments
2015	$18,460	$920	$19,380
2016	19,021	359	19,380
2017	1,611	4	1,615
Total	$39,092	$1,283	$40,375

Note 15 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2014, was as follows:

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14
Governmental Activities:				
Capital assets not being depreciated				
Land	$140,600	$0	$0	$140,600
Construction in progress	0	287,275	0	287,275
Total capital assets not being depreciated	140,600	287,275	0	427,875
Capital assets being depreciated				
Buildings and improvements	19,383,340	148,203	0	19,531,543
Furniture, fixtures and equipment	2,983,376	155,366	(69,720)	3,069,022
Vehicles	342,199	0	0	342,199
Total capital assets being depreciated	22,708,915	303,569	(69,720)	22,942,764
Accumulated depreciation				
Buildings and improvements	(7,878,687)	(790,958)	0	(8,669,645)
Furniture, fixtures and equipment	(2,101,131)	(226,846)	50,341	(2,277,636)
Vehicles	(258,560)	(25,235)	0	(283,795)
Total accumulated depreciation	(10,238,378)	(1,043,039) *	50,341	(11,231,076)
Capital assets being depreciated, net	12,470,537	(739,470)	(19,379)	11,711,688
Governmental activities capital assets, net	$12,611,137	($452,195)	($19,379)	$12,139,563

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$59,671
Vocational	887,556
Adult/Continuing	11,116
Support Services:	
Pupil	6,847
Instructional Staff	14,043
Board of Education	891
Administration	4,955
Fiscal	1,835
Operation and Maintenance of Plant	13,884
Pupil Transportation	8,993
Operation of Non-Instructional Services	27,656
Operation of Food Services	5,592
Total Depreciation Expense	$1,043,039

Note 16 – 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, 2014, all funds placed in the budget stabilization fund since its inception in 1998 continue to be set-aside.

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	Capital Improvements
Set-aside Balance as of June 30, 2013	$223,362	$0
Current Year Set-aside Requirement	0	97,328
Qualifying Disbursements	0	(97,328)
Totals	$223,362	$0
Set-aside Balance Carried Forward to Future Fiscal Years	$223,362	$0
Set-aside Balance as of June 30, 2014	$223,362	$0

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

Note 17 – 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 fund and all other governmental funds are presented below:

Fund Balances	General	Other Governmental	Total
Nonspendable:			
Inventory	$0	$887	$887
Prepaids	51,944	0	51,944
Assets Held for Resale	53,968	0	53,968
Total Nonspendable	105,912	887	106,799
Restricted for:			
Adult Basic Education	0	6,018	6,018
Food Service	0	41,493	41,493
Vocational Education	0	4,846	4,846
Internal Services	12,522	0	12,522
Other Purposes	0	588	588
Total Restricted	12,522	52,945	65,467
Committed to:			
Compensated Absences	227,146	0	227,146
Building Improvements	441,525	0	441,525
Total Committed	668,671	0	668,671
Assigned to:			
Public School Support	4,838	0	4,838
Purchases on Order	641,813	0	641,813
Fiscal Year 2015 Appropriations	348,971	0	348,971
Total Assigned	995,622	0	995,622
Unassigned (Deficit)	23,829,003	(516,746)	23,312,257
Total Fund Balances	$25,611,730	($462,914)	$25,148,816

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-three 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 $47,595 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.

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, composed 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 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. However, the effect of any such disallowed claims on the overall financial position of the Center at June 30, 2014, if applicable, cannot be determined at this time.

Litigation

The Center is a defendant in a lawsuit. Although management cannot presently determine the outcome of this lawsuit, management believes that the resolution of this matter will not materially adversely affect the Center's financial condition.

Note 21 – Interfund Balances

Interfund Payable	Interfund Receivable General
Other Governmental Funds:	
Adult Education	$530,000
Adult Basic Education	50,000
Race To The Top	1,400
Vocational Education	33,000
Improving Teacher Quality	3,232
Miscellaneous Federal Grants	56,877
Total	$674,509

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 – Significant Commitments

Contractual Commitments

The Center had the following contractual commitments outstanding at June 30, 2014:

Project	Contract Amount	Amount Paid	Remaining on Contract
Animal Science Laboratory	$681,000	$287,275	$393,725
Intercom and Clock/Bell System Replacement	47,800	0	47,800
Total	$728,800	$287,275	$441,525

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	$1,118,618
Nonmajor Funds	50,940
Total	$1,169,558

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/ *Pass-Through/* **Program Title**	**Pass Through Entity Number**	**Federal CFDA Number**	**Receipts**	**Expenditures**
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education:				
Nutrition Cluster :				
Non Cash Assistance (Food Distribution)				
National School Lunch Program		10.555	$20,693	$14,845
National School Breakfast Program	051391-3L70-14	10.553	20,361	20,361
National School Lunch Program	051391-3L60-14	10.555	94,921	94,921
Total U.S.Department of Agriculture			**135,975**	**130,127**
U.S. DEPARTMENT OF EDUCATION				
Direct:				
Rural Education Achievement Program		84.358A	56,877	56,877
Passed Through the Ohio Board of Regents University System of Ohio:				
Adult Basic and Literacy Education Grant	051391-ABS1-13	84.002	10,864	6,297
Adult Basic and Literacy Education Grant	051391-ABS1-14	84.002	170,985	170,985
Total Adult Basic and Literacy Education Grant			181,849	177,282
Passed Through the Ohio Department of Education:				
Career and Technical Education - Basic Grants to States	051391-3L90-13	84.048	33,343	33,426
Career and Technical Education - Basic Grants to States	051391-3L90-14	84.048	193,618	193,618
Total Career and Technical Education - Basic Grants to States			226,961	227,044
ARRA - Race to the Top	051391-3FD0-14	84.395	1,400	1,400
Improving Teacher Quality State Grants (Title II-A)	051391-3Y60-14	84.367	3,235	3,235
Passed Through Portage County:				
Family Literacy	PRC-67200203	84.314	0	286
Total U.S. Department of Education			470,322	466,124
Totals			$606,297	$596,251

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

NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Maplewood Career Center's (the Center's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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

NOTE D – ADULT EDUCATION BASIC GRANTS TO STATE

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

INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Maplewood Career Center, Portage County, (the Center) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated November 21, 2014.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Center's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Center's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

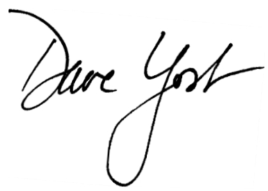
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies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

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, opining 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*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

November 21, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Maplewood Career Center's (the Center) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Center's major federal programs for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Center's major federal programs.

Management's Responsibility

The Center's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the Center's compliance for each of the Center's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Center's major programs. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Maplewood Career Center complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2014.

101 Central Plaza South, 700 Chase Tower, Canton, Ohio 44702-1509
Phone: 330-438-0617 or 800-443-9272 Fax: 330-471-0001
www.ohioauditor.gov

Report on Internal Control Over Compliance

The Center's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Center's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Center's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Dave Yost

Dave Yost
Auditor of State
Columbus, Ohio

November 21, 2014

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2014

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material control weaknesses reported at the financial statement level (GAGAS)?**	No
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material internal control weaknesses reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under § .510(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Career & Technical Education – Basic Grants to States - CFDA # 84.048 Adult Basic and Literacy Education Grant – CFDA #84.002
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

This page intentionally left blank.

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
DECEMBER 9, 2014