MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2015

Dave Yost • Auditor of State

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

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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, the 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, 2015, 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, the major fund, and the aggregate remaining fund information of Maplewood Career Center, Portage County, Ohio, as of June 30, 2015, 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2015, the Center adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

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*, and schedules of net pension liabilities and pension contributions 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 Schedule of Federal Award Receipts and Expenditures 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 the 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 January 20, 2016, 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
Auditor of State
Columbus, Ohio

January 20, 2016

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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, 2015. 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 2015 fiscal year are as follows:

- Certified, classified, and administrative staffs did not receive a base salary increase in fiscal year 2015. Contract negotiations for fiscal years 2016, 2017, and 2018 took place in the spring of 2015. All staff will receive a 2.75 percent base increase in fiscal year 2016, a 2.25 percent base increase in fiscal year 2017, and a 2.0 percent increase in fiscal year 2018.

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

- Various projects were started in fiscal year 2015 that will be completed in fiscal year 2016. Perimeter entryways, sidewalks and curbs were replaced on the northern and eastern sides of the building. New drainage patterns were established and installed. Tuck pointing was done to the exterior walls of the building. Lintels were repaired above the exterior doors. A welding bottle storage area was refurbished, placing it at ground level. Lab floors in the Power Equipment, Auto Service Technology, and Auto Collision labs were repaired and resurfaced with an epoxy and urethane covering.

- The Animal Science program opened to juniors for fiscal year 2015. It had a 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 Computer Aided Engineering program was closed at the end of fiscal year 2015.

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 25-53 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 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all non-fiduciary assets, deferred outflows of resources, 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 12. 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 2015 compared to 2014:

Table 1
Net Position

	Governmental Activites		
	2015	Restated 2014	Change
Assets			
Current and Other Assets	$33,745,726	$31,513,319	$2,232,407
Capital Assets, Net	11,450,671	12,139,563	(688,892)
Total Assets	45,196,397	43,652,882	1,543,515
Deferred Outflows of Resources			
Pension	926,513	775,505	151,008
Liabilities			
Current Liabilities	1,018,939	930,411	(88,528)
Long-term Liabilities:			
Due Within One Year	76,832	81,956	5,124
Due in More Than One Year:			
Net Pension Liability	13,048,268	15,504,346	2,456,078
Other Amounts	966,957	1,035,993	69,036
Total Liabilities	15,110,996	17,552,706	2,441,710
Deferred Inflows of Resources			
Property Taxes	5,593,574	5,067,043	(526,531)
Pension	2,359,728	0	(2,359,728)
Total Deferred Inflows of Resources	7,953,302	5,067,043	(2,886,259)
Net Position			
Net Investment in Capital Assets	11,450,671	12,139,563	(688,892)
Restricted	35,146	41,157	(6,011)
Unrestricted	11,572,795	9,627,918	1,944,877
Total Net Position	$23,058,612	$21,808,638	$1,249,974

During 2015, the Center adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Center's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the Center's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service

2. Minus plan assets available to pay these benefits

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the Center is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

As a result of implementing GASB 68, the Center is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2014, from $36,537,479 to $21,808,638.

By comparing assets, deferred outflows of resources, 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 mainly 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, contract negotiations that were cost neutral, and revenues currently outpacing expenditures. Current liabilities increased primarily due to an increase in contracts payable. Long-term liabilities decreased mainly due to a decrease in the net pension liability. Net position net investment in capital assets decreased due to depreciation outpacing capital outlay.

Table 2 shows the changes in net position for fiscal year 2015 compared to fiscal year 2014.

Table 2
Change in Net Position
Governmental Activities

	2015	Restated 2014	Change
Revenues			
Program Revenues			
Charges for Services	$609,619	$586,094	$23,525
Operating Grants, Contributions, and Interest	1,449,983	1,447,950	2,033
Total Program Revenues	2,059,602	2,034,044	25,558
General Revenues			
Property Taxes	5,838,326	7,066,320	(1,227,994)
Grants and Entitlements	4,819,079	4,790,675	28,404
Unrestricted Contributions	3,097	1,380	1,717
Investment Earnings	171,107	172,468	(1,361)
Miscellaneous	75,868	73,034	2,834
Total General Revenues	10,907,477	12,103,877	(1,196,400)
Total Revenues	12,967,079	14,137,921	(1,170,842)
Program Expenses			
Instruction:			
Regular	1,329,970	1,254,768	(75,202)
Vocational	4,944,370	4,812,615	(131,755)
Adult/Continuing	276,453	261,164	(15,289)
Support Services:			
Pupil	1,080,180	1,113,438	33,258
Instructional Staff	502,867	512,272	9,405
Board of Education	105,030	126,971	21,941
Administration	786,199	848,977	62,778
Fiscal	562,535	540,298	(22,237)
Business	250,640	246,035	(4,605)
Operation and Maintenance of Plant	1,195,432	1,269,600	74,168
Pupil Transportation	19,162	12,373	(6,789)
Central	328,899	388,887	59,988
Operation of Non-Instructional Services	54,256	48,801	(5,455)
Operation of Food Services	261,406	270,348	8,942
Extracurricular Activities	19,706	23,529	3,823
Total Program Expenses	11,717,105	11,730,076	12,971
Change in Net Position	1,249,974	2,407,845	(1,157,871)
Net Position Beginning of Year	21,808,638	N/A	
Net Position End of Year	$23,058,612	$21,808,638	$1,249,974

Governmental Activities

The information necessary to restate the fiscal year 2014 beginning balances and the fiscal year 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, fiscal year 2014 functional expenses still include pension expense of $775,505 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the fiscal year 2015 statements report pension expense of $556,204. Consequently, in order to compare fiscal year 2015 total program expenses to fiscal year 2014, the following adjustments are needed:

Total 2015 program expenses under GASB 68	$11,717,105
Pension expense under GASB 68	(556,204)
2015 contractually required contribution	803,562
Adjusted 2015 program expenses	11,964,463
Total 2014 program expenses under GASB 27	11,730,076
Increase in program expenses not related to pension	$234,387

Net position of the Center's governmental activities increased in fiscal year 2015 due to revenues continuing to outpace expenses. Revenues decreased from fiscal year 2014, mainly due to a decrease in property taxes, while expenses remained comparable with the prior fiscal year's expenses. The decrease in property taxes is due to differences in the timing and collections of taxes by the County Auditors. The primary sources of revenue for the Center are derived from property taxes and intergovernmental revenue. These two revenue sources represent 82.19 percent of the total revenue. Property taxes, alone, represent 45.02 percent of revenues. The remaining 54.98 percent of revenue is from program revenues, State foundation, donations, 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 2015 was 3.140776 mills for Residential/Agricultural property and 3.417979 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:

Table 3

Year Ending	Portage County	Summit County	Total Valuation	Growth Rate
2015	$2,190,879,120	$56,869,740	$2,247,748,860	0.44 %
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

The average rate of growth over the last 10 years is 0.19 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 was $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 2014. Fiscal year 2015 program revenues covered 17.58 percent of program expenses overall. The remaining 82.42 percent is supported through tax revenues and other general revenues. In fiscal year 2015, however, revenues totaled 110.67 percent of expenses, resulting in an increase in net position of $1,249,974.

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 4
Total and Net Cost of Program Services
Governmental Activities

	Total Cost of Services 2015	Net Cost of Services 2015	Total Cost of Services 2014	Net Cost of Services 2014
Program Expenses				
Instruction:				
Regular	$1,329,970	$1,238,426	$1,254,768	$1,171,785
Vocational	4,944,370	3,882,285	4,812,615	3,769,068
Adult/Continuing	276,453	50,829	261,164	34,502
Support Services:				
Pupil	1,080,180	912,389	1,113,438	938,778
Instructional Staff	502,867	470,866	512,272	476,200
Board of Education	105,030	102,199	126,971	124,079
Administration	786,199	676,429	848,977	736,001
Fiscal	562,535	520,970	540,298	527,948
Business	250,640	243,723	246,035	240,392
Operation and Maintenance of Plant	1,195,432	1,161,230	1,269,600	1,238,230
Pupil Transportation	19,162	18,893	12,373	12,295
Central	328,899	318,126	388,887	378,212
Operation of Non-Instructional Services	54,256	53,540	48,801	48,236
Operation of Food Services	261,406	3,560	270,348	(7,673)
Extracurricular Activities	19,706	4,038	23,529	7,979
Total	$11,717,105	$9,657,503	$11,730,076	$9,696,032

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. Local property taxes directly support 49.83 percent of expenses. Grants and entitlements not restricted to specific programs support 41.13 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 18) reported a combined fund balance of $26,812,632, an increase of $1,663,816 from fiscal year 2014.

General Fund

The general fund balance increased by $1,777,065 in fiscal year 2015. The increase in fund balance can be attributed revenues continuing to outpace expenditures, despite a significant decrease in revenues and a small increase in expenditures. The decrease in revenues can be attributed to the decrease in property tax revenues which was due to differences in timing and collection by the County Auditors.

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 2015, all funds were appropriated at the fund level.

In fiscal year 2015, the Center adopted its appropriations prior to October 1, 2014, and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues, including other financing sources, were $12,998,636, a decrease of $111,269 from the original estimate. Total actual revenues were slightly more than final estimated revenues mainly due to higher than expected property tax revenues.

General fund final appropriations, including other financing uses, of $15,169,513 were $501,784 more than the original appropriations. The Center's budget for instruction totaled 40.19 percent of general fund final appropriations; support services 41.86 percent; capital outlay 11.87 percent; and all other expenditures and transfers/advances made up the remaining 6.08 percent. Final appropriations exceeded actual expenditures by $3,442,851. 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 2015 balances compared to fiscal year 2014.

Table 5
Capital Assets at June 30
(Net of Accumulated Depreciation)

	Governmental Activities	
	2015	2014
Land	$140,600	$140,600
Construction in Progress	0	287,275
Buildings and Improvements	10,601,012	10,861,898
Furniture, Fixtures and Equipment	675,890	791,386
Vehicles	33,169	58,404
Total Capital Assets	$11,450,671	$12,139,563

Capital assets net of depreciation decreased by $688,892, 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 17 to the basic financial statements.

Debt

At June 30, 2015, the Center had no outstanding bonded long-term debt. The long-term liabilities listed in Table 1 are those accumulated for compensated absences and for the Center's net pension liability. For additional information on long-term obligations, see Note 15 to the basic financial statements.

Challenges and Opportunities

The vision of the Maplewood Career Center is to prepare learners to be productive, responsible, and successful members of society. Through progressive curriculum and dynamic hands-on learning, 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 was 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 Administrative and Medical Terminology program was closed at the end of the 2014 year and the Computer Aided Engineering program was closed at the end of the 2015 fiscal year. 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 assess the needs of the students and communities and make changes and additions to programs in the future.

The adult education program assists individuals and companies in their efforts to develop leadership, build new skills, upgrade skills, keep abreast of technological developments, and to develop competencies in areas of need and workforce development and personal interest. The job training and re-training needs of area adults are important concerns to 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 are affordable, in depth, and most importantly, graduates are certified and ready to step into a job.

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, 2015

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$26,875,309
Accounts Receivable	1,749
Intergovernmental Receivable	47,821
Prepaid Items	50,280
Materials and Supplies Inventory	779
Inventory Held for Resale	8,290
Property Taxes Receivable	6,744,698
Assets Held for Resale	16,800
Nondepreciable Capital Assets	140,600
Depreciable Capital Assets, Net	11,310,071
Total Assets	45,196,397
Deferred Outflows of Resources	
Pension	926,513
Liabilities	
Accounts Payable	15,490
Contracts Payable	123,016
Accrued Wages Payable	600,400
Matured Compensated Absences Payable	95,929
Vacation Benefits Payable	65,715
Intergovernmental Payable	118,389
Long-Term Liabilities:	
Due Within One Year	76,832
Due in More Than One Year:	
Net Pension Liability (See Note 12)	13,048,268
Other Amounts Due in More Than One Year	966,957
Total Liabilities	15,110,996
Deferred Inflows of Resources	
Property Taxes	5,593,574
Pension	2,359,728
Total Deferred Inflows of Resources	7,953,302
Net Position	
Net Investment in Capital Assets	11,450,671
Restricted for:	
Food Service Operations	21,970
Other Purposes	13,176
Unrestricted	11,572,795
Total Net Position	$23,058,612

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Activities

For the Fiscal Year Ended June 30, 2015

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$1,329,970	$33,707	$57,837	($1,238,426)
Vocational	4,944,370	208,926	853,159	(3,882,285)
Adult/Continuing	276,453	46,406	179,218	(50,829)
Support Services:				
Pupil	1,080,180	30,527	137,264	(912,389)
Instructional Staff	502,867	13,110	18,891	(470,866)
Board of Education	105,030	2,831	0	(102,199)
Administration	786,199	86,509	23,261	(676,429)
Fiscal	562,535	14,562	27,003	(520,970)
Business	250,640	6,917	0	(243,723)
Operation and Maintenance of Plant	1,195,432	32,202	2,000	(1,161,230)
Pupil Transportation	19,162	269	0	(18,893)
Central	328,899	8,968	1,805	(318,126)
Operation of Non-Instructional Services	54,256	716	0	(53,540)
Operation of Food Services	261,406	108,301	149,545	(3,560)
Extracurricular Activities	19,706	15,668	0	(4,038)
Totals	$11,717,105	$609,619	$1,449,983	(9,657,503)

General Revenues	
Property Taxes Levied for General Purposes	5,838,326
Grants and Entitlements not Restricted to Specific Programs	4,819,079
Unrestricted Contributions	3,097
Investment Earnings	171,107
Miscellaneous	75,868
Total General Revenues	10,907,477
Change in Net Position	1,249,974
Net Position Beginning of Year - Restated (See Note 3)	21,808,638
Net Position End of Year	$23,058,612

See accompanying notes to the basic financial statements

Maplewood Career Center

Balance Sheet

Governmental Funds

June 30, 2015

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$26,432,657	$219,290	$26,651,947
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	223,362	0	223,362
Accounts Receivable	1,749	0	1,749
Interfund Receivable	768,574	0	768,574
Intergovernmental Receivable	12,642	35,179	47,821
Prepaid Items	50,280	0	50,280
Materials and Supplies Inventory	0	779	779
Inventory Held for Resale	0	8,290	8,290
Property Taxes Receivable	6,744,698	0	6,744,698
Assets Held for Resale	16,800	0	16,800
Total Assets	$34,250,762	$263,538	$34,514,300
Liabilities			
Accounts Payable	$14,907	$583	$15,490
Contracts Payable	123,016	0	123,016
Accrued Wages Payable	550,537	49,863	600,400
Matured Compensated Absences Payable	95,929	0	95,929
Intergovernmental Payable	97,708	20,681	118,389
Interfund Payable	0	768,574	768,574
Total Liabilities	882,097	839,701	1,721,798
Deferred Inflows of Resources			
Property Taxes	5,593,574	0	5,593,574
Unavailable Revenue	386,296	0	386,296
Total Deferred Inflows of Resources	5,979,870	0	5,979,870
Fund Balances			
Nonspendable	67,080	779	67,859
Restricted	12,583	43,253	55,836
Committed	443,751	0	443,751
Assigned	2,743,051	0	2,743,051
Unassigned (Deficit)	24,122,330	(620,195)	23,502,135
Total Fund Balances (Deficit)	27,388,795	(576,163)	26,812,632
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$34,250,762	$263,538	$34,514,300

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, 2015

Total Governmental Funds Balances		$26,812,632
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.		11,450,671
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	374,416	
Intergovernmental	11,880	
Total		386,296
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.		(65,715)
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(1,043,789)
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds:		
Deferred Outflows - Pension	926,513	
Deferred Inflows - Pension	(2,359,728)	
Net Pension Liability	(13,048,268)	
Total		(14,481,483)
Net Position of Governmental Activities		$23,058,612

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, 2015

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$5,873,599	$0	$5,873,599
Intergovernmental	5,498,295	768,695	6,266,990
Interest	171,107	22	171,129
Tuition and Fees	276,091	114,598	390,689
Rentals	15,135	0	15,135
Contributions and Donations	3,097	0	3,097
Charges for Services	95,494	108,301	203,795
Miscellaneous	58,600	17,268	75,868
Total Revenues	11,991,418	1,008,884	13,000,302
Expenditures			
Current:			
Instruction:			
Regular	1,246,094	57,837	1,303,931
Vocational	3,695,832	165,511	3,861,343
Adult/Continuing	5,605	268,221	273,826
Support Services:			
Pupil	982,721	152,396	1,135,117
Instructional Staff	491,164	20,067	511,231
Board of Education	104,521	0	104,521
Administration	644,809	166,735	811,544
Fiscal	536,514	28,848	565,362
Business	247,475	0	247,475
Operation and Maintenance of Plant	1,182,179	2,000	1,184,179
Pupil Transportation	9,957	0	9,957
Central	332,292	1,853	334,145
Operation of Non-Instructional Services	26,435	0	26,435
Operation of Food Services	1,238	258,665	259,903
Extracurricular Activities	19,706	0	19,706
Capital Outlay	687,811	0	687,811
Total Expenditures	10,214,353	1,122,133	11,336,486
Net Change in Fund Balances	1,777,065	(113,249)	1,663,816
Fund Balances (Deficit) Beginning of Year	25,611,730	(462,914)	25,148,816
Fund Balances (Deficit) End of Year	$27,388,795	($576,163)	$26,812,632

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, 2015

Net Change in Fund Balances - Total Governmental Funds		$1,663,816
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	494,294	
Depreciation	(1,182,768)	
Total		(688,474)
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.		(418)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property Taxes	(35,273)	
Intergovernmental	2,050	
Total		(33,223)
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 the governmental funds:		
Compensated Absences	74,160	
Vacation Benefits Payable	(13,245)	
Total		60,915
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows.		803,562
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		(556,204)
Change in Net Position of Governmental Activities		$1,249,974

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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$6,300,545	$6,317,781	$6,400,997	$83,216
Intergovernmental	5,519,612	5,519,612	5,498,295	(21,317)
Interest	368,824	238,824	106,672	(132,152)
Tuition and Fees	194,614	194,614	233,692	39,078
Rentals	14,300	14,910	15,010	100
Contributions and Donations	850	970	3,097	2,127
Charges for Services	4,500	4,758	19,182	14,424
Miscellaneous	32,151	32,658	56,609	23,951
Total Revenues	12,435,396	12,324,127	12,333,554	9,427
Expenditures				
Current:				
Instruction:				
Regular	1,475,823	1,475,822	1,262,160	213,662
Vocational	4,628,638	4,621,015	3,569,114	1,051,901
Support Services:				
Pupil	1,144,328	1,144,256	973,691	170,565
Instructional Staff	506,964	508,384	492,901	15,483
Board of Education	231,844	231,844	118,336	113,508
Administration	790,755	793,355	671,127	122,228
Fiscal	704,971	704,971	635,314	69,657
Business	268,600	268,600	253,716	14,884
Operation and Maintenance of Plant	2,123,963	2,123,963	1,498,170	625,793
Pupil Transportation	21,820	21,820	11,560	10,260
Central	550,872	552,946	380,584	172,362
Operation of Non-Instructional Services	25,200	26,985	26,435	550
Extracurricular Activities	43,535	45,135	19,990	25,145
Capital Outlay	1,300,416	1,800,417	1,037,257	763,160
Total Expenditures	13,817,729	14,319,513	10,950,355	3,369,158
Excess of Revenues Over (Under) Expenditures	(1,382,333)	(1,995,386)	1,383,199	3,378,585
Other Financing Sources (Uses)				
Sale of Assets Held for Resale	0	0	15,000	15,000
Advances In	644,509	674,509	674,509	0
Advances Out	(720,000)	(720,000)	(768,574)	(48,574)
Transfers In	30,000	0	0	0
Transfers Out	(130,000)	(130,000)	(7,733)	122,267
Total Other Financing Sources (Uses)	(175,491)	(175,491)	(86,798)	88,693
Net Change in Fund Balance	(1,557,824)	(2,170,877)	1,296,401	3,467,278
Fund Balance Beginning of Year	23,150,813	23,150,813	23,150,813	0
Prior Year Encumbrances Appropriated	1,118,618	1,118,618	1,118,618	0
Fund Balance End of Year	$22,711,607	$22,098,554	$25,565,832	$3,467,278

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	$37,824	$84,141
Liabilities		
Due to Students	0	$84,141
Net Position		
Held in Trust for Scholarships	$37,824	

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, 2015

	Private Purpose Trust
	Scholarship
Additions	
Contributions and Donations	$3,500
Interest	17
Miscellaneous	8,623
Total Additions	12,140
Deductions	
Scholarships Awarded	17,523
Change in Net Position	(5,383)
Net Position Beginning of Year	43,207
Net Position End of Year	$37,824

See accompanying notes to the basic financial statements

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 688 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 19 and 20 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 9). 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. For the Center, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 12.

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, pension, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 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 and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position (See Note 12).

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 2015, investments were limited to federal national mortgage association notes, federal home loan mortgage corporation notes, United States Treasury notes, federal home loan bank notes, commercial paper, 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, 2015.

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 2015 amounted to $171,107, which includes $1,374 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 18 for additional information regarding set-asides.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, 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.

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

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.

Pensions

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

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 for public school support and to cover a gap between estimated revenue and appropriations in the fiscal year 2016 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 summer school, 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 – Change in Accounting Principle and Restatement of Net Position

For fiscal year 2015, the Center implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net Position June 30, 2014	$36,537,479
Adjustments:	
Net Pension Liability	(15,504,346)
Deferred Outflow - Payments Subsequent to Measurement Date	775,505
Restated Net Position June 30, 2014	$21,808,638

Other than employer contributions subsequent to the measurement date, the Center made no restatement for deferred inflows/outflows of resources, because the information needed to generate these restatements was not available.

Note 4 – Fund Deficits

Fund balances at June 30, 2015, included individual fund deficits in the adult education and the adult basic education special revenue funds in the amounts of $615,866 and $4,329, respectively.

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

Note 5 – 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	$779	$779
Prepaids	50,280	0	50,280
Assets Held for Resale	16,800	0	16,800
Total Nonspendable	67,080	779	67,859
Restricted for:			
Food Service	0	42,660	42,660
Summer School	12,583	0	12,583
Other Purposes	0	593	593
Total Restricted	12,583	43,253	55,836
Committed to:			
Compensated Absences	151,217	0	151,217
Capital Improvements	292,534	0	292,534
Total Committed	443,751	0	443,751
Assigned to:			
Public School Support	4,583	0	4,583
Purchases on Order:			
Student Instruction	46,102	0	46,102
Support Services	459,076	0	459,076
Extracurricular Activities	284	0	284
Capital Improvements	56,912	0	56,912
Fiscal Year 2016 Appropriations	2,176,094	0	2,176,094
Total Assigned	2,743,051	0	2,743,051
Unassigned (Deficit)	24,122,330	(620,195)	23,502,135
Total Fund Balances	$27,388,795	($576,163)	$26,812,632

Note 6 – 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. Sale of Assets Held for Resale is an operating transaction (budget basis) as opposed to a balance sheet transaction (GAAP basis).

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

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

6. Budgetary revenues and expenditures of the uniform school supplies, rotary – special services, and public school support funds are reclassified to the general fund for GAAP reporting.

7. 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	$1,777,065
Net Adjustment for Revenue Accruals	525,533
Advances In	674,509
Sale of Assets Held for Resale	15,000
Beginning Fair Value Adjustment for Investments	(103,640)
Ending Fair Value Adjustment for Investments	39,205
Net Adjustment for Expenditure Accruals	110,498
Advances Out	(768,574)
Perspective Differences:	
Uniform School Supplies	(280)
Rotary – Special Services	14,870
Public School Support	255
Encumbrances	(988,040)
Budget Basis	$1,296,401

Note 7 – 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.

Deposits 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, \$44,744 of the Center's bank balance of \$6,793,394 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, 2015, the Center had the following investments:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-2	2-3	3-5
Federal National Mortgage Association Notes	$8,589,195	$913,123	$1,366,133	$3,081,107	$3,228,832
Federal Home Loan Mortgage Corporation Notes	4,661,321	1,471,524	215,097	2,974,700	0
United States Treasury Notes	1,805,756	1,348,605	457,151	0	0
Federal Home Loan Bank Notes	1,322,462	0	0	1,322,462	0
JP Morgan Commercial Paper	1,247,813	1,247,813	0	0	0
General Electric Capital Corporation Commercial Paper	1,247,763	1,247,763	0	0	0
PNC Commercial Paper	1,247,713	1,247,713	0	0	0
US Bank Commercial Paper	220,000	220,000	0	0	0
STAR Ohio	115,249	115,249	0	0	0
Total Investments	$20,457,272	$7,811,790	$2,038,381	$7,378,269	$3,228,832

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 Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, United States Treasury Notes, and Federal Home Loan Bank Notes carry a rating of Aaa by Moody's. All commercial paper investments carry a rating of P-1 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 Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, United States Treasury Notes, Federal Home Loan Bank Notes, and the commercial paper 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, 2015:

Investment Issuer	Percentage of Investments
Federal National Mortgage Association Notes	41.99 %
Federal Home Loan Mortgage Corporation Notes	22.79
United States Treasury Notes	8.83
Federal Home Loan Bank Notes	6.46
JP Morgan Commercial Paper	6.10
General Electric Capital Corporation Commercial Paper	6.10
PNC Commercial Paper	6.10
US Bank Commercial Paper	1.07
Total	99.44 %

Note 8 – Receivables

Receivables at June 30, 2015, consisted of taxes, accounts (rent and 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	$26,203
School Foundation	11,880
Adult Basic Education Grant	8,976
Bureau of Workers' Compensation Refund	762
Total	$47,821

Note 9 – 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 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, 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 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014, and are collected in calendar year 2015 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, 2015, are available to finance fiscal year 2015 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, 2015, 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 $776,708 at June 30, 2015, and $1,304,106 at June 30, 2014. 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 2015 taxes were collected are:

	2014 Second Half Collections		2015 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Residential/Agricultural	$1,755,716,940	78.46 %	$1,762,154,250	78.40 %
Commercial/Industrial/Public Utility	402,242,410	17.97	399,053,540	17.75
Tangible Personal Property:				
Public Utility	79,852,150	3.57	86,541,070	3.85
Total	$2,237,811,500	100.00 %	$2,247,748,860	100.00 %
Tax rate per $1,000 of assessed valuation	$4.00		$4.00	

Note 10 – 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. During fiscal year 2015, the Center sold the $37,168 lot at auction. At June 30, 2015, the Center had two lots held for resale with a value of $16,800.

Note 11 – 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 2015, the Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (See Note 20). 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 20), through which a cooperative Health Benefit Program was created for the benefit of its members. The Health Benefit Program (the Program) is an employee health benefit plan which covers the participating members' employees. The Consortium acts as a fiscal agent for the cash funds paid into the program by the participating school districts. These funds are pooled together for the purposes of paying health benefit claims of employees and their covered dependents, administrative expenses of the program and premiums for stop-loss insurance coverage. A reserve exists which is to cover any unpaid claims if the Center were to withdraw from the pool. If the reserve would not cover such claims, the Center would be liable for any costs above the reserve.

Note 12 – Defined Benefit Pension Plans

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The Center's contractually required contribution to SERS was $177,491 for fiscal year 2015. Of this amount $2,438 is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System (STRS)

Plan Description – The Center's licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with 5 years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with 5 years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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 – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased 1 percent July 1, 2014, and will be increased 1 percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The Center was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The Center's contractually required contribution to STRS was $626,071 for fiscal year 2015. Of this amount $71,826 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$2,389,827	$10,658,441	$13,048,268
Proportion of the Net Pension Liability	0.047221%	0.04381959%	
Pension Expense	$139,669	$416,535	$556,204

At June 30, 2015, the Center reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$20,340	$102,611	$122,951
Center's contributions subsequent to the measurement date	177,491	626,071	803,562
Total Deferred Outflows of Resources	$197,831	$728,682	$926,513
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	$387,876	$1,971,852	$2,359,728

$803,562 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2016	$91,833	$467,310	$559,143
2017	91,832	467,310	559,142
2018	91,833	467,311	559,144
2019	92,038	467,310	559,348
Total	$367,536	$1,869,241	$2,236,777

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent, net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.00 %
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	15.00	7.50
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact, the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Center's proportionate share of the net pension liability	$3,409,574	$2,389,827	$1,532,133

Actuarial Assumptions – STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022 – Scale AA) for Males and Females. Males' ages are set back two years through age 89 and are not set back for age 90 and above. Females younger than age 80 are set back four years, set back one year from age 80 through 89, and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Center's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the Center's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent) or one percentage point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Center's proportionate share of the net pension liability	$15,258,720	$10,658,441	$6,768,153

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, 2015, five members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

Note 13 – Postemployment Benefits

School Employees Retirement System

Health Care Plan Description – The Center contributes to the School Employees Retirement System (SERS) Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) 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 financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. 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.

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. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was $20,450. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2015, the Center's surcharge obligation was $12,518.

The Center's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013, were $23,561, $14,542, and $22,292, respectively. For fiscal year 2015, 98.63 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

State Teachers Retirement System

Plan Description – The Center participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and 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. 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 2015, STRS did not allocate any employer contributions to post-employment health care. The Center's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013, were $0, $45,666, and $47,675, respectively. The full amount has been contributed for fiscal years 2014 and 2013.

Note 14 – Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Classified employees' vacation that is accrued in one fiscal year must be used by the end of the following fiscal year. Administrators may accrue a maximum of ten days of vacation time from one year to the next. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

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

Note 15 – Long-term Obligations

The changes in the Center's long-term obligations during fiscal year 2015 were as follows:

	Amount Outstanding 06/30/14	Additions	Reductions	Amount Outstanding 06/30/15	Amount Due in One Year
Governmental Activities					
Net Pension Liability:					
SERS	$2,808,081	$0	($418,254)	$2,389,827	$0
STRS	12,696,265	0	(2,037,824)	10,658,441	0
Total Net Pension Liability	15,504,346	0	(2,456,078)	13,048,268	0
Compensated Absences	1,117,949	7,796	(81,956)	1,043,789	76,832
Total Governmental Activities Long-Term Liabilities	$16,622,295	$7,796	($2,538,034)	$14,092,057	$76,832

The Center pays obligations related to employee compensation from the fund benefitting from their service. 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 $202,297,397 with an unvoted debt margin of $2,247,749 at June 30, 2015.

Note 16 – Operating Lease

During fiscal year 2012, the Center entered into an operating lease with Lake Business Products for nine copiers. The Center paid $18,460 in principal and $920 in interest on the lease in fiscal year 2015. 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, 2015:

Fiscal Year	Principal	Interest	Total Payments
2016	$19,021	$359	$19,380
2017	1,611	4	1,615
Total	$20,632	$363	$20,995

Note 17 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Balance 6/30/14	Additions	Reductions	Balance 6/30/15
Governmental Activities:				
Capital assets not being depreciated				
Land	$140,600	$0	$0	$140,600
Construction in progress	287,275	402,103	(689,378)	0
Total capital assets not being depreciated	427,875	402,103	(689,378)	140,600
Capital assets being depreciated				
Buildings and improvements	19,531,543	689,378	0	20,220,921
Furniture, fixtures and equipment	3,069,022	92,191	(49,893)	3,111,320
Vehicles	342,199	0	0	342,199
Total capital assets being depreciated	22,942,764	781,569	(49,893)	23,674,440
Accumulated depreciation				
Buildings and improvements	(8,669,645)	(950,264)	0	(9,619,909)
Furniture, fixtures and equipment	(2,277,636)	(207,269)	49,475	(2,435,430)
Vehicles	(283,795)	(25,235)	0	(309,030)
Total accumulated depreciation	(11,231,076)	(1,182,768) *	49,475	(12,364,369)
Capital assets being depreciated, net	11,711,688	(401,199)	(418)	11,310,071
Governmental activities capital assets, net	$12,139,563	$904	($689,796)	$11,450,671

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$59,692
Vocational	1,025,864
Adult/Continuing	11,120
Support Services:	
Pupil	7,017
Instructional Staff	14,393
Board of Education	913
Administration	5,078
Fiscal	1,881
Operation and Maintenance of Plant	14,230
Pupil Transportation	9,217
Operation of Non-Instructional Services	27,771
Operation of Food Services	5,592
Total Depreciation Expense	$1,182,768

Note 18 – 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, 2015, 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, 2014	$223,362	$0
Current Year Set-aside Requirement	0	102,653
Qualifying Disbursements	0	(102,653)
Totals	$223,362	$0
Set-aside Balance Carried Forward to Future Fiscal Years	$223,362	$0
Set-aside Balance as of June 30, 2015	$223,362	$0

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

Note 19 – 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 $47,091 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 20 – 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 21 – 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, 2015, if applicable, cannot be determined at this time.

School Foundation

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, joint vocational school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the Center, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2015, Foundation funding for the Center; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or a liability of the Center.

Litigation

The Center was a defendant in a lawsuit. A settlement agreement was reached in July, 2015, and did not materially adversely affect the Center's financial condition.

Note 22 – Interfund Balances

Interfund Payable	Interfund Receivable General
Other Governmental Funds:	
Adult Education	$625,000
Adult Basic Education	50,000
Race To The Top	1,050
Vocational Education	33,000
Improving Teacher Quality	1,687
Miscellaneous Federal Grants	57,837
Total	$768,574

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 23 – Significant Commitments

Contractual Commitments

The Center had the following contractual commitments outstanding at June 30, 2015:

Project	Contract Amount	Amount Paid	Remaining on Contract
Shop Floor Rehabilitation	$111,350	$0	$111,350
Curb and Sidewalk Replacement/ Masonry Repair/Lintel Repair	304,200	0	304,200
Total	$415,550	$0	$415,550

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to ensure 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	$988,040
Other Governmental Funds	24,084
Total	$1,012,124

Maplewood Career Center

Required Supplementary Information

Schedule of the Center's Proportionate Share of the Net Pension Liability

School Employees Retirement System of Ohio

Last Two Fiscal Years (1)

	2014	2013
Center's Proportion of the Net Pension Liability	0.047221%	0.047221%
Center's Proportionate Share of the Net Pension Liability	$2,389,827	$2,808,081
Center's Covered-Employee Payroll	$1,373,643	$1,411,725
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	173.98%	198.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.70%	65.52%

(1) Information prior to 2013 is not available.

Maplewood Career Center

Required Supplementary Information

Schedule of the Center's Proportionate Share of the Net Pension Liability

State Teachers Retirement System of Ohio

Last Two Fiscal Years (1)

	2014	2013
Center's Proportion of the Net Pension Liability	0.04381959%	0.04381959%
Center's Proportionate Share of the Net Pension Liability	$10,658,441	$12,696,265
Center's Covered-Employee Payroll	$4,500,907	$4,767,469
Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	236.81%	266.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	69.30%

(1) Information prior to 2013 is not available.

Maplewood Career Center
Required Supplementary Information
Schedule of Center Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2015	2014	2013	2012
Contractually Required Contribution	$177,491	$190,387	$195,383	$194,140
Contributions in Relation to the Contractually Required Contribution	(177,491)	(190,387)	(195,383)	(194,140)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Center Covered-Employee Payroll	$1,346,671	$1,373,643	$1,411,725	$1,443,417
Contributions as a Percentage of Covered-Employee Payroll	13.18%	13.86%	13.84%	13.45%

2011	2010	2009	2008	2007	2006
$178,324	$186,614	$130,515	$123,463	$127,110	$123,653
(178,324)	(186,614)	(130,515)	(123,463)	(127,110)	(123,653)
$0	$0	$0	$0	$0	$0
$1,418,645	$1,378,239	$1,326,370	$1,257,260	$1,190,169	$1,168,743
12.57%	13.54%	9.84%	9.82%	10.68%	10.58%

Maplewood Career Center

Required Supplementary Information

Schedule of Center Contributions

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

	2015	2014	2013	2012
Contractually Required Contribution	$626,071	$585,118	$619,771	$665,640
Contributions in Relation to the Contractually Required Contribution	(626,071)	(585,118)	(619,771)	(665,640)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Center Covered-Employee Payroll	$4,471,936	$4,500,907	$4,767,469	$5,120,308
Contributions as a Percentage of Covered-Employee Payroll	14.00%	13.00%	13.00%	13.00%

2011	2010	2009	2008	2007	2006
$660,085	$647,394	$629,951	$613,517	$586,985	$584,937
(660,085)	(647,394)	(629,951)	(613,517)	(586,985)	(584,937)
$0	$0	$0	$0	$0	$0
$5,077,577	$4,979,954	$4,845,777	$4,719,362	$4,515,269	$4,499,515
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/ *Pass-Through/* **Program Title**	**Federal CFDA Number**	**Receipts**	**Non-Cash Receipts**	**Expenditures**	**Non-Cash Expenditures**
U.S. DEPARTMENT OF AGRICULTURE					
Passed Through Ohio Department of Education:					
Nutrition Cluster :					
National School Breakfast Program	10.553	25,299	-	25,299	-
National School Lunch Program	10.555	106,766	$ 16,598	106,766	$ 20,248
Total U.S.Department of Agriculture		132,065	16,598	132,065	20,248
U.S. DEPARTMENT OF EDUCATION					
Direct:					
Rural Education Achievement Program	84.358A	57,837		57,837	
Passed Through the Ohio Board of Regents University System of Ohio:					
Adult Basic and Literacy Education Grant	84.002	229,124		229,124	
Total Adult Basic and Literacy Education Grant					
Passed Through the Ohio Department of Education:					
Career and Technical Education - Basic Grants to States	84.048	35,443		35,443	
Career and Technical Education - Basic Grants to States	84.048	201,290		195,290	
Total Career and Technical Education - Basic Grants to States		236,733		230,733	
Improving Teacher Quality State Grants (Title II-A)	84.367	1,687		1,687	
Total U.S. Department of Education		238,420		232,420	
Totals		$ 657,446	$ 16,598	$ 651,446	20,248

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

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2015

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (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 STATES

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, the 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, 2015, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated January 20, 2016, wherein we noted the Center adopted the provisions of Governmental Accounting Standards No. 68 "*Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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.

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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

January 20, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE 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 the 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 the Center's major federal program for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the Center's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the Center's compliance for the Center's major federal program 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 program. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on the 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 its major federal program for the year ended June 30, 2015.

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 a 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 tests of internal control over compliance 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

January 20, 2016

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2015

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**	Unqualified
(d)(1)(vi)	**Are there any reportable findings under § .510(a)?**	No
(d)(1)(vii)	**Major Programs (list):**	Career and Technical Education – Basic Grants to States CFDA #84.048
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 300,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee?**	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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MAPLEWOOD CAREER CENTER

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 17, 2016

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