

Audit Report

July 1, 1998 through June 30, 1999



MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL PORTAGE COUNTY



*Certified Public Accountants
& Business Consultants*

Maplewood Area Joint Vocational School - Portage County

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Maplewood Area Joint Vocational School District - Portage County
 Elected Officials
 as of June 30, 1999

Elected Officials	Title	Term of Office	Surety	Amount	Period
<u>Board of Education</u>					
Michael Mikula	President	1/1/98 - 12/31/00	(A)	\$20,000	1/1/99-1/1/01
Roger Boltz	Vice President	1/1/97 - 12/31/99	None		
Marge Carlson	Member	1/1/99 - 12/31/01	None		
Kelly Westover	Member	1/1/98 - 12/31/00	None		
Richard Viebranz	Member	1/1/98 - 12/31/00	None		
Richard Demich	Member	1/1/99 - 12/31/01	None		
Henry Cabot	Member	1/1/98 - 12/31/99	None		
Connie Mansfield	Member	1/1/98 - 12/31/00	None		
Jay Kelsey	Member	1/1/99 - 12/31/01	None		
Deborah Firtha	Member	1/1/99 - 12/31/01	None		
Carolyn Bookwalter	Member	1/1/97 - 12/31/99	None		

Statutory Legal Counsel

Portage County Prosecutor
 247 South Chestnut Street
 Ravenna, Ohio 44266

(A) Nationwide Mutual Insurance Company

Maplewood Area Joint Vocational School District - Portage County
 Administrative Personnel
 as of June 30, 1999

Title	Term of Office or Contract Period	Surety	Amount	Period
<u>Treasurer</u>				
Doris Hart	Organizational Meeting 1996 to Organizational Meeting January 2000	(A)	\$50,000	(B)
<u>Superintendent</u>				
Patricia A. Bateman(c)	8/01/98 - 7/31/01	(A)	\$20,000	1/1/98 - 1/1/01
<u>Director of Business Affairs</u>				
Russell B. McKenzie	7/1/96 - 6/30/99	(A)	\$20,000	1/1/98 - 1/1/01

- (A) National Mutual Insurance Company
- (B) Covers term of office
- (C) Replaced interim superintendent, Dean Mizer

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Maplewood Area Joint Vocational School District - Portage County
Index of Funds
as of June 30, 1999

GOVERNMENTAL FUND TYPES:

General Fund

Special Revenue Fund Types:

Public School Support Fund
Career Development Fund
Teacher Development Fund
Parent Mentorship Fund
Educational Management Information System Fund
Adult Basic Education Fund
Job Training Partnership Act Fund
Vocational Education Fund
Chapter II - Block Grant Allocations Fund
Miscellaneous Federal Grants Fund

PROPRIETARY FUND TYPES:

Enterprise Fund Types:

Food Service Fund
Uniform School Supplies Fund
Consumer Services Fund
Adult Education Fund

Internal Service Fund Type:

Special Rotary Fund

FIDUCIARY FUND TYPES:

Trust and Agency Fund Types:

Expendable Trust:

Special Trust Fund

Agency:

Student Managed Activity Fund



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

35 North Fourth Street, 1st Floor
Columbus, Ohio 43215
Telephone 614-466-4514
800-282-0370
Facsimile 614-728-7398

Board of Education
Maplewood Area Joint Vocational School District
Ravenna, Ohio 44266

We have reviewed the Independent Auditor's Report of the Maplewood Area Joint Vocational School District, Portage County, prepared by Moore Stephens Apple, for the audit period July 1, 1998 through June 30, 1999. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Maplewood Area Joint Vocational School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written over a large, stylized flourish.

JIM PETRO
Auditor of State

January 7, 2000

MOORE STEPHENS APPLE

1540 West Market Street
Akron, Ohio 44313
Telephone: 330/867-7350
Fax: 330/867-8866

Certified Public Accountants

29550 Detroit Road
Cleveland, Ohio 44145
Telephone: 440/871-8288
Fax: 440/871-6452

Report of Independent Auditors'

Board of Education
Maplewood Area Joint Vocational School District
Ravenna, Ohio 44266

We have audited the accompanying general purpose financial statements of the Maplewood Area Joint Vocational School District as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Maplewood Area Joint Vocational School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Maplewood Area Joint Vocational School District as of June 30, 1999 and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 1, 1999 on our consideration of the Maplewood Area Joint Vocational School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

We did not audit the supplemental information dealing with the Year 2000 as listed in the table of contents and therefore express no opinion thereon.

Moore Stephens Apple

Akron, Ohio
December 1, 1999



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General Purpose Financial Statements

Maplewood Area Joint Vocational School
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals (Memorandum Only)
	General	Special	Enterprise	Internal Service	Expendable Trust and Agency	General Fixed Assets	General Long-Term Obligations		
ASSETS AND OTHER DEBITS:									
Assets:									
Equity in Pooled Cash and Investments	\$3,594,780	\$140,490	\$311,227	\$84,503	\$53,893	\$0	\$0	\$4,164,893	
Receivables									
Taxes	4,704,261	0	0	0	0	0	0	4,704,261	
Accounts	379	446	157,213	200	0	0	0	158,238	
Intergovernmental	0	1,363	2,815	0	0	0	0	4,178	
Interfund	161,449	0	0	0	0	0	0	161,449	
Materials and Supplies									
Inventory	0	0	1,144	0	0	0	0	1,144	
Restricted Asset:									
Equity in Pooled Cash and Investments	96,006	0	0	0	0	0	0	96,006	
Fixed Assets (Net Where applicable, of Accumulated Depreciation)	0	0	8,599	0	0	9,325,031	0	9,333,630	
Other Debits:									
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0	0	0	979,853	979,853	
Total Assets and Other Debits	<u>\$8,556,875</u>	<u>\$142,299</u>	<u>\$480,999</u>	<u>\$61,703</u>	<u>\$53,893</u>	<u>\$9,325,031</u>	<u>\$979,853</u>	<u>\$19,603,652</u>	

(Continued)

The accompanying notes are an integral part of these statements.

Maplewood Area Joint Vocational School
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types		Account Groups		Totals (Memorandum Only)
	Special Revenue		Enterprise Service		Expendable Trust and Agency		General Fixed Assets		
	General	Revenue	Enterprise	Service	Agency	Assets	General	Long-Term Obligations	
LIABILITIES, FUND EQUITY AND OTHER CREDITS:									
Liabilities:									
Accounts Payable	\$76,818	\$294	\$6,522	\$200	\$0	\$0	\$0	\$0	\$83,834
Accrued Wages and Benefits	538,764	37,394	15,713	12,266	0	0	0	0	604,137
Compensated Absences	88,024	0	35,178	0	0	0	912,693	0	1,035,895
Intergovernmental Payable	71,994	6,150	2,435	1,962	0	0	0	0	82,541
Interfund Payable	0	39,791	121,658	0	0	0	0	0	161,449
Due to Others	0	0	0	0	19,491	0	0	0	19,491
Capital Lease Obligations	0	0	0	0	0	0	67,160	0	67,160
Deferred Revenue	4,176,645	0	0	0	0	0	0	0	4,176,645
Total Liabilities	4,952,245	83,629	181,506	14,428	19,491	0	979,853	0	6,231,152
Fund Equity and Other Credits:									
Investment in General Fixed Assets	0	0	0	0	0	9,325,031	0	0	9,325,031
Retained Earnings - Unreserved	0	0	299,492	50,275	0	0	0	0	349,767
Fund Balances									
Reserved for Property Taxes	527,616	0	0	0	0	0	0	0	527,616
Reserved for Encumbrances	326,979	8,969	0	0	4,000	0	0	0	339,948
Reserved for Budget Stabilization	96,006	0	0	0	0	0	0	0	96,006
Unreserved - Undesignated	2,654,023	49,701	0	0	30,402	0	0	0	2,734,126
Total Fund Equity and Other Credits	3,604,630	58,670	299,492	50,275	34,402	9,325,031	0	0	13,372,500
Total Liabilities, Fund Equity and Other Credits	\$8,556,875	\$142,299	\$480,998	\$64,703	\$53,893	\$9,325,031	\$979,853	\$0	\$19,603,652

The accompanying notes are an integral part of these statements.

Maplewood Area Joint Vocational School
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 All Governmental Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types		Fiduciary	Totals
	General	Special	Fund Type	(Memorandum Only)
		Revenue	Expendable	
REVENUE:				
Taxes	\$4,456,350	\$0	\$0	\$4,456,350
Intergovernmental	2,377,199	427,802	0	2,805,001
Interest	234,958	0	1,534	236,492
Other	40,226	3,222	5,291	48,739
Classroom Materials & Fees	0	2,499	0	2,499
Total Revenues	<u>7,108,733</u>	<u>433,523</u>	<u>6,825</u>	<u>7,549,081</u>
EXPENDITURES:				
Current				
Instruction				
Regular	569,141	0	0	569,141
Vocational	3,034,781	154,437	0	3,189,218
Adult/Continuing	0	73,208	0	73,208
Support Services				
Pupil	536,978	135,904	0	672,882
Instructional Staff	341,989	129,579	0	471,568
Board of Education	45,851	0	3,500	49,351
Administration	386,513	32,707	0	419,220
Fiscal	289,584	5,764	0	295,348
Business	189,346	0	0	189,346
Operation and Maintenance of Plant	746,130	1,438	0	747,568
Pupil Transportation	3,451	0	0	3,451
Central	167,131	20,079	0	187,210
Community Services	2,013	7	0	2,020
Extracurricular Activities	12,765	0	0	12,765
Building Acquisition and Construction	<u>139,993</u>	<u>0</u>	<u>0</u>	<u>139,993</u>
Total Expenditures	<u>6,465,666</u>	<u>553,123</u>	<u>3,500</u>	<u>7,022,289</u>
Revenues Over (Under) Expenditures	<u>643,067</u>	<u>(119,600)</u>	<u>3,325</u>	<u>526,792</u>

(Continued)

The accompanying notes are an integral part of these statements

Maplewood Area Joint Vocational School
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 All Governmental Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 1999

	Governmental Fund Types		Fiduciary	Totals (Memorandum Only)
	General	Special	Fund Type	
		Revenue	Expendable Trust	
OTHER FINANCING SOURCES (USES):				
Sale of Fixed Assets	\$1,385	\$0	\$0	\$1,385
Operating Transfers - In	174,000	151,202	0	325,202
Operating Transfers - Out	(326,671)	0	0	(326,671)
Refund of Prior				
Year's Expense	22,247	0	0	22,247
Refund of Prior				
Year's Receipts	0	(2,401)	0	(2,401)
Total Other Financing Sources (Uses)	<u>(129,039)</u>	<u>148,801</u>	<u>0</u>	<u>19,762</u>
Total Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	514,028	29,201	3,325	546,554
Fund Balances (Deficit) at Beginning of Year	<u>3,090,602</u>	<u>29,469</u>	<u>31,077</u>	<u>3,151,148</u>
Fund Balances at End of Year	<u>\$3,604,630</u>	<u>\$58,670</u>	<u>\$34,402</u>	<u>\$3,697,702</u>

The accompanying notes are an integral part of these statements.

**Maplewood Area Joint Vocational School District
 Combined Statement of Revenue, Expenditures, and Changes
 in Fund Balances - Budget Basis and Actual
 All Governmental Fund Types and Similar Trust Funds
 For the Fiscal Year Ended June 30, 1999**

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 4,208,246	\$ 4,208,246	\$ -
Tuition and Fees	-	-	-
Intergovernmental	2,377,199	2,377,199	-
Interest	234,959	234,959	-
Extracurricular Activities	-	-	-
Food Services	-	-	-
Classroom Material and Fees	-	-	-
Other	40,096	40,096	-
Total Revenues	6,860,500	6,860,500	-
EXPENDITURES:			
Current			
Instruction			
Regular	572,617	572,617	-
Special	-	-	-
Vocational	3,064,649	3,064,649	-
Adult Continuing	-	-	-
Other	-	-	-
Support Services			
Pupil	555,635	555,635	-
Instructional Staff	356,293	356,293	-
Board of Education	60,031	60,031	-
Administration	390,490	390,490	-
Fiscal	312,411	312,411	-
Business	204,647	204,647	-
Operation and Maintenance of Plant	874,422	874,422	-
Pupil Transportation	3,981	3,981	-
Central	180,184	180,184	-
Food Service Operations	-	-	-
Extracurricular Activities	13,345	13,345	-
Facilities Acquisition & Construction	172,783	172,783	-
Debt Service	-	-	-
Principal Retirement and Interest	-	-	-
Total Expenditures	6,761,488	6,761,488	-
Revenues Over (Under) Expenditures	99,012	99,012	-
OTHER FINANCING SOURCE (USES):			
Sale of Fixed Assets	1,385	1,385	-
Advances - In	122,167	122,167	-
Advances - Out	(161,449)	(161,449)	-
Refund of Prior Year Expenditures	22,247	22,247	-
Refund of Prior Year Receipt	-	-	-
Operating Transfer - In	174,000	174,000	-
Operating Transfers - Out	(326,671)	(326,671)	-
Pass through	-	-	-
Proceeds from Sale of Notes	-	-	-
Total Other Financing Sources (Uses)	(168,321)	(168,321)	-
Total Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(69,309)	(69,309)	-
Fund Balance at Beginning of Year	3,082,259	3,082,259	-
Prior Year Appropriated	274,011	274,011	-
Fund Balance at End of Year	\$ 3,286,961	\$ 3,286,961	\$ -

The accompanying notes are an integral part of these statements.

Special Revenue Fund

Expendable Trust Fund

Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
473,168	473,168	-	-	-	-
-	-	-	1,535	1,535	-
2,499	2,499	-	-	-	-
2,867	2,867	-	5,291	5,291	-
<u>478,534</u>	<u>478,534</u>	-	<u>6,826</u>	<u>6,826</u>	-
-	-	-	-	-	-
153,650	153,650	-	-	-	-
71,999	71,999	-	-	-	-
-	-	-	-	-	-
134,909	134,909	-	-	-	-
132,714	132,714	-	-	-	-
33,937	33,937	-	7,500	7,500	-
5,765	5,765	-	-	-	-
-	-	-	-	-	-
20,495	20,495	-	-	-	-
2,746	2,746	-	-	-	-
-	-	-	-	-	-
<u>556,215</u>	<u>556,215</u>	-	<u>7,500</u>	<u>7,500</u>	-
<u>(77,681)</u>	<u>(77,681)</u>	-	<u>(674)</u>	<u>(674)</u>	-
-	-	-	-	-	-
39,791	39,791	-	-	-	-
(26,174)	(26,174)	-	-	-	-
(2,401)	(2,401)	-	-	-	-
151,202	151,202	-	-	-	-
-	-	-	-	-	-
<u>162,418</u>	<u>162,418</u>	-	-	-	-
-	-	-	-	-	-
84,737	84,737	-	(674)	(674)	-
35,597	35,597	-	26,076	26,076	-
10,892	10,892	-	5,000	5,000	-
<u>\$ 131,226</u>	<u>\$ 131,226</u>	<u>\$ -</u>	<u>\$ 30,402</u>	<u>\$ 30,402</u>	<u>\$ -</u>

**Maplewood Area Joint Vocational School District
 Combined Statement of Revenue, Expenditures, and Changes
 in Fund Balances - Budget Basis and Actual
 All Governmental Fund Types and Similar Trust Funds
 For the Fiscal Year Ended June 30, 1999**

	Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	\$ 4,208,246	\$ 4,208,246	\$ -
Tuition and Fees	-	-	-
Intergovernmental	2,850,367	2,850,367	-
Interest	236,494	236,494	-
Extracurricular Activities	-	-	-
Food Services	2,499	2,499	-
Classroom Material and Fees	-	-	-
Other	48,254	48,254	-
Total Revenues	7,345,860	7,345,860	-
EXPENDITURES:			
Current			
Instruction			
Regular	572,617	572,617	-
Special	-	-	-
Vocational	3,218,299	3,218,299	-
Adult Continuing	71,999	71,999	-
Other	-	-	-
Support Services			
Pupil	690,544	690,544	-
Instructional Staff	489,007	489,007	-
Board of Education	60,031	60,031	-
Administration	431,927	431,927	-
Fiscal	318,176	318,176	-
Business	204,647	204,647	-
Operation and Maintenance of Plant	874,422	874,422	-
Pupil Transportation	3,981	3,981	-
Central	200,679	200,679	-
Food Service Operations	2,746	2,746	-
Extracurricular Activities	13,345	13,345	-
Facilities Acquisition & Construction	172,783	172,783	-
Debt Service	-	-	-
Principal Retirement and Interest	-	-	-
Total Expenditures	7,325,203	7,325,203	-
Revenues Over (Under) Expenditures	20,657	20,657	-
OTHER FINANCING SOURCE (USES):			
Sale of Fixed Assets	1,385	1,385	-
Advances - In	161,958	161,958	-
Advances - Out	(187,623)	(187,623)	-
Refund of Prior Year Expenditures	22,247	22,247	-
Refund of Prior Year Receipt	(2,401)	(2,401)	-
Operating Transfer - In	325,202	325,202	-
Operating Transfers - Out	(326,671)	(326,671)	-
Pass through	-	-	-
Proceeds from Sale of Notes	-	-	-
Total Other Financing Sources (Uses)	(5,903)	(5,903)	-
Total Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	14,754	14,754	-
Fund Balance at Beginning of Year	3,143,932	3,143,932	-
Prior Year Appropriated	289,903	289,903	-
Fund Balance at End of Year	\$ 3,448,589	\$ 3,448,589	\$ -

The accompanying notes are an integral part of these statements.

Maplewood Area Joint Vocational School
 Combined Statement of Revenues, Expenses, and Changes in
 Retained Earnings - All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total (Memorandum Only)</u>
OPERATING REVENUES:			
Tuition and Fees	\$199,598	\$39,451	\$239,049
Sales	<u>141,955</u>	<u>3,485</u>	<u>145,440</u>
Total Operating Revenues	<u>341,553</u>	<u>42,936</u>	<u>384,489</u>
OPERATING EXPENSES:			
Salaries and Wages	259,722	22,265	281,987
Fringe Benefits	90,704	3,546	94,250
Contract Services	67,899	3,176	71,075
Cost of Sales	212,146	5,900	218,046
Depreciation	3,295	0	3,295
Other	234	13,488	13,722
Capital Outlay	<u>112,566</u>	<u>0</u>	<u>112,566</u>
Total Operating Expenses	<u>746,566</u>	<u>48,375</u>	<u>794,941</u>
Operating Loss	<u>(405,013)</u>	<u>(5,439)</u>	<u>(410,452)</u>
NON-OPERATING REVENUES:			
Donated Commodities	8,675	0	8,675
Operating Grants	120,015	0	120,015
Sale of Fixed Assets	110,173	0	110,173
Other	<u>282,877</u>	<u>16,703</u>	<u>299,580</u>
Total Non-Operating Revenues	<u>521,740</u>	<u>16,703</u>	<u>538,443</u>
Income Before Operating Transfers	116,727	11,264	127,991
OPERATING FINANCING SOURCES (USES)			
Operating Transfers - In	<u>1,469</u>	<u>0</u>	<u>1,469</u>
Income	118,196	11,264	129,460
Retained Earnings at Beginning of Year	<u>181,296</u>	<u>39,011</u>	<u>220,307</u>
Retained Earnings at End of Year	<u>\$299,492</u>	<u>\$50,275</u>	<u>\$349,767</u>

The accompanying notes are an integral part of these statements.

Maplewood Area Joint Vocational School District
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget Basis and Actual
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 1999

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Tuition and Fees	\$ 158,418	\$ 158,418	\$ -
Intergovernmental	-	-	-
Interest	-	-	-
Extracurricular Activities	-	-	-
Food Services	141,955	141,955	-
Classroom Materials & Fees	41,180	41,180	-
Other	-	-	-
Total Revenues	341,553	341,553	-
EXPENDITURES:			
Salaries	268,543	268,543	-
Retirement	90,758	90,758	-
Services	84,668	84,668	-
Supplies and Materials	242,902	242,902	-
Capital Outlay	139,341	139,341	-
Capital Outlay - Replacement	-	-	-
Other	29,836	29,836	-
Total Expenditures	856,048	856,048	-
Excess of Operating Revenues Over/ (Under) Operating Expenses	(514,495)	(514,495)	-
Non-Operating Revenues			
Taxes	-	-	-
Earnings on Investments	563	563	-
Miscellaneous	152,974	152,974	-
Other Revenue Sources	110,174	110,174	-
Intergovernmental	146,199	146,199	-
Total Non-Operating Revenues	409,910	409,910	-
Non-Operating Expenses			
Debt Services	-	-	-
Refund of Prior Years Receipts	-	-	-
Pass-Through	-	-	-
Total Non-Operating Expenses	-	-	-
Excess of Revenue Over/(Under) Expenses Before Interfund Transfers Advances	(104,585)	(104,585)	-
OTHER FINANCING SOURCE (USES):			
Operating Transfers - In	1,469	1,469	-
Advances - In	121,658	121,658	-
Operating Transfers - Out	-	-	-
Advances - Out	(95,992)	(95,992)	-
Total Other Financing Sources (Uses)	27,135	27,135	-
Net Excess of Revenues Over/(Under) Expenses	(77,450)	(77,450)	-
Beginning Fund Balance	228,973	228,973	-
Prior Year Appropriated	63,625	63,625	-
Ending Fund Balance	\$ 215,148	\$ 215,148	\$ -

The accompanying notes are an integral part of these statements.

Internal Service Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 39,000	\$ 39,000	\$ -	\$ 197,418	\$ 197,418	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
3,485	3,485	-	145,440	145,440	-
-	-	-	41,180	41,180	-
-	-	-	-	-	-
<u>42,485</u>	<u>42,485</u>	<u>-</u>	<u>384,038</u>	<u>384,038</u>	<u>-</u>
19,637	19,637	-	288,180	288,180	-
3,546	3,546	-	94,304	94,304	-
4,298	4,298	-	88,966	88,966	-
5,970	5,970	-	248,872	248,872	-
-	-	-	139,341	139,341	-
-	-	-	-	-	-
13,741	13,741	-	43,577	43,577	-
<u>47,192</u>	<u>47,192</u>	<u>-</u>	<u>903,240</u>	<u>903,240</u>	<u>-</u>
(4,707)	(4,707)	-	(519,202)	(519,202)	-
-	-	-	-	-	-
-	-	-	563	563	-
16,502	16,502	-	169,476	169,476	-
-	-	-	110,174	110,174	-
-	-	-	146,199	146,199	-
<u>16,502</u>	<u>16,502</u>	<u>-</u>	<u>426,412</u>	<u>426,412</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,795	11,795	-	(92,790)	(92,790)	-
-	-	-	1,469	1,469	-
-	-	-	121,658	121,658	-
-	-	-	-	-	-
-	-	-	(95,992)	(95,992)	-
-	-	-	27,135	27,135	-
11,795	11,795	-	(65,655)	(65,655)	-
48,153	48,153	-	277,126	277,126	-
3,364	3,364	-	66,989	66,989	-
<u>\$ 63,312</u>	<u>\$ 63,312</u>	<u>\$ -</u>	<u>\$ 278,460</u>	<u>\$ 278,460</u>	<u>\$ -</u>

**Maplewood Area Joint Vocational School District
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 1999**

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Enterprise Funds	Internal Service Funds	Total (Memorandum Only)
Cash Flows from operating activities:			
Operating loss	\$ (405,013)	\$ (5,439)	\$ (410,452)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities			
Depreciation	3,295	-	3,295
Donated commodities in cost of sales	10,089	-	10,089
Change in assets and liabilities that increase (decrease) cash flow from operations			
Accounts receivable	(156,486)	(200)	(156,686)
Intergovernmental receivable	25,564	-	25,564
Accounts payable	(7,720)	(456)	(8,176)
Interfund payable	25,666	-	25,666
Accrued wages and benefits	750	2,051	2,801
Intergovernmental payable	55	328	383
Compensated Absences	9,361	-	9,361
Net cash used in operating activities	<u>(494,439)</u>	<u>(3,716)</u>	<u>(498,155)</u>
Cash flows from noncapital financing activities:			
Operating grants received	120,015	-	120,015
Other non-operating revenue	393,050	16,703	409,753
Net cash provided by noncapital financing activities	<u>513,065</u>	<u>16,703</u>	<u>529,768</u>
Net increase in cash and cash equivalents	18,626	12,987	31,613
Cash and cash equivalents - beginning of year	292,601	51,516	344,117
Cash and cash equivalents - end of year	<u>\$ 311,227</u>	<u>\$ 64,503</u>	<u>\$ 375,730</u>
Noncash capital, investing and related financing activities			
Donated commodities received	\$ 8,675	\$ -	\$ 8,675

The accompanying notes are an integral part of these statements.

**MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

1. DESCRIPTION OF THE ENTITY

The Maplewood Area Joint Vocational School District (the District) 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 District is a joint vocational district as defined by Section 3311.18 of the Ohio Revised Code. The District operates under an elected Board of Education (11 members) and is responsible for the provision of public education to residents of the District.

Average daily membership (ADM) as of October 1, 1998 was 561. The District employed 74 certified employees and 30 non-certified employees.

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

On this basis, there were no organizations subject to the District's financial accountability which required incorporation into the financial statements.

The District is associated with certain organizations, which are defined as Jointly Governed Organizations and Public Entity Risk Pools. These organizations include the Stark/Portage Area Computer Consortium (SPARCC) and the Stark County Governments Risk Sharing Pool.

2. BASIS OF PRESENTATION - FUND ACCOUNTING

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

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

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. BASIS OF PRESENTATION - FUND ACCOUNTING - Continued

For financial statement presentation purposes, the various funds of the District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the District's governmental fund types:

General Fund - This fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Proprietary Fund Types:

Proprietary funds are used to account for the District's ongoing activities which are similar to those found in the private sector. The following are the District's proprietary fund types:

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

Internal Service Fund - This fund accounts for the financing of services provided by one department or agency to another department or agency of the District on a cost-reimbursement basis.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. BASIS OF PRESENTATION - FUND ACCOUNTING - Continued

Fiduciary Fund Types:

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and other funds. These include expendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

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

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary or trust funds.

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the District except those accounted for in the proprietary or trust funds.

3. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

3. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is thirty days after year end. In applying the accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: investment earnings, tuition, grants and entitlements.

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise in the governmental funds when a potential revenue does not meet with the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999 and delinquent property taxes, whose availability is indeterminate, and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue as more fully described in Note C.

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 fund liability is incurred, if measurable. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. Unbilled service charges receivable are recognized as revenue at year end. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities nonoperating revenue.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. BUDGETARY PROCESS

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

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Portage County Budget Commission for rate determination.

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year.

The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 1999.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. BUDGETARY PROCESS - Continued

Appropriations:

By October 1, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation resolution, the Board may pass a temporary resolution to meet the ordinary expenses of the District. Appropriations by fund must be within the estimated resources as certified by the County Budget Commission, and the total of expenditures and encumbrances may not exceed the appropriation at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental fund appropriations were legally enacted, however, the amount of the increases were not significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications. Formal budgetary integration is employed as a management control device during the year for all funds, consistent with statutory provisions.

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

Lapsing of Appropriations:

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

**MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. BUDGETARY PROCESS - Continued

Budgetary Basis of Accounting:

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

1. Revenues are reported when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure for proprietary fund types (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

**Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
Governmental Fund Types and Similar Trust Funds**

	<u>General</u>	<u>Special Revenue</u>	<u>Expendable Trust</u>
GAAP Basis	\$ 514,028	\$ 29,201	\$ 3,325
Net Adjustment for Revenue Accruals	(248,234)	45,011	1
Net Adjustment for Expenditure Accruals	(295,821)	(3,092)	(4,000)
Adjustment for Other Sources (Uses)	0	0	0
Advances - In	122,167	39,791	0
Advances - Out	(161,449)	(26,174)	0
Budget Basis	<u>\$ (69,309)</u>	<u>\$ 84,737</u>	<u>\$ (674)</u>

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. BUDGETARY PROCESS - Continued

**Net Income (Loss)/Revenue Over (Under)
Expenses, Advances and Operating Transfers
Proprietary Fund Types**

	Enterprise	Internal Service
GAAP Basis	\$ 118,196	\$ 11,264
Net Adjustment for Revenue Accruals	(103,155)	(451)
Commodities Received	(8,675)	0
Other Sources (Uses) - Net	25,666	(201)
Net Adjustment for Expense Accruals	(122,866)	1,183
Commodities Used	10,089	0
Depreciation	3,295	0
Budget Basis	\$ (77,450)	\$ 11,795

5. POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS

The District maintains a cash and investment pool used by all funds.

The amounts of this pooled investment are reflected on the Combined Statement of Cash, Investments, and Fund Cash Balances as Cash, Cash Equivalents and/or Other Investments.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash investment pool are considered to be cash equivalents.

Legal Requirements:

Statutes require the classification of moneys held by the District into three categories.

Category A consists of "active" moneys, those moneys required to be kept in a "cash" or a "near cash" status for immediate use by the District. Such moneys must be maintained either as cash in the District treasury or negotiable order of withdrawal (NOW) accounts.

Category B consists of "inactive" moneys, those moneys not required for use within the current two-year period of designation of depositories. Inactive moneys may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

Category C consists of "interim" moneys, those moneys which are not needed for immediate use, but which will be needed before the end of the current period of depositories. Interim moneys may be invested or deposited in the following securities:

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

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

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

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

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

Deposits:

At year end, the carrying amount of the District's cash deposits was \$(220,000) and the bank balance was \$5,723. Of the bank's balance:

1. \$5,723 was covered by the federal depository insurance.

Statutory provisions require that collateral pledged for deposits be held in trust by an institution other than the pledging bank.

Investments:

The District's investments are categorized below to give an indication of the level of risk assumed by the entity at year end.

1. Securities held by the entity or its agent in the entity's name (Category 1).
2. Securities held by the counterparty's trust department or agent in the entity's name (Category 2).
3. Securities are held by the counterparty, or by its trust department or agent but not in the entity's name (Category 3).

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

Statutory provisions require that all securities acquired by the District be held by the District treasurer or deposited with a qualified trustee unless the counterparty is a designated depository of the District for the current period of designation of depositories, in which case the securities may be held in trust by the depository.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 1999. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share prices, which is the price the investment could be sold for on June 30, 1999. This is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Category 1	Category 2	Category 3	Carrying Value	Fair Value
Repurchase Agreement - U. S. Treasury Notes	\$ 0	\$ 0	\$304,817	\$304,817	\$ 304,855
Investment in State Treasurer's Investment Pool	0	0	0	4,176,082	4,176,082
Total Investment	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$304,817</u>	<u>\$4,480,899</u>	<u>\$4,480,937</u>

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

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

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement 9	\$ 4,260,899	\$ 0
Investments:		
Repurchase Agreement	(304,817)	304,817
STAROhio	(4,176,082)	4,176,082
GASB Statement 3	\$ (220,000)	\$ 4,480,899

6. INVENTORY

Inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and are maintained on the district computer system. Inventory items are recorded as expenses in the proprietary fund types when used. Inventory in the enterprise funds consists of purchased food, donated commodities and school supplies held for resale and are expensed when used.

7. FIXED ASSETS AND DEPRECIATION

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date donated. The District has established a capitalization threshold for fixed assets at \$1,000. Books, records, movies, and other learning aids kept at the District Library are also included for reporting purposes. The District does not possess any infrastructure.

The cost 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. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The District's policy is not to capitalize interest costs incurred as part of construction.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

7. FIXED ASSETS AND DEPRECIATION - Continued

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

8. INTERGOVERNMENTAL REVENUES

For governmental funds, intergovernmental revenue, such as grants awarded on a non-reimbursement basis and entitlements, are recorded as receivables and revenues when measurable and available. Reimbursement-type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements received for proprietary fund operating purposes are recognized as non-operating revenues in the accounting period in which they are earned and become measurable. The District currently participates in several State and Federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program

Non-Reimbursable Grants

Special Revenue Funds

Chapter II

Adult Education

9. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 1999 are recorded as prepaid items.

10. SHORT-TERM, INTERFUND ASSETS/LIABILITIES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds." Short-term interfund loans are classified as interfund receivables/payables.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. COMPENSATED ABSENCES

Employees earn vacation at rates specified by the Union Contractual Agreement based on credited service. Administrative and 260 day employees are entitled to vacation ranging from 10 to 21 days.

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 a certified employee upon retirement is limited to fifty percent of accumulated sick days not to exceed 170 days. The total maximum is 85 days. The amount paid to a classified employee upon retirement is limited to fifty percent of accumulated sick days not to exceed 170 days. The total maximum is 85 days. At June 30, 1999 a current liability of \$88,024 in the general fund and a liability of \$35,178 in the enterprise fund has been provided for earned but unused sick leave severance.

The District adopted GASB No. 16, "Accounting for Compensated Absences," effective July 1, 1995. As a result, the District has recorded an estimated long-term liability of \$912,693 for severance pay and sick leave payable at June 30, 1999. The amount has been recorded in the General Long-Term Debt Account Group since the liability will not require the use of current expendable available financial resources.

12. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

13. PROPRIETARY FUND ACCOUNTING

Under the guidelines of GASB Statement No. 20, "Accounting and Financial Reporting and Other Governmental Entities that use Proprietary Fund Accounting", the District has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989 to its proprietary activities.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

14. RESTRICTED ASSETS

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

15. FUND BALANCE RESERVES

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, notes receivable, and for budget stabilization. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

16. ESTIMATES

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

17. CHANGE IN ACCOUNTING PRINCIPLES

For fiscal year 1998, the School District has implemented GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investments Pools." This statement establishes accounting and reporting guidelines for government investments and investment pools. This change had no impact on the current year financial statements.

18. TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund elimination's have not been made in the aggregation of this data.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE B - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - FUND DEFICITS

Fund balances at June 30, 1999 included the following individual fund deficits:

DEFICIT FUND BALANCES

Special Revenue Funds

Adult Basic Education	\$10,834
Vocational Education	36,451
Career Development	22,348
Teacher Development	18
Education Management Info. System	7

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

NOTE C - PROPERTY TAX

Real property tax is levied each January 1 on the assessed value listed on the prior September 1 for all real property located in the District. Assessed values are established by the County Auditor at 35% of current market value. Reappraisal of all property is required every six years with triennial updates. The last update was completed for the tax year 1997 for Summit County and 1998 for Portage County.

Real property taxes become a lien on all non-exempt real property located in the County on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, State statute permits later payment dates to be established.

The full tax rate applied to real property for tax year 1998 was \$4.00 for Portage and Summit Counties per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$2.86 for Portage and Summit Counties per \$1,000 of assessed valuation for real property classified as residential/ agricultural and \$3.18 for Portage and Summit Counties per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the District by the State of Ohio.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE C - PROPERTY TAX - Continued

Owners of tangible personal property are required to file a list of such property, including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for tax year 1999 was \$4.00 for Portage and Summit Counties per \$1,000 of assessed valuation.

SUMMIT COUNTY

Real Property - 1998 Valuation	
Residential/Agricultural	\$ 26,636,630
Commercial/Industrial	13,167,640
Public Utilities	7,420
Tangible Personal Property - 1999 Valuation	
General	23,938,671
Public Utilities	2,718,800
Total Valuation	\$ 66,469,161

PORTAGE COUNTY

Real Property - 1998 Valuation	
Residential/Agricultural	\$ 966,954,351
Commercial/Industrial	193,207,960
Minerals	7,513,600
Railroad	411,140
Tangible Personal Property - 1999 Valuation	
General	144,231,098
Public Utilities	105,717,720
Total Valuation	\$1,418,035,869

The respective County Treasurers collect property tax on behalf of all taxing districts within the County. The respective County Auditors periodically remit to the taxing districts their portions of the taxes collected.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 of \$527,616, is recognized as revenue.

**MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY**

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE D - INSURANCE

1. **PROPERTY INSURANCE**

The District maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 90% coinsured.

2. **HEALTH BENEFITS PROGRAM**

The District is a member of the Portage County Schools Consortium (the Consortium), 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. The District accounts for the premiums paid as expenditures in the general or applicable fund.

NOTE E - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 1999 follows:

Furniture and Equipment	\$ 78,775
Less Accumulated Depreciation	(70,176)
Net Fixed Assets	\$ 8,599

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land and Buildings	\$7,284,557	\$ 0	\$ 0	\$7,284,557
Furniture and Equipment	1,800,485	165,051	163,606	1,801,930
Leased Equipment	0	95,570	0	95,570
Vehicles	142,974	0	0	142,974
Total	\$9,228,016	\$260,621	\$ 163,606	\$9,325,031

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE F - Capital Leases

The School District has entered into capitalized leases for equipment and furniture and fixtures. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting of Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

General fixed assets leased equipment have been capitalized in the general fixed assets account group in the amount of \$95,570. This amount represent the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 1999.

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2000	\$ 32,186
2001	32,186
2002	15,050
Total	<u>79,422</u>
Less: Amount Representing Interest	(12,262)
Present Value of Net Minimum Lease Payments	<u>\$ 67,160</u>

NOTE G - LONG-TERM DEBT

Long-term obligations of the District as of June 30, 1999 were as follows:

	<u>Outstanding July 1, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding June 30, 1999</u>
Compensated Absences	\$ 947,143	\$ 0	\$ 34,450	\$ 912,693
Totals	<u>\$ 947,143</u>	<u>\$ 0</u>	<u>\$ 34,450</u>	<u>\$ 912,693</u>

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE H - RETIREMENT PLANS

The District provides retirement benefits to all certified employees under the State Teachers' Retirement System and to all noncertified employees under the School Employees Retirement System. Both systems are cost-sharing, multiple-employer plans.

1. STATE TEACHERS' RETIREMENT SYSTEM (STRS)

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the Maplewood Area Joint Vocational School District is required to contribute 14 percent; 14 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$563,498, \$551,745, and \$513,547, respectively; 100 percent has been contributed for fiscal years 1999, 1998, and 1997.

2. SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS)

The Maplewood Area Joint Vocational School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the Maplewood Area Joint Vocational School District is required to contribute 14 percent; 14 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$ 143,509, \$134,471, and \$129,244, , respectively; 100 percent has been contributed for fiscal years 1999, 1998, and 1997.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE H - RETIREMENT PLANS - Continued

3. POST-EMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of health care cost in form of monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contributions rate, currently 14 percent of covered payroll. The board currently allocates employer contributions equal to two percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the District, this amount equaled \$66,582 during the 1998 fiscal year. As of July 1, 1998, eligible benefit recipients totaled 91,999. For the fiscal year ended June 30, 1998, net health care cost paid by STRS were \$219.224 million.

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

For the fiscal year, employer contributions to fund health care benefits were 4.21 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1998, the minimum pay has been established at \$12,400. For the district, the amount to fund health care benefits, including surcharge, equaled \$32,978 during the 1998 fiscal year. The number of participants currently receiving health care benefits is 50,000. For the fiscal year ended June 30, 1998, net health care costs paid by SERS were \$111.9 million.

NOTE I - FEDERAL AND STATE GRANTS (Intergovernmental Receipts)

During the year ended June 30, 1999, the District received grants-in-aid from federal and state sources amounting to approximately \$366,060 and \$2,630,500 respectively, for specific purposes that are subject to review and audit by the grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the District's management believes such disallowances, if any, would be immaterial.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE J - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains four enterprise funds - food service, customer service, uniform, and adult education which are operated on a sales basis. The table below reflects, in a summarized format, the more significant financial data relating to the enterprise funds of the District for the fiscal year ended June 30, 1999:

	Food Service	Uniform School Supplies	Customer Service	Adult Education	Total
Operating Revenues	\$141,955	41,180	0	158,418	\$341,553
Operating Expenses Before Depreciation					
Depreciation	190,057	43,245	233,244	276,723	743,271
Depreciation	3,295	0	0	0	3,295
Operating Loss	(51,397)	(2,067)	(233,244)	(118,305)	(405,013)
Operating Grants	22,222	0	0	97,793	120,015
Net Non-Operating Revenue/ Expenses	31,833	5	388,584	101,318	521,740
Net Income/Loss	(19,564)	(592)	155,339	(16,987)	118,196
Net Working Capital (Deficit)	2,668	3,562	132,653	152,010	290,893
TOTAL ASSETS	35,298	26,991	238,054	180,655	480,998
TOTAL LIABILITIES	24,031	23,429	105,401	28,645	181,506
TOTAL EQUITY (DEFICIT)	11,267	3,562	132,653	152,010	299,492
Reserve for Encumbrances	962	24,304	43,483	27,327	96,076

NOTE K - JOINTLY GOVERNED ORGANIZATION

Stark/Portage Area Computer Consortium (SPARCC):

SPARCC is a jointly governed organization created as a regional council of governments made up of public school districts and county boards of education from Stark, Portage and Carroll Counties. The primary function of SPARCC is to provide data processing services to its member districts with the major emphasis being placed on accounting, inventory control and payroll services. Other areas of service provided by SPARCC include student scheduling, registration, grade reporting, and test scoring. Each member district pays an annual fee for the services provided by SPARCC. SPARCC is governed by a board of directors comprised of each Superintendent within the Consortium. The Stark County Educational Service Center serves as the fiscal agent of the consortium and receives funding from the State Department of Education. Each district has one vote in all matters and each member district's control over budgeting and financing of SPARCC is limited to its voting authority and any representation it may have on the board of directors. The continued existence of SPARCC is not dependent on the District's continued participation and no equity interest exists.

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE L - OTHER REQUIRED FUND DISCLOSURES

A. Restricted Assets

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

B. Set-Aside Requirements

State of Ohio House Bill 412 requires the District to set-aside a portion of their general operating resources for future use. For the fiscal year ended June 30, 1999, the following table discloses the required set-asides.

	Textbooks	Capital Acquisition	Budget Stabilization	Totals
Set-aside Cash Balance as of June 30, 1998	\$ 0	\$ 0	\$ 38,006	\$ 38,006
Current Year Set-aside Requirements	116,000	116,000	58,000	290,000
Current Year Offsets	0	0	0	0
Qualifying Disbursements	116,000	116,000	0	(232,000)
Total	<u>0</u>	<u>0</u>	<u>96,006</u>	<u>96,006</u>
Cash Balance Carried Forward to FY 2000	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 96,006</u>	
Total Restricted Assets				<u>\$ 96,006</u>

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 1999

NOTE M - STATE SCHOOL FUNDING DECISIONS

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring a certain portions of the Ohio school founding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the systems. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 1999, the School District received \$1,940,131 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of the date of these financial statements, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

SUPPLEMENTAL INFORMATION

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

SUPPLEMENTAL INFORMATION (unaudited)

June 30, 1999

YEAR 2000 ISSUE

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the District's operations as early as fiscal year 1999.

The District has completed an inventory of computer systems and other equipment necessary to conducting District operations.

The District utilizes an external service organization for its financial reporting, payroll and employee benefit systems. The external service organization is responsible for remediating these systems. The external service organization reports that it has assessed, remediated, tested and validated these systems and is year 2000 compliant.

Portage and Summit Counties collect property taxes for distribution to the District. Portage and Summit Counties are responsible for remediating their tax collection systems.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the District through the State's Education Management and Information Systems (EMIS). The State is responsible for remediating these systems.

The District has hired a technology coordinator to assist in remediating the District's internal systems and she has indicated that all systems have been tested and validated.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the District is or will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be Year 2000 ready.

Maplewood Area Joint Vocational School District - Portage County
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 1999

Federal Grantor/Sub Grantor Program Title	CFDA Number	Pass-Through Grantor's Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. Department of Education</u>						
Passed through the State Department of Education						
Vocational Education	84.048	051391-20-CI	\$ 223,845	-	\$ 223,845	-
Total Vocational Education			223,845	-	223,845	-
Adult Education	84.002	051391-AB-SD N/A	83,667 15,701	-	74,033 15,701	-
Total Adult Education			99,368	-	89,734	-
Chapter 2 - Education Consolidation Improvement Act of 1981						
	84.298	051391-C2-S1	2,297	-	2,297	-
Total Chapter 2			2,297	-	2,297	-
Total U.S. Department of Education			325,510	-	315,876	-
U.S. Department of Health and Human Services						
Jobs Education	93.561	051391-JB-S1	2,760	-	2,760	-
Total Health/Humans Services			2,760	-	2,760	-

Maplewood Area Joint Vocational School District - Portage County
 Schedule of Expenditures of Federal Awards - Continued
 for the Year Ended June 30, 1999

Federal Grantor/Sub Grantor Program Title	CFDA Number	Pass-Through Grantor's Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. Department of Labor</u> Passed locally by the Portage Private Industry Council (PPIC) School to Work	17.249	N/A	22,774	-	22,774	-
Total Department of Agriculture			22,774	-	22,774	-
<u>U.S. Department of Agriculture</u>						
Passed through the State Department of Education						
Food Distribution Program	10.550	N/A	-	8,675	-	10,089
National School Lunch Program	10.555	N/A	18,608	-	18,608	-
Total Department of Agriculture			18,608	8,675	18,608	10,089
Total Federal Financial Assistance			\$ 369,652	\$ 8,675	\$ 360,018	\$ 10,089

Donated Commodities are valued at fair market value less cost to the District. Assumed expended on a first-in, first-out basis.

This schedule is prepared on the basis of cash receipts and disbursements.

MOORE STEPHENS APPLE

1540 West Market Street
Akron, Ohio 44313
Telephone: 330/867-7350
Fax: 330/867-8866

Certified Public Accountants

29550 Detroit Road
Cleveland, Ohio 44145
Telephone: 440/871-8288
Fax: 440/871-6452

Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

Board of Education
Maplewood Area Joint Vocational School District
Ravenna, Ohio 44266

We have audited the general purpose financial statements of the Maplewood Area Joint Vocational School District (the District), as of and for the year ended June 30, 1999 and have issued our report thereon dated December 1, 1999. We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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



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

Moore Stephens Apple

Akron, Ohio
December 1, 1999

MOORE STEPHENS APPLE

Certified Public Accountants

1540 West Market Street
Akron, Ohio 44313
Telephone: 330/867-7350
Fax: 330/867-8866

29550 Detroit Road
Cleveland, Ohio 44145
Telephone: 440/871-8288
Fax: 440/871-6452

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

Board of Education
Maplewood Area Joint Vocational School District
Ravenna, OH 44266

Compliance

We have audited the compliance of Maplewood Area Joint Vocational School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. Maplewood Area Joint Vocational School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Maplewood Area Joint Vocational School District's management. Our responsibility is to express an opinion on Maplewood Area Joint Vocational School District's compliance based on our audit.

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

In our opinion, Maplewood Area Joint Vocational School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

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



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

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

Moore Stephens Apple

Akron, Ohio
December 1, 1999

Maplewood Area Joint Vocational School District
Portage County

Schedule of Findings and Questioned Costs
June 30, 1999

Summary of Auditors' Results

Unqualified opinion was issued on the financial statements.

Reportable control weaknesses at the financial statement level - none noted.

There was no material non-compliance at the financial statement level.

Reportable control weaknesses for major federal programs - none noted.

For those items tested, there were no material non-compliance for major federal programs.

Unqualified opinion was issued on major programs compliance.

The audit disclosed no findings under OMB Circular A-133.

The District's major program tested was Vocational Education - CFDA #84.048.

There were no Type A Programs (\$300,000) and the dollar threshold used for Type B programs was \$100,000.

The Auditee was low risk.

There were no audit findings or questioned costs for federal awards during the year ended June 30, 1999.

**Maplewood Area Joint Vocational School District
Portage County**

**Schedule of Prior Audit Findings
June 30, 1999**

The prior audit report of the Maplewood Area Joint Vocational School District, issued as of June 30, 1998, included no citations and no recommendations.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

MAPLEWOOD AREA JOINT VOCATIONAL SCHOOL DISTRICT
PORTAGE COUNTY

CLERK'S CERTIFICATION

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

By: _____

Susan Babbitt

Clerk of the Bureau

Date: _____

JAN 18 2000