



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Maplewood Career Center, Portage County, (the Center) as of and for the year ended June 30, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Center'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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Center, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2002 on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We performed our audit to form an opinion on the general-purpose financial statements of the Center, taken as a whole. The accompanying schedule of federal awards expenditures is presented for 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. We subjected this information 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

December 17, 2002

Maplewood Career Center
Combined Balance Sheet – All Fund Types and Account Groups
June 30, 2002

| | <u>Governmental Fund Types</u> | | | <u>Proprietary Fund Types</u> | | <u>Fiduciary Fund Types</u> | <u>Account Groups</u> | | <u>Totals (Memorandum Only)</u> |
|---|--------------------------------|------------------------|-------------------------|-------------------------------|-------------------------|-----------------------------|-----------------------|------------------------------|---------------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Enterprise</u> | <u>Internal Service</u> | <u>Expendable</u> | <u>General</u> | <u>General</u> | |
| | | | | | | <u>Trust and Agency</u> | <u>Fixed Assets</u> | <u>Long-Term Obligations</u> | |
| ASSETS AND OTHER DEBITS: | | | | | | | | | |
| Assets: | | | | | | | | | |
| Equity in Pooled Cash and Investments | \$5,186,389 | \$340,373 | \$0 | \$303,001 | \$59,413 | \$73,942 | \$0 | \$0 | \$5,963,118 |
| Receivables | | | | | | | | | |
| Taxes | 4,772,159 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,772,159 |
| Accounts | 293 | 90 | 0 | 480 | 1,400 | 0 | 0 | 0 | 2,263 |
| Intergovernmental | 2,106 | 109,852 | 0 | 3,413 | 0 | 0 | 0 | 0 | 115,371 |
| Interfund | 343,538 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 343,539 |
| Materials and Supplies | | | | | | | | | |
| Inventory | 0 | 0 | 0 | 989 | 0 | 0 | 0 | 0 | 989 |
| Restricted Assets: | | | | | | | | | |
| Equity in Pooled Cash and Investments | 224,133 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 224,133 |
| Fixed Assets (Net where applicable, of Accumulated Depreciation) | 0 | 0 | 0 | 1,869 | 0 | 0 | 10,066,276 | 0 | 10,068,145 |
| Other Debits: | | | | | | | | | |
| Amount to be Provided for Retirement of General Long-Term Obligations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 912,655 | 912,655 |
| Total Assets and Other Debits | \$10,528,618 | \$450,316 | \$0 | \$309,752 | \$60,813 | \$73,942 | \$10,066,276 | \$912,655 | \$22,402,372 |

(Continued)

The accompanying notes are an integral part of these statements.

Maplewood Career Center
Combined Balance Sheet – All Fund Types and Account Groups
June 30, 2002

| | Governmental Fund Types | | | Proprietary Fund Types | | Fiduciary Fund Types | Account Groups | | Totals (Memorandum Only) |
|---|-------------------------|------------------|------------------|------------------------|------------------|-----------------------------|----------------------|-------------------------------|-----------------------------|
| | General | Special Revenue | Capital Projects | Enterprise | Internal Service | Expendable Trust and Agency | General Fixed Assets | General Long-Term Obligations | |
| LIABILITIES, FUND EQUITY AND OTHER CREDITS: | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts Payable | \$133,155 | \$8,917 | \$0 | \$2,072 | \$772 | \$0 | \$0 | \$0 | \$144,916 |
| Accrued Wages and Benefits | 555,783 | 35,261 | 0 | 16,874 | 2,022 | 0 | 0 | 0 | 609,940 |
| Compensated Absences | 46,154 | 0 | 0 | 74,638 | 0 | 0 | 0 | 910,877 | 1,031,669 |
| Intergovernmental Payable | 80,232 | 6,662 | 0 | 2,732 | 369 | 0 | 0 | 0 | 89,995 |
| Interfund Payable | 0 | 158,129 | 0 | 185,410 | 0 | 0 | 0 | 0 | 343,539 |
| Due to Others | 0 | 0 | 0 | 0 | 0 | 23,805 | 0 | 0 | 23,805 |
| Capital Lease Obligations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,778 | 1,778 |
| Deferred Revenue | 4,696,576 | 37,778 | 0 | 0 | 0 | 0 | 0 | 0 | 4,734,354 |
| Total Liabilities | 5,511,900 | 246,747 | 0 | 281,726 | 3,163 | 23,805 | 0 | 912,655 | 6,979,996 |
| Fund Equity and Other Credits: | | | | | | | | | |
| Investment in General Fixed Assets | 0 | 0 | 0 | 0 | 0 | 0 | 10,066,276 | 0 | 10,066,276 |
| Retained Earnings - Unreserved | 0 | 0 | 0 | 28,026 | 57,650 | 0 | 0 | 0 | 85,676 |
| Fund Balances | | | | | | | | | |
| Reserved for Property Taxes | 75,583 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 75,583 |
| Reserved for Encumbrances | 588,315 | 23,892 | 0 | 0 | 0 | 6,000 | 0 | 0 | 618,207 |
| Reserved for Capital Improvement | 771 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 771 |
| Reserved for Budget Stabilization | 223,362 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 223,362 |
| Unreserved - Undesignated | 4,128,687 | 179,677 | 0 | 0 | 0 | 44,137 | 0 | 0 | 4,352,501 |
| Total Fund Equity and Other Credits | 5,016,718 | 203,569 | 0 | 28,026 | 57,650 | 50,137 | 10,066,276 | 0 | 15,422,376 |
| Total Liabilities, Fund Equity and Other Credits | \$10,528,618 | \$450,316 | \$0 | \$309,752 | \$60,813 | \$73,942 | \$10,066,276 | \$912,655 | \$22,402,372 |

The accompanying notes are an integral part of these statements.

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Maplewood Career Center
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, 2002

| | Governmental Fund Types | | | Fiduciary | Totals (Memorandum Only) |
|---------------------------------------|-------------------------|--------------------|---------------------|---------------------|--------------------------------|
| | | | | Fund Type | |
| | General | Special Revenue | Capital Projects | Expendable Trust | |
| REVENUE: | | | | | |
| Taxes | \$4,430,585 | \$0 | \$0 | \$0 | \$4,430,585 |
| Intergovernmental | 4,112,585 | 701,484 | 0 | 0 | 4,814,069 |
| Interest | 152,393 | 0 | 0 | 1,183 | 153,576 |
| Other | 25,087 | 3,753 | 0 | 6,586 | 35,426 |
| Classroom Materials & Fees | <u>0</u> | <u>1,852</u> | <u>0</u> | <u>0</u> | <u>1,852</u> |
| Total Revenues | <u>8,720,650</u> | <u>707,089</u> | <u>0</u> | <u>7,769</u> | <u>9,435,508</u> |
| EXPENDITURES: | | | | | |
| Current | | | | | |
| Instruction | | | | | |
| Regular | 1,042,687 | 27,718 | 0 | 0 | 1,070,405 |
| Vocational | 2,974,313 | 242,644 | 0 | 0 | 3,216,957 |
| Adult/Continuing | 0 | 110,780 | 0 | 0 | 110,780 |
| Support Services | | | | | |
| Pupil | 583,911 | 280,887 | 0 | 0 | 864,798 |
| Instructional Staff | 340,423 | 85,773 | 0 | 0 | 426,196 |
| Board of Education | 40,578 | 0 | 0 | 5,000 | 45,578 |
| Administration | 460,740 | 11,619 | 0 | 0 | 472,359 |
| Fiscal | 335,110 | 13,772 | 0 | 0 | 348,882 |
| Business | 190,092 | 0 | 0 | 0 | 190,092 |
| Operation and Maintenance of Plant | 936,548 | 12,751 | 0 | 0 | 949,299 |
| Pupil Transportation | 14,078 | 100 | 0 | 0 | 14,178 |
| Central | 301,307 | 29,285 | 0 | 0 | 330,592 |
| Community Services | 0 | 494 | 0 | 0 | 494 |
| Extracurricular Activities | 24,329 | 0 | 0 | 0 | 24,329 |
| Building Acquisition and Construction | <u>321,666</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>321,666</u> |
| Total Expenditures | <u>7,565,782</u> | <u>815,823</u> | <u>0</u> | <u>5,000</u> | <u>8,386,605</u> |
| Revenues Over (Under) Expenditures | <u>1,154,868</u> | <u>(108,734)</u> | <u>0</u> | <u>2,769</u> | <u>1,048,903</u> |

(Continued)

The accompanying notes are an integral part of these statements.

Maplewood Career Center
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, 2002

| | Governmental Fund Types | | | Fiduciary | Totals |
|--|-------------------------|--------------------|---------------------|---------------------|----------------------|
| | General | Special Revenue | Capital Projects | Expendable Trust | (Memorandum Only) |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Sale of Fixed Assets | \$2,658 | \$0 | \$0 | \$0 | \$2,658 |
| Operating Transfers - In | 0 | 170,595 | 0 | 0 | 170,595 |
| Operating Transfers - Out | (174,737) | 0 | 0 | 0 | (174,737) |
| Advances In | 198,396 | 94,546 | 0 | 0 | 292,942 |
| Advances Out | (198,396) | (94,546) | 0 | 0 | (292,942) |
| Refund of Prior Year's Expense | 31,218 | 8 | 0 | 0 | 31,226 |
| Refund of Prior Year's Receipts | 0 | (4,188) | (2,500) | 0 | (6,688) |
| Total Other Financing Sources (Uses) | <u>(140,861)</u> | <u>166,415</u> | <u>(2,500)</u> | <u>0</u> | <u>23,054</u> |
| Total Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | 1,014,007 | 57,681 | (2,500) | 2,769 | 1,071,957 |
| Fund Balances (Deficit) at Beginning of Year | <u>4,002,711</u> | <u>145,888</u> | <u>2,500</u> | <u>47,368</u> | <u>4,198,467</u> |
| Fund Balances at End of Year | <u>\$5,016,718</u> | <u>\$203,569</u> | <u>\$0</u> | <u>\$50,137</u> | <u>\$5,270,424</u> |

The accompanying notes are an integral part of these statements.

Maplewood Career Center
Combined Statement of Revenues, 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, 2002

| | General Fund | | |
|--|---------------------|---------------------|--|
| | Revised Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES: | | | |
| Taxes | \$ 4,580,070 | \$ 4,580,070 | \$ - |
| Tuition and Fees | - | - | - |
| Intergovernmental | 4,049,991 | 4,110,479 | 60,488 |
| Interest | 152,996 | 152,393 | (603) |
| Extracurricular Activities | - | - | - |
| Food Services | - | - | - |
| Classroom Material and Fees | - | - | - |
| Other | 16,434 | 27,435 | 11,001 |
| Total Revenues | <u>8,799,491</u> | <u>8,870,377</u> | <u>70,886</u> |
| EXPENDITURES: | | | |
| Current | | | |
| Instruction | | | |
| Regular | 1,036,356 | 1,017,837 | 18,519 |
| Special | - | - | - |
| Vocational | 3,335,603 | 3,111,547 | 224,056 |
| Adult Continuing | - | - | - |
| Other | - | - | - |
| Support Services | | | |
| Pupil | 617,900 | 597,816 | 20,084 |
| Instructional Staff | 373,374 | 347,130 | 26,244 |
| Board of Education | 164,401 | 143,846 | 20,555 |
| Administration | 518,442 | 467,333 | 51,109 |
| Fiscal | 436,675 | 420,813 | 15,862 |
| Business | 204,785 | 191,946 | 12,839 |
| Operation and Maintenance of Plant | 1,167,967 | 1,134,641 | 33,326 |
| Pupil Transportation | 17,394 | 15,322 | 2,072 |
| Central | 335,065 | 316,812 | 18,253 |
| Food Service Operations | - | - | - |
| Extracurricular Activities | 32,033 | 24,993 | 7,040 |
| Facilities Acquisition & Construction | 463,155 | 461,072 | 2,083 |
| Debt Service | | | |
| Principal Retirement and Interest | - | - | - |
| Total Expenditures | <u>8,703,150</u> | <u>8,251,108</u> | <u>452,042</u> |
| Revenues Over (Under) Expenditures | <u>96,341</u> | <u>619,269</u> | <u>522,928</u> |
| OTHER FINANCING SOURCE (USES): | | | |
| Sale of Fixed Assets | 2,658 | 2,658 | - |
| Advances - In | 198,396 | 198,396 | - |
| Advances - Out | (374,088) | (343,538) | 30,550 |
| Refund of Prior Year Expenditures | 31,077 | 31,218 | 141 |
| Refund of Prior Year Receipts | - | - | - |
| Operating Transfers - In | - | - | - |
| Operating Transfers - Out | (175,000) | (174,737) | 263 |
| Pass through | - | - | - |
| Proceeds from Sale of Notes | - | - | - |
| Total Other Financing Sources (Uses) | <u>(316,957)</u> | <u>(286,003)</u> | <u>30,954</u> |
| Total Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (220,616) | 333,266 | 553,882 |
| Fund Balance at Beginning of Year | 3,760,679 | 3,760,679 | - |
| Prior Year Appropriated | 595,102 | 595,102 | - |
| Fund Balance at End of Year | <u>\$ 4,135,165</u> | <u>\$ 4,689,047</u> | <u>\$ 553,882</u> |

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) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| 729,072 | 680,714 | (48,358) | - | - | - |
| - | - | - | 1,104 | 1,183 | 79 |
| - | - | - | - | - | - |
| 1,852 | 1,852 | - | - | - | - |
| - | - | - | - | - | - |
| 3,700 | 3,700 | - | 6,586 | 6,586 | - |
| <u>734,624</u> | <u>686,266</u> | <u>(48,358)</u> | <u>7,690</u> | <u>7,769</u> | <u>79</u> |
| 27,718 | 27,718 | - | - | - | - |
| - | - | - | - | - | - |
| 254,708 | 240,614 | 14,094 | - | - | - |
| 138,606 | 115,007 | 23,599 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 320,312 | 283,211 | 37,101 | - | - | - |
| 101,386 | 99,238 | 2,148 | - | - | - |
| - | - | - | - | - | - |
| 12,621 | 12,621 | - | 12,000 | 11,000 | 1,000 |
| 14,538 | 14,524 | 14 | - | - | - |
| - | - | - | - | - | - |
| 4,800 | 4,800 | - | - | - | - |
| 382 | 381 | 1 | - | - | - |
| 34,254 | 33,244 | 1,010 | - | - | - |
| 2,798 | 2,798 | - | - | - | - |
| - | - | - | - | - | - |
| 7,950 | 7,952 | (2) | - | - | - |
| - | - | - | - | - | - |
| <u>920,073</u> | <u>842,108</u> | <u>77,965</u> | <u>12,000</u> | <u>11,000</u> | <u>1,000</u> |
| <u>(185,449)</u> | <u>(155,842)</u> | <u>29,607</u> | <u>(4,310)</u> | <u>(3,231)</u> | <u>1,079</u> |
| - | - | - | - | - | - |
| 124,678 | 158,128 | 33,450 | - | - | - |
| (94,545) | (94,545) | - | - | - | - |
| 8 | 8 | - | - | - | - |
| (4,188) | (4,188) | - | - | - | - |
| 170,595 | 170,595 | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>196,548</u> | <u>229,998</u> | <u>33,450</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 11,099 | 74,156 | 63,057 | (4,310) | (3,231) | 1,079 |
| 203,279 | 203,279 | - | 41,369 | 41,369 | - |
| 30,128 | 30,128 | - | 6,000 | 6,000 | - |
| <u>\$ 244,506</u> | <u>\$ 307,563</u> | <u>\$ 63,057</u> | <u>\$ 43,059</u> | <u>\$ 44,138</u> | <u>\$ 1,079</u> |

Maplewood Career Center
Combined Statement of Revenues, 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, 2002

| | Capital Projects Fund | | |
|---|-----------------------|----------------|--|
| | Revised Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Tuition and Fees | - | - | - |
| Intergovernmental | - | - | - |
| Interest | - | - | - |
| Extracurricular Activities | - | - | - |
| Food Services | - | - | - |
| Classroom Materials and Fees | - | - | - |
| Other | - | - | - |
| Total Revenues | - | - | - |
| EXPENDITURES: | | | |
| Current | | | |
| Instruction | | | |
| Regular | - | - | - |
| Special | - | - | - |
| Vocational | - | - | - |
| Adult Continuing | - | - | - |
| Other | - | - | - |
| Support Services | | | |
| Pupil | - | - | - |
| Instructional Staff | - | - | - |
| Board of Education | - | - | - |
| Administration | - | - | - |
| Fiscal | - | - | - |
| Business | - | - | - |
| Operation and Maintenance of Plant | - | - | - |
| Pupil Transportation | - | - | - |
| Central | - | - | - |
| Food Service Operations | - | - | - |
| Extracurricular Activities | - | - | - |
| Facilities Acquisition & Construction | - | - | - |
| Debt Service | - | - | - |
| Principal Retirement and Interest | - | - | - |
| Total Expenditures | - | - | - |
| Revenues Over (Under) Expenditures | - | - | - |
| OTHER FINANCING SOURCES (USES): | | | |
| Sale of Fixed Assets | - | - | - |
| Advances - In | - | - | - |
| Advances - Out | - | - | - |
| Refund of Prior Year Expenditures | - | - | - |
| Refund of Prior Year Receipt | (2,500) | (2,500) | - |
| Operating Transfers - In | - | - | - |
| Operating Transfers - Out | - | - | - |
| Pass through | - | - | - |
| Proceeds from Sale of Notes | - | - | - |
| Total Other Financing Sources (Uses) | (2,500) | (2,500) | - |
| Total Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses | (2,500) | (2,500) | - |
| Fund Balance at Beginning of Year | 2,500 | 2,500 | - |
| Prior Year Appropriated | - | - | - |
| Fund Balance at End of Year | \$ - | \$ - | \$ - |

The accompanying notes are an integral part of these statements.

Totals (Memorandum Only)

| Revised Budget | Actual | Variance Favorable (Unfavorable) |
|---------------------|---------------------|--|
| \$ 4,580,070 | \$ 4,580,070 | \$ - |
| - | - | - |
| 4,779,063 | 4,791,193 | 12,130 |
| 154,100 | 153,576 | (524) |
| - | - | - |
| 1,852 | 1,852 | - |
| - | - | - |
| 26,720 | 37,721 | 11,001 |
| <u>9,541,805</u> | <u>9,564,412</u> | <u>22,607</u> |
| 1,064,074 | 1,045,555 | 18,519 |
| - | - | - |
| 3,590,311 | 3,352,161 | 238,150 |
| 138,606 | 115,007 | 23,599 |
| - | - | - |
| 938,212 | 881,027 | 57,185 |
| 474,760 | 446,368 | 28,392 |
| 164,401 | 143,846 | 20,555 |
| 543,063 | 490,954 | 52,109 |
| 451,213 | 435,337 | 15,876 |
| 204,785 | 191,946 | 12,839 |
| 1,172,767 | 1,139,441 | 33,326 |
| 17,776 | 15,703 | 2,073 |
| 369,319 | 350,056 | 19,263 |
| 2,798 | 2,798 | - |
| 32,033 | 24,993 | 7,040 |
| 471,105 | 469,024 | 2,081 |
| - | - | - |
| <u>9,635,223</u> | <u>9,104,216</u> | <u>531,007</u> |
| <u>(93,418)</u> | <u>460,196</u> | <u>553,614</u> |
| 2,658 | 2,658 | - |
| 323,074 | 356,524 | 33,450 |
| (468,633) | (438,083) | 30,550 |
| 31,085 | 31,226 | 141 |
| (6,688) | (6,688) | - |
| 170,595 | 170,595 | - |
| (175,000) | (174,737) | 263 |
| - | - | - |
| - | - | - |
| <u>(122,909)</u> | <u>(58,505)</u> | <u>64,404</u> |
| (216,327) | 401,691 | 618,018 |
| 4,007,827 | 4,007,827 | - |
| 631,230 | 631,230 | - |
| <u>\$ 4,422,730</u> | <u>\$ 5,040,748</u> | <u>\$ 618,018</u> |

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Maplewood Career Center
Combined Statement of Revenues, Expenditures, and Changes in
Retained Earnings – All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2002

| | <u>Enterprise</u> | <u>Internal Service</u> | <u>Total (Memorandum Only)</u> |
|--|-------------------|-----------------------------|--|
| OPERATING REVENUES: | | | |
| Tuition and Fees | \$220,281 | \$40,925 | \$261,206 |
| Sales | <u>164,707</u> | <u>4,393</u> | <u>169,100</u> |
| Total Operating Revenues | <u>384,988</u> | <u>45,318</u> | <u>430,306</u> |
| OPERATING EXPENSES: | | | |
| Salaries and Wages | 323,619 | 33,274 | 356,893 |
| Fringe Benefits | 82,473 | 6,123 | 88,596 |
| Contract Services | 94,848 | 2,123 | 96,971 |
| Cost of Sales | 235,821 | 6,023 | 241,844 |
| Depreciation | 1,098 | 0 | 1,098 |
| Other | 9,231 | 18,107 | 27,338 |
| Capital Outlay | <u>95,950</u> | <u>0</u> | <u>95,950</u> |
| Total Operating Expenses | <u>843,040</u> | <u>65,650</u> | <u>908,690</u> |
| Operating Loss | <u>(458,052)</u> | <u>(20,332)</u> | <u>(478,384)</u> |
| NON-OPERATING REVENUES: | | | |
| Donated Commodities | 7,814 | 0 | 7,814 |
| Operating Grants | 143,481 | 0 | 143,481 |
| Sale of Fixed Assets | 88,730 | 0 | 88,730 |
| Interest | 543 | 0 | 543 |
| Other | <u>164,207</u> | <u>21,254</u> | <u>185,461</u> |
| Total Non-Operating Revenues | <u>404,775</u> | <u>21,254</u> | <u>426,029</u> |
| Net (Loss) Income Before Operating Transfers | (53,277) | 922 | (52,355) |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating Transfers - In | <u>4,142</u> | <u>0</u> | <u>4,142</u> |
| | <u>4,142</u> | <u>0</u> | <u>4,142</u> |
| Net (Loss) Income | (49,135) | 922 | (48,213) |
| Retained Earnings at Beginning of Year | <u>77,161</u> | <u>56,728</u> | <u>133,889</u> |
| Retained Earnings at End of Year | <u>\$28,026</u> | <u>\$57,650</u> | <u>\$85,676</u> |

The accompanying notes are an integral part of these statements.

Maplewood Career Center
Combined Statement of Revenues, Expenditures, and Changes
In Fund Equity – Budget Basis and Actual
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2002

| | Enterprise Funds | | |
|---|-------------------|-------------------|--|
| | Revised Budget | Actual | Variance Favorable (Unfavorable) |
| REVENUES | | | |
| Tuition and Fees | \$ 167,616 | \$ 169,162 | \$ 1,546 |
| Intergovernmental | - | - | - |
| Interest | - | - | - |
| Extracurricular Activities | - | - | - |
| Food Services | 163,752 | 164,707 | 955 |
| Classroom Materials & Fees | 50,545 | 50,919 | 374 |
| Other | - | - | - |
| Total Revenues | 381,913 | 384,788 | 2,875 |
| EXPENDITURES: | | | |
| Salaries | 316,175 | 315,722 | 453 |
| Retirement | 85,234 | 82,830 | 2,404 |
| Services | 109,673 | 106,286 | 3,387 |
| Supplies and Materials | 267,502 | 258,190 | 9,312 |
| Capital Outlay | 155,920 | 154,139 | 1,781 |
| Capital Outlay - Replacement | - | - | - |
| Other | 25,407 | 25,208 | 199 |
| Total Expenditures | 959,911 | 942,375 | 17,536 |
| Excess of Operating Revenues Over/ (Under) Operating Expenses | (577,998) | (557,587) | 20,411 |
| Non-Operating Revenues | | | |
| Taxes | - | - | - |
| Earnings on Investments | 542 | 542 | - |
| Miscellaneous | 172,239 | 178,087 | 5,848 |
| Other Revenue Sources | 88,730 | 88,730 | - |
| Intergovernmental | 143,048 | 143,048 | - |
| Total Non-Operating Revenues | 404,559 | 410,407 | 5,848 |
| 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 | (173,439) | (147,180) | 26,259 |
| OTHER FINANCING SOURCES (USES): | | | |
| Operating Transfers - In | 4,142 | 4,142 | - |
| Advances - In | 185,410 | 185,410 | - |
| Operating Transfers - Out | - | - | - |
| Advances - Out | (103,851) | (103,851) | - |
| Total Other Financing Sources (Uses) | 85,701 | 85,701 | - |
| Net Excess of Revenues Over/(Under) Expenses | (87,738) | (61,479) | 26,259 |
| Beginning Fund Balance | 205,618 | 205,618 | - |
| Prior Year Appropriated | 50,344 | 50,344 | - |
| Ending Fund Balance | \$ 168,224 | \$ 194,483 | \$ 26,259 |

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) |
| \$ 39,925 | \$ 40,925 | \$ 1,000 | \$ 207,541 | \$ 210,087 | \$ 2,546 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 4,393 | 4,393 | - | 168,145 | 169,100 | 955 |
| - | - | - | 50,545 | 50,919 | 374 |
| - | - | - | - | - | - |
| <u>44,318</u> | <u>45,318</u> | <u>1,000</u> | <u>426,231</u> | <u>430,106</u> | <u>3,875</u> |
| 35,207 | 35,207 | - | 351,382 | 350,929 | 453 |
| 6,123 | 6,123 | - | 91,357 | 88,953 | 2,404 |
| 3,386 | 3,365 | 21 | 113,059 | 109,651 | 3,408 |
| 6,213 | 6,103 | 110 | 273,715 | 264,293 | 9,422 |
| - | - | - | 155,920 | 154,139 | 1,781 |
| - | - | - | - | - | - |
| 18,058 | 18,058 | - | 43,465 | 43,266 | 199 |
| <u>68,987</u> | <u>68,856</u> | <u>131</u> | <u>1,028,898</u> | <u>1,011,231</u> | <u>17,667</u> |
| (24,669) | (23,538) | 1,131 | (602,667) | (581,125) | 21,542 |
| - | - | - | - | - | - |
| - | - | - | 542 | 542 | - |
| 19,650 | 19,900 | 250 | 191,889 | 197,987 | 6,098 |
| - | - | - | 88,730 | 88,730 | - |
| - | - | - | 143,048 | 143,048 | - |
| <u>19,650</u> | <u>19,900</u> | <u>250</u> | <u>424,209</u> | <u>430,307</u> | <u>6,098</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (5,019) | (3,638) | 1,381 | (178,458) | (150,818) | 27,640 |
| - | - | - | 4,142 | 4,142 | - |
| - | - | - | 185,410 | 185,410 | - |
| - | - | - | - | - | - |
| - | - | - | (103,851) | (103,851) | - |
| - | - | - | 85,701 | 85,701 | - |
| (5,019) | (3,638) | 1,381 | (92,757) | (65,117) | 27,640 |
| 60,678 | 60,678 | - | 266,296 | 266,296 | - |
| 1,053 | 1,053 | - | 51,397 | 51,397 | - |
| <u>\$ 56,712</u> | <u>\$ 58,093</u> | <u>\$ 1,381</u> | <u>\$ 224,936</u> | <u>\$ 252,576</u> | <u>\$ 27,640</u> |

**Maplewood Career Center
 Combined Statement of Cash Flows
 All Proprietary Fund Types
 For the Fiscal Year Ended June 30, 2002**

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

| | Enterprise Funds | Internal Service Funds | Total (Memorandum Only) |
|---|---------------------|------------------------------|-------------------------------|
| Cash Flows from operating activities: | | | |
| Operating loss | \$ (458,052) | \$(20,332) | \$ (478,384) |
| Adjustments to reconcile operating loss to net cash provided by (used in) operating activities | | | |
| Depreciation | 1,098 | - | 1,098 |
| Donated commodities in cost of sales | 7,716 | - | 7,716 |
| Change in assets and liabilities that increase (decrease) cash flow from operations | | | |
| Accounts receivable | 652 | (1,400) | (748) |
| Intergovernmental receivable | (443) | - | (443) |
| Accounts payable | (172) | 148 | (24) |
| Interfund payable | 81,559 | - | 81,559 |
| Accrued wages and benefits | 6,709 | (1,721) | 4,988 |
| Intergovernmental payable | 525 | (266) | 259 |
| Compensated absences | 6,344 | - | 6,344 |
| Net cash used in operating activities | (354,064) | (23,571) | (377,635) |
| Cash flows from capital and related financing activities: | | | |
| Operating grants received | 143,481 | - | 143,481 |
| Other non-operating revenue | 257,622 | 21,254 | 278,876 |
| Net cash provided by capital and related financing activities | 401,103 | 21,254 | 422,357 |
| Net increase (decrease) in cash and cash equivalents | 47,039 | (2,317) | 44,722 |
| Cash and cash equivalents - beginning of year | 255,962 | 61,730 | 317,692 |
| Cash and cash equivalents - end of year | \$ 303,001 | \$ 59,413 | \$ 362,414 |
| Noncash capital, investing and related financing activities | | | |
| Donated commodities received | \$ 7,814 | \$ - | \$ 7,814 |

The accompanying notes are an integral part of these statements.

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

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 Career Center (the Center) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Center is a joint vocational Center as defined by Section 3311.18 of the Ohio Revised Code. The Center operates under an elected Board of Education (11 members) and is responsible for the provision of public education to residents of the Center.

Average daily membership (ADM) as of October 1, 2001 was 613. The Center employed 77 certified employees and 32 non-certified employees.

The Center 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 Center (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 Center'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 Center.

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

The Center 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), Portage Area School Consortium Property and Casualty Pool, Portage Area School Consortium Health and Welfare Insurance Pool, and the Ohio School Boards Association Worker's Compensation Group Rating Plan.

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

2. *Basis Of Presentation - Fund Accounting*

The Center 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 Center 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.

For financial statement presentation purposes, the various funds of the Center 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 Center are financed. The acquisition, use and balances of the Center'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 Center's governmental fund types:

General Fund - This fund is the operating fund of the Center 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 Center 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.

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Fund Types:

Proprietary funds are used to account for the Center's ongoing activities which are similar to those found in the private sector. The following are the Center'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 Center on a cost-reimbursement basis.

Fiduciary Fund Types:

Fiduciary Funds are used to account for assets held by the Center 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 Center, other than those accounted for in the proprietary or trust funds.

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

General Long-Term Debt Account Group - This account group is established to account for all long-term obligations of the Center 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.

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 Center is sixty 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 Center 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, 2002 and delinquent property taxes, whose availability is indeterminate, and which are intended to

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

finance fiscal year 2003 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 is 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 non-operating revenue.

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

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

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 Center 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 Center's Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 2002.

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 Center. 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 was 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.

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Encumbrances:

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.

Budgetary Basis of Accounting:

While the Center 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).

**MAPLEWOOD CAREER CENTER – PORTAGE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

June 30, 2002

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**

| | General | Special Revenue | Expendable Trust |
|--|--------------|--------------------|---------------------|
| GAAP Basis | \$ 1,014,007 | \$ 57,681 | \$ 2,769 |
| Net Adjustment for Revenue Accruals | 149,727 | (20,823) | 0 |
| Net Adjustment for Expenditure Accruals | (685,326) | (26,285) | (6,000) |
| Adjustment for Other Sources (Uses) | | | |
| Advances - In | 0 | 63,583 | 0 |
| Advances - Out | (145,142) | 0 | 0 |
| Budget Basis | \$ 333,266 | \$ 74,156 | \$ (3,231) |

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

| | Enterprise | Internal Service |
|-------------------------------------|-------------|---------------------|
| GAAP Basis | \$ (49,135) | \$ 922 |
| Net Adjustment for Revenue Accruals | 13,246 | (1,354) |
| Commodities Received | (7,814) | 0 |
| Advances - Net | 81,559 | 0 |
| Net Adjustment for Expense Accruals | (108,149) | (3,206) |
| Commodities Used | 7,716 | 0 |
| Depreciation | 1,098 | 0 |
| Budget Basis | \$ (61,479) | \$ (3,638) |

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

5. *Pooled Cash And Cash Equivalents And Investments*

The Center 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 Center 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 Center. Such moneys must be maintained either as cash in the Center 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.

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;

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

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.

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

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

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

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 Center's cash deposits was \$32,851 and the bank balance was \$316,076. Of the bank's balance:

1. \$6,179 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 Center'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 held by the counterparty, or by its trust department or agent, but not in the entity's name (Category 3).

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

The Center has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2002. 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, 2002. This is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

**MAPLEWOOD CAREER CENTER – PORTAGE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

June 30, 2002

During the June 30, 2001 fiscal year end, the Center opened a Public Super NOW account with Firststar Bank. The account works like a savings account. Firststar uses this account as a destination sweep with the Center's operating account to receive a higher interest rate. The funds remain in Firststar and are not invested in any other securities. They are not in an overnight repurchase agreement. Therefore, no prospectus is or repurchase agreement was needed. All funds are protected under the pooled collateral report. The current rate on the account is based on the federal funds rate minus .25 basis points.

| | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> | <u>Carrying Value</u> | <u>Fair Value</u> |
|---|-----------------------|-----------------------|-----------------------|---------------------------|-----------------------|
| Investment in State Treasurer's Investment Pool | \$ 0 | \$ 0 | \$ 0 | \$6,154,400 | \$6,154,400 |
| Total Investment | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$6,154,400</u> | <u>\$6,154,400</u> |

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:

| | <u>Cash and Cash Equivalents/ Deposits</u> | <u>Investments</u> |
|------------------|--|---------------------|
| GASB Statement 9 | \$ 6,187,251 | \$ 0 |
| Investments: | | |
| STAROhio | (6,154,400) | 6,154,400 |
| GASB Statement 3 | <u>\$ 32,851</u> | <u>\$ 6,154,400</u> |

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

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 Center 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 Center has established a capitalization threshold for fixed assets at \$1,000. Books, records, movies, and other learning aids kept at the Center Library are also included for reporting purposes. The Center 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 Center's policy is not to capitalize interest costs incurred as part of construction.

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. *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 CAREER CENTER – PORTAGE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

9. *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. Sick leave benefits are accrued as a liability using the Vesting Payment Method.

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, 2002, a current liability of \$46,154 in the general fund and a liability of \$74,638 in the enterprise fund has been provided for earned but unused sick leave severance.

The Center adopted GASB No. 16, "Accounting for Compensated Absences," effective July 1, 1995. As a result, the Center has recorded an estimated long-term liability of \$910,877 for severance pay and sick leave payable at June 30, 2002. 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.

10. *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.

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

11. *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 Center has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989 to its proprietary activities.

12. *Restricted Assets*

Restricted assets in the general fund represents cash and cash equivalents set aside to establish capital improvement and budget stabilization reserves. A fund balance reserve has also been established.

13. *Fund Balance Reserves*

The Center 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, capital improvements 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.

14. *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

15. *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 eliminations have not been made in the aggregation of this data.

16. *Worker's Compensation Group Rating Program*

For fiscal year 2002, the Career Center was a participant in the Ohio School Boards Association Worker's Compensation Group Rating program (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the Career Center by virtue of its grouping and representation with other participant in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays the workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

NOTE B – OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES – FUND DEFICITS

Fund balances at June 30, 2002 included the following individual fund deficits:

DEFICIT FUND BALANCES

Special Revenue Funds

| | |
|--------------------|-----------|
| Career Development | \$ 32,161 |
| Title II | 435 |

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.

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

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 Center. 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 1998 for Summit County and 1999 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 2001 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 \$2.41 for Portage and Summit Counties per \$1,000 of assessed valuation for real property classified as residential/ agricultural and \$2.68 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 Center by the State of Ohio.

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 2001 was \$4.00 for Portage and Summit Counties per \$1,000 of assessed valuation.

SUMMIT COUNTY

| | |
|---|----------------------|
| Real Property - 2001 Valuation | |
| Residential/Agricultural | \$ 32,745,670 |
| Commercial/Industrial | 16,729,620 |
| Public Utilities | 5,240 |
| Tangible Personal Property - 2002 Valuation | |
| General | 27,067,200 |
| Public Utilities | 1,078,970 |
| Total Valuation | <u>\$ 77,626,700</u> |

**MAPLEWOOD CAREER CENTER – PORTAGE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

June 30, 2002

PORTAGE COUNTY

| | |
|---|------------------------|
| Real Property - 2001 Valuation | |
| Residential/Agricultural | |
| Commercial/Industrial | \$1,260,376,050 |
| Minerals | 302,321,990 |
| Railroad | 377,570 |
| Tangible Personal Property - 2002 Valuation | |
| General | 217,624,901 |
| Public Utilities | 80,553,840 |
| Total Valuation | <u>\$1,861,254,351</u> |

The respective County Treasurers collect property tax on behalf of all taxing Centers within the County. The respective County Auditors periodically remit to the taxing Centers 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, 2002. 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 \$75,583, is recognized as revenue.

NOTE D - INSURANCE

1. *Property Insurance*

The Center maintains comprehensive insurance coverage with a private carrier for liability coverage. Real property, building contents and vehicles are through Portage Area School Consortium Property and Casualty Pool.

2. *Health Benefits Program*

The Center 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 Centers. These funds are pooled together for the purposes of paying health benefit claims of employees and their covered dependents, administrative expenses of the program and premiums for stop-loss insurance

**MAPLEWOOD CAREER CENTER – PORTAGE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

June 30, 2002

coverage. The Center 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, 2002 follows:

| | |
|-------------------------------|-----------|
| Furniture and Equipment | \$ 73,950 |
| Less Accumulated Depreciation | (72,081) |
| Net Fixed Assets | \$ 1,869 |

A summary of the changes in general fixed assets during fiscal year 2002 follows:

| | Balance July 1, 2001 | Additions | Deletions | Balance June 30, 2002 |
|----------------------------|-------------------------|------------|------------|--------------------------|
| Land and Buildings | \$ 7,357,799 | \$ 0 | \$ 0 | \$ 7,357,799 |
| Furniture and Equipment | 2,207,089 | 395,916 | 212,090 | 2,390,915 |
| Leased Equipment | 127,070 | 0 | 0 | 127,070 |
| Vehicles | 169,669 | 35,600 | 14,777 | 190,492 |
| Total | \$ 9,861,627 | \$ 431,516 | \$ 226,867 | \$ 10,066,276 |

NOTE F - CAPITAL LEASES

The Center 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 has been capitalized in the general fixed assets account group in the amount of \$127,070. This amount represents 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.

**MAPLEWOOD CAREER CENTER – PORTAGE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

June 30, 2002

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, 2002.

| Fiscal Year Ending June 30, 2003 | <u>Total</u> |
|---|------------------------|
| | \$ 1,807 |
| Total | <u>1,807</u> |
| Less: Amount Representing Interest | <u>(29)</u> |
| Present Value of Net Minimum Lease Payments | <u><u>\$ 1,778</u></u> |

NOTE G - LONG-TERM DEBT

Long-term obligations of the Center as of June 30, 2002 were as follows:

| | <u>Outstanding July 1, 2001</u> | <u>Additions</u> | <u>Reductions</u> | <u>Outstanding June 30, 2002</u> |
|----------------------|-------------------------------------|------------------|-------------------|--------------------------------------|
| Compensated Absences | \$ 879,275 | \$ 0 | \$ 31,602 | \$ 910,877 |
| Totals | <u>\$ 879,275</u> | <u>\$ 0</u> | <u>\$ 31,602</u> | <u>\$ 910,877</u> |

NOTE H - RETIREMENT PLANS

The Center 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 Center 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.

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

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 Center 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 Center's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$690,038, \$664,248, and \$601,175, respectively; 100 percent has been contributed for fiscal years 2002, 2001, and 2000.

2. *School Employees Retirement System (SERS)*

The Center 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, 300 East Broad Street, suite 100, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9 percent of their annual covered salary and the Center 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 Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$177,967, \$165,419, and \$163,974, respectively; 100 percent has been contributed for fiscal years 2002, 2001, and 2000.

3. *Post-Employment Benefits*

The Center provides comprehensive health care benefits to retired teachers and their dependents through the State Teacher's Retirement System (STRS), and to retired noncertified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization,

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

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 costs in the form of monthly premiums. 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 Center, this amount equaled \$109,384 during the 2001 fiscal year. For the fiscal year ended June 30, 2001, eligible benefit recipients totaled 102,132. For the fiscal year ended June 30, 2001, net health care costs paid by STRS were \$ 300,722,000.

For SERS, coverage is made available to service retirees with ten 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 9.80 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 2001, the minimum pay has been established at \$12,400. The number of participants currently receiving health care benefits is 50,000. For the fiscal year ended June 30, 2001, net health care costs paid by SERS were \$161.4 million.

NOTE I - FEDERAL AND STATE GRANTS (Intergovernmental Receipts)

During the year ended June 30, 2002, the Center received grants-in-aid from federal and state sources amounting to approximately \$576,980 and \$4,357,261, 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 Center's management believes such disallowances, if any, would be immaterial.

**MAPLEWOOD CAREER CENTER – PORTAGE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

June 30, 2002

NOTE J - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Center 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 Center for the fiscal year ended June 30, 2002:

| | Food Service | Uniform School Supplies | Customer Service | Adult Education | Total |
|--|-----------------|-------------------------------|---------------------|--------------------|-----------|
| Operating Revenues | \$ 164,707 | \$ 51,119 | \$ 0 | \$169,162 | \$384,988 |
| Operating Expenses Before Depreciation | 216,703 | 56,295 | 244,607 | 324,337 | 841,942 |
| Depreciation | 1,098 | 0 | 0 | 0 | 1,098 |
| Operating Loss | (53,094) | (5,176) | (244,607) | (155,175) | (458,052) |
| Operating Grants | 32,170 | 0 | 0 | 111,311 | 143,481 |
| Net Non-Operating Revenue/ Expenses | 42,002 | 0 | 229,785 | 132,988 | 404,775 |
| Net Income/Loss | (11,092) | (5,176) | (14,822) | (18,045) | (49,135) |
| Net Working Capital (Deficit) | (5,803) | 6,304 | (50,342) | 75,998 | 26,157 |
| TOTAL ASSETS | 25,933 | 22,235 | 123,686 | 137,898 | 309,752 |
| TOTAL LIABILITIES | 29,867 | 15,931 | 174,028 | 61,900 | 281,726 |
| TOTAL EQUITY (DEFICIT) | (3,934) | 6,304 | (50,342) | 75,998 | 28,026 |
| Reserve for Encumbrances | 280 | 13,414 | 75,717 | 19,107 | 108,518 |

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

**MAPLEWOOD CAREER CENTER – PORTAGE COUNTY
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS**

June 30, 2002

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 Center's continued participation and no equity interest exists.

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 capital acquisition. The District is required by state law to maintain the textbook reserve and the capital acquisition reserve.

B. Set-Aside Requirements

Senate Bill 345 requires the Center to set aside a portion of their general operating resources for future use. For the fiscal year ended June 30, 2002, the following table discloses the required set-asides.

| | <u>Textbooks</u> | <u>Capital Acquisition</u> | <u>Budget Stabilization</u> | <u>Totals</u> |
|---|------------------|--------------------------------|---------------------------------|------------------|
| Set-aside Cash Balance as of June 30, 2001 | \$ 0 | \$ 5,062 | \$ 223,362 | \$228,424 |
| Current Year Set-aside Requirements | 72,504 | 72,504 | 0 | 145,008 |
| Current Year Offsets | 0 | 0 | 0 | 0 |
| Qualifying Disbursements | <u>(560,795)</u> | <u>(76,795)</u> | <u>0</u> | <u>(637,590)</u> |
| Total | <u>(488,291)</u> | <u>771</u> | <u>223,362</u> | <u>(264,158)</u> |
| Cash Balance Carried Forward to FY 2003 | <u>\$ 0</u> | <u>\$ 771</u> | <u>\$ 223,362</u> | |
| Total Restricted Assets | | | | <u>\$224,133</u> |

MAPLEWOOD CAREER CENTER – PORTAGE COUNTY NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 30, 2002

Although the District had offsets and qualifying disbursements during the year that reduced the textbooks set-aside amount below zero, this extra amount will not be used to reduce the set-aside requirements of future years. Therefore, negative amounts are not presented as being carried forward to the next fiscal year.

NOTE M – STATE SCHOOL FUNDING DECISION

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

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

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**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

| Federal Grantor/ Pass Through Grantor Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Disbursements | Non-Cash Disbursements |
|---|----------------------------------|---------------------------|------------------|----------------------|------------------|---------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Nutrition Cluster: | | | | | | |
| Food Distribution Program | | 10.550 | | \$7,814 | | \$7,716 |
| National School Lunch Program | 051391-LLP1-2001 | 10.555 | \$1,765 | | \$1,765 | |
| | 051391-LLP4-2001 | | 4,138 | | 4,138 | |
| | 051391-LLP4-2002 | | 24,603 | | 24,603 | |
| Total U.S. Department of Agriculture - Nutrition Cluster | | | <u>30,506</u> | <u>7,814</u> | <u>30,506</u> | <u>7,716</u> |
| U.S. DEPARTMENT OF LABOR | | | | | | |
| <i>Passed Through Workforce Development Agency (WDA)</i> | | | | | | |
| Employment Services and Job Training | Unknown | 17.249 | 59,324 | | 45,112 | |
| U.S. DEPARTMENT OF EDUCATION | | | | | | |
| <i>Passed Through Ohio Department of Education:</i> | | | | | | |
| Adult and Community Education | 051391-AB-S1-2001-C | 84.002 | 69,501 | | 69,501 | |
| | 051391-AB-S1-2002 | | 137,222 | | 137,222 | |
| | 051391-AB-S2-2002-P | | 39,160 | | 31,896 | |
| | 051391-AB-SL-2002 | | 18,289 | | 15,146 | |
| Total Adult and Community Education | | | <u>264,172</u> | | <u>253,765</u> | |
| Vocational Education | 051391-20-C1-2001 | 84.048 | 112,913 | | 112,913 | |
| | 051391-20-C1-2002 | | 96,845 | | 96,845 | |
| Total Vocational Education | | | <u>209,758</u> | | <u>209,758</u> | |
| Baldrige In Education | 051391-G2S9-2001 | 84.276 | 10,000 | | 749 | |
| Total Baldrige In Education | | | <u>10,000</u> | | <u>749</u> | |
| Eisenhower Program | 051391-MSS1-2001 | 84.281 | 143 | | 143 | |
| | 051391-MSS1-2002 | | 1,493 | | 1,493 | |
| | Thru Portage County ESC | | 710 | | 710 | |
| Total Eisenhower Program | | | <u>2,346</u> | | <u>2,346</u> | |
| Innovative Ed Program | 051391-C2S1-2002 | 84.298 | 874 | | 874 | |
| Total Department of Education | | | <u>487,150</u> | | <u>467,492</u> | |
| Totals | | | <u>\$576,980</u> | <u>\$7,814</u> | <u>\$543,110</u> | <u>\$7,716</u> |

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

**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2002**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2002, the Center had no significant food commodities in inventory.

NOTE C – MATCHING REQUIREMENTS

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



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JIM PETRO, AUDITOR OF STATE

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

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

To the Board of Education:

We have audited the financial statements of the Maplewood Career Center, Portage County (the Center) as of and for the year ended June 30, 2002, and have issued our report thereon dated December 17, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

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

Maplewood Career Center
Portage County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large loop at the end of the last name.

Jim Petro
Auditor of State

December 17, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Maplewood Career Center
Portage County
720 New Waterford Road
Portage, Ohio 44408

To the Board of Education:

Compliance

We have audited the compliance of the Maplewood Career Center, Portage County (the Center) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The Center's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

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

In our opinion, the Center complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

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

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

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

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

December 17, 2002

**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2002

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|--|
| <i>(d)(1)(i)</i> | Type of Financial Statement Opinion | Unqualified |
| <i>(d)(1)(ii)</i> | Were there any material control weakness conditions reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(ii)</i> | Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iii)</i> | Was there any reported material non-compliance at the financial statement level (GAGAS)? | No |
| <i>(d)(1)(iv)</i> | Were there any material internal control weakness conditions reported for major federal programs? | No |
| <i>(d)(1)(iv)</i> | Were there any other reportable internal control weakness conditions reported for major federal programs? | No |
| <i>(d)(1)(v)</i> | Type of Major Programs' Compliance Opinion | Unqualified |
| <i>(d)(1)(vi)</i> | Are there any reportable findings under § .510? | No |
| <i>(d)(1)(vii)</i> | Major Programs (list): | Adult and Community Education CFDA No. 84.002 |
| <i>(d)(1)(viii)</i> | Dollar Threshold: Type A\B Programs | Type A: > \$ 300,000 Type B: all others |
| <i>(d)(1)(ix)</i> | Low Risk Auditee? | Yes |

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

| | |
|----------------|------------------------------|
| Finding Number | N/A – No finding is reported |
|----------------|------------------------------|

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

| | |
|----------------|------------------------------|
| Finding Number | N/A – No finding is reported |
|----------------|------------------------------|



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OFFICE OF THE AUDITOR

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MAPLEWOOD CAREER CENTER

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 9, 2003**