MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2011

Dave Yost • Auditor of State

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Maplewood Career Center, Portage County, Ohio (the Center), as of and for the year ended June 30, 2011, which collectively comprise the Center's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Maplewood Career Center, Portage County, Ohio, as of June 30, 2011, and the respective changes in financial position thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2011, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2011, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards expenditure schedule provides additional information required by the 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 basic financial statements. The federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dave Yost
Auditor of State

November 21, 2011

It is a privilege to present to you the financial picture of the Maplewood Career Center. This discussion and analysis of the Center's financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for the 2011 fiscal year are as follows:

- Teachers and staff received an increase in base salary for fiscal year 2011 of 2.75 percent over fiscal year 2010. Three year contracts were approved which provided for a 2.75 percent increase in base salary each year for fiscal years 2010 through 2012.

- The Center awarded bids on three renovation projects in April, 2010. The three projects took place over the ten week summer break. The existing HVAC system was removed and a new Variable Refrigerant Volume (VRV) heating and cooling system was installed. The VRV system, which incorporates innovative technology and is proven to provide efficient year round comfort, was selected for this important building upgrade. The new VRV HVAC system is 60 percent more efficient and expected to last five to ten years longer than the previous system. The annual savings from the HVAC replacement will likely exceed $90,000. Taking advantage of the ceiling access created by the HVAC project, the Center also conducted a Data Infrastructure and Electrical Work project. The technology infrastructure was removed, existing cabling was brought up to code, a cabling management system was installed, and new technology wiring was installed throughout the facility. Additionally, new electrical panels and receptacles were installed where necessary. When planning these capital improvements, the following goals were developed: (1) install systems that allow for growth and advances in technology; (2) select efficient systems suited for a renovation project; (3) preserve the longevity of the Maplewood Career Center facility; and (4) save taxpayer monies. The third project conducted over the 2010 summer break was the renovation of the cafeteria ceiling. The cafeteria is the only venue at the facility to hold large group activities such as assemblies and orientations. The cafeteria received cosmetic improvements and improved lighting and sound systems so that large audiences can enjoy and benefit from presentations.

- The Board of Education of the Maplewood Career Center passed a resolution on April 21, 2011 to submit the question of the renewal of an existing 3.0 mill tax levy for the purpose of current expenses to the electors of the School District.

Using this Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole Center, presenting both an aggregate view of the Center's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the Center's most significant funds with all other non-major funds presented in total in one column. In the case of the Center, the general fund is by far the most significant fund.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 21-42 of this report.

Reporting the Center as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all non-fiduciary assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Center's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the Center as a whole, the *financial position* of the Center has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, the Center's performance, required educational programs, demographic and socioeconomic factors, the willingness of the community to support the Center and other factors.

Reporting the Center's Most Significant Funds

Fund Financial Statements

The analysis of the Center's major governmental fund begins on page 8. Fund financial reports provide detailed information about the Center's major fund. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant fund. The Center's only major governmental fund is the general fund.

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

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

The Center as a Whole

You may recall that the Statement of Net Assets provides the perspective of the Center as a whole. Table 1 provides a comparison of the Center's Net Assets for fiscal year 2011 compared to 2010:

Table 1
Net Assets

	Governmental Activites		
	2011	2010	Change
Assets			
Current and Other Assets	$25,765,828	$27,731,587	($1,965,759)
Capital Assets, Net	13,646,961	7,807,875	5,839,086
Total Assets	39,412,789	35,539,462	3,873,327
Liabilities			
Current Liabilities	6,783,042	6,064,454	718,588
Long-term Liabilities			
Due within one Year	73,840	72,466	1,374
Due in More than one Year	1,236,172	1,174,413	61,759
Total Liabilities	8,093,054	7,311,333	781,721
Net Assets			
Invested in Capital Assets	13,646,961	7,807,875	5,839,086
Restricted for:			
Other Purposes	51,310	174,142	(122,832)
Unrestricted	17,621,464	20,246,112	(2,624,648)
Total Net Assets	$31,319,735	$28,228,129	$3,091,606

By comparing assets and liabilities, one can see the overall position of the Center has improved as evidenced by the increase in net assets. Net assets invested in capital assets primarily contributed to this increase. Current assets increased primarily due to increases in cash and cash equivalents and property taxes receivable while current liabilities decreased primarily due to lower deferred revenue. Unrestricted net assets decreased in fiscal year 2011 while net assets invested in capital assets increased due to various building improvements.

Table 2 shows the changes in net assets for fiscal year 2011 compared to 2010.

Table 2
Change in Net Assets
Governmental Activities

	2011	2010	Change
Revenues			
Program Revenues			
Charges for Services	$554,414	$847,231	($292,817)
Operating Grants, Contributions, and Interest	745,891	705,126	40,765
Total Program Revenues	1,300,305	1,552,357	(252,052)
General Revenues			
Property Taxes	5,329,277	6,952,340	(1,623,063)
Intergovernmental	6,028,070	5,947,724	80,346
Investment Earnings	262,572	491,456	(228,884)
Miscellaneous	188,107	52,722	135,385
Total General Revenues	11,808,026	13,444,242	(1,636,216)
Total Revenues	13,108,331	14,996,599	(1,888,268)
Program Expenses			
Instruction:			
Regular	1,049,142	1,549,605	500,463
Vocational	4,331,117	5,784,359	1,453,242
Adult/Continuing	175,333	116,745	(58,588)
Support Services:			
Pupil	879,003	1,127,893	248,890
Instructional Staff	485,331	652,806	167,475
Board of Education	58,948	139,935	80,987
Administration	731,811	959,324	227,513
Fiscal	441,118	595,455	154,337
Business	215,486	276,625	61,139
Operation and Maintenance of Plant	999,323	1,589,596	590,273
Pupil Transportation	18,996	30,516	11,520
Central	291,754	411,590	119,836
Operation of Non-Instructional Services	56,048	50,821	(5,227)
Operation of Food Services	257,545	352,290	94,745
Extracurricular Activities	25,770	31,121	5,351
Total Program Expenses	10,016,725	13,668,681	3,651,956
Change in Net Assets	3,091,606	1,327,918	1,763,688
Net Assets Beginning of Year	28,228,129	26,900,211	1,327,918
Net Assets End of Year	$31,319,735	$28,228,129	$3,091,606

Governmental Activities

Net assets of the Center's governmental activities increased in fiscal year 2011 due to decreasing expenses. The primary sources of revenue for the Center are derived from property taxes and intergovernmental revenue. These two revenue sources represent 86.64 percent of the total revenue. Property taxes, alone, represent 40.66 percent of revenues. The remaining 59.34 percent of revenue is from program revenues, State foundation, interest, and miscellaneous local sources.

A State law, enacted in 1976, does not allow for tax revenue increases caused by inflationary growth of real property. Increases in valuation prompt corresponding annual reductions in the "effective millage," the tax rates applied to real property. The Center operates on voted millage of 4 mills. The reduced or effective millage in fiscal year 2011 was 2.991195 mills for Residential/Agricultural property and 3.223899 mills for Commercial/Industrial property. Although tax collections were slightly more in fiscal year 2011 than in the prior year on a cash basis, the timing in collection by the County Auditor caused property tax revenue to be lower in the current fiscal year from the prior year on a GAAP basis. The following table illustrates the rate of growth in property values in the past ten years which has positively impacted the Center:

Year Ending	Portage County	Summit County	Total Valuation	Growth Rate
2011	$2,249,316,830	$62,353,560	$2,311,670,390	0.11 %
2010	2,247,875,525	61,166,880	2,309,042,405	(2.20)
2009	2,300,090,760	60,988,046	2,361,078,806	(1.14)
2008	2,319,596,103	68,824,430	2,388,420,533	0.07
2007	2,310,725,427	76,099,634	2,386,825,061	7.40
2006	2,137,086,710	85,363,185	2,222,449,895	0.38
2005	2,122,585,194	91,553,938	2,214,139,132	3.77
2004	2,048,432,563	85,331,750	2,133,764,313	11.00
2003	1,837,968,775	84,259,994	1,922,228,769	3.28
2002	1,783,566,161	77,688,190	1,861,254,351	4.31

The average rate of growth over the last 10 years is 2.7 percent.

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

Most of the expenses decreased in comparison between 2010 and 2011. These decreases are primarily due to a large portion of expenses being capitalized for various projects related to building improvements.

Program revenues covered 12.98 percent of program expenses overall. The remaining 87.02 percent is supported through tax revenues and other general revenues. In fiscal year 2011, however, revenues totaled 130.86 percent of expenses resulting in an increase in net assets of $3,091,606.

The Statement of Activities shows the cost of program services and the charges for services and grants and contributions offsetting those services. The following table shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted State grants and entitlements.

Table 3
Total and Net Cost of Program Services
Governmental Activities

	Total Cost of Services 2011	Net Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2010
Program Expenses				
Instruction:				
Regular	$1,049,142	$966,275	$1,549,605	$1,475,898
Vocational	4,331,117	4,049,271	5,784,359	5,146,068
Adult/Continuing	175,333	568	116,745	32,063
Support Services:				
Pupil	879,003	704,729	1,127,893	978,478
Instructional Staff	485,331	446,752	652,806	543,986
Board of Education	58,948	57,276	139,935	138,320
Administration	731,811	579,256	959,324	813,732
Fiscal	441,118	418,188	595,455	582,621
Business	215,486	209,229	276,625	273,391
Operation and Maintenance of Plant	999,323	968,119	1,589,596	1,571,212
Pupil Transportation	18,996	18,842	30,516	30,373
Central	291,754	275,598	411,590	399,609
Operation of Non-Instructional Services	56,048	55,420	50,821	50,483
Operation of Food Services	257,545	(43,881)	352,290	49,333
Extracurricular Activities	25,770	10,778	31,121	30,757
Total	$10,016,725	$8,716,420	$13,668,681	$12,116,324

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. 53.2 percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs support 60.18 percent while program revenues, investments and other miscellaneous types of revenues support the remaining activity costs.

The Center's Funds

The Center's governmental funds (as presented on the balance sheet on page 16) reported a combined fund balance of $18,415,948, a decrease of $2,560,727 from fiscal year 2010.

General Fund

The general fund balance decreased by $2,580,232 in fiscal year 2011. The decrease in fund balance can be attributed primarily to expenditures made for the three renovation projects conducted over the summer of 2010: the HVAC replacement project, the data infrastructure and electrical work project, and the cafeteria ceiling replacement project.

Most expenditures have increased slightly over fiscal year 2010. A few functions, such as regular instruction, board of education, operation and maintenance of plant, pupil transportation, and central had decreases from the prior fiscal year of $42,951, $50,803, $123,852, $4,216, and $13,095 respectively. Capital outlay increased substantially from the prior year due to the various building improvements.

Budgeting Highlights

The Center's appropriations are prepared according to Ohio law and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. In fiscal year 2011 all funds were appropriated at the fund level.

In fiscal year 2011, the Center adopted its appropriations prior to October 1, 2010 and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues, including other financing sources, were $12,879,241, a decrease of $60,644 from the original estimate. Total final estimated revenues were less than original estimated revenues mainly due to decreases in property tax and tuition and fees receipts.

General fund original appropriations, including other financing uses, of $17,928,392 were decreased slightly in the final appropriation measure of $17,894,272. The Center's budget for instruction totaled 35.84 percent of general fund final appropriations; support services 33.63 percent; capital outlay 28.81 percent; and all other expenditures and transfers/advances made up the remaining 1.72 percent. Final appropriations exceeded actual expenditures by $2,240,819. This difference was due to the Center appropriating for the entirety of projects and by fiscal year end not all of the projects had been completed and also from salaries and benefits coming in lower than original predictions.

Capital Assets and Debt Administration

Capital Assets

The following table shows fiscal 2011 balances compared to 2010.

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

	Governmental Activities	
	2011	2010
Land	$140,600	$140,600
Buildings and Improvements	12,504,357	6,486,155
Furniture, Fixtures and Equipment	912,210	1,086,242
Vehicles	89,794	94,878
Total Capital Assets	$13,646,961	$7,807,875

Capital assets net of depreciation increased by $5,839,086, overall, which was mainly in buildings and improvements. This increase was mainly due to an HVAC system replacement and an electrical infrastructure update.

The Center's capitalization threshold for capital assets was set at $5,000. For additional information on capital assets, see Note 11 to the basic financial statements.

Debt

At June 30, 2011 the Center had no outstanding bonded long-term debt. The long-term liabilities listed in Table 1 are those accumulated for compensated absences. For additional information on long-term obligations, see Note 16 to the basic financial statements.

Challenges and Opportunities

The vision of the Maplewood Career Center is to prepare learners to be productive, responsible, and successful members of society. Through progressive curriculum and dynamic hands-on learning, Maplewood Career Center challenges each student to develop lifelong skills that relate to the leadership and teamwork necessary in their future careers and community roles. Maplewood Career Center establishes a relationship with staff, students, parents and community businesses that allows all learners to reach their full potential.

The mission of the Maplewood Career Center is to prepare all students to meet, to the best of their abilities, the career/technical, academic, social, cultural, current and future needs of the community. The mission will be accomplished by creating a safe learning environment that emphasizes the lifelong skills and knowledge necessary to continue learning, communicate clearly, solve problems, use information and technology effectively, enjoy productive employment, appreciate aesthetics and meet their obligations as citizens in a democratic and global society.

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

The adult education program assists individuals and companies in their efforts to develop leadership, build new skills, upgrade skills, keep abreast of technological developments, and to develop competencies in areas of need and workforce development and personal interest. The job training and re-training needs of area adults are important concerns to Maplewood Career Center's adult education department. In the fall of 2009, the Maplewood Career Center started offering three new long-term adult education training programs. The three programs offered are Medical Assisting, Ohio Basic Peace Officer Training Academy, and Welding Technologies. These three programs are among most requested by area employers. The programs will be affordable, in depth, and most importantly, graduates will be certified and ready to step into a job. The Maplewood Career Center has attained North Central Association (NCA) candidacy status. Once a long-term training program has been offered for two years, the Maplewood Career Center will apply for full North Central Association accreditation and will pursue offering Federal financial aid to adult students.

In order to meet the goals mentioned above, it is imperative that the Center's management and staff continue to carefully and prudently plan in order to provide the resources and education required to meet student needs over the next several years. The Center has achieved a large measure of financial stability and forecasts a continuation of that stability throughout three of the five years of the required forecast period prior to a levy renewal or replacement being requested of its voters. Administrators and staff are cognizant of the vulnerability of this stability and the Board of Education and administration continue to closely monitor both revenues and expenses. The Board of Education and administration plan to maintain the current facility indefinitely and as a result must upgrade and maintain the facility in a manner distinctly different from many other school districts that are building or planning to build new facilities. Many capital improvements took place over the 2010 summer.

Contacting the Center's Financial Management Personnel

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Michelle Seckman, Treasurer, Maplewood Career Center, 7075 State Route 88, Ravenna, Ohio 44266. You may also contact the Treasurer by phone at (330) 296-2892, extension 551005, or by e-mail at seckmanmi@mwood.cc.

Maplewood Career Center

Statement of Net Assets

June 30, 2011

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$18,750,370
Accounts Receivable	1,279
Intergovernmental Receivable	38,932
Prepaid Items	2,421
Materials and Supplies Inventory	761
Inventory Held for Resale	8,818
Property Taxes Receivable	6,898,879
Assets Held for Resale	64,368
Nondepreciable Capital Assets	140,600
Depreciable Capital Assets, Net	13,506,361
Total Assets	39,412,789
Liabilities	
Accounts Payable	48,181
Accrued Wages Payable	756,054
Matured Compensated Absences Payable	63,967
Vacation Benefits Payable	64,888
Intergovernmental Payable	160,762
Deferred Revenue	5,689,190
Long-Term Liabilities:	
Due Within One Year	73,840
Due In More Than One Year	1,236,172
Total Liabilities	8,093,054
Net Assets	
Invested in Capital Assets	13,646,961
Restricted for:	
Food Service Operations	37,424
Other Purposes	13,886
Unrestricted	17,621,464
Total Net Assets	$31,319,735

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Activities
For the Fiscal Year Ended June 30, 2011

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$1,049,142	$24,384	$58,483	($966,275)
Vocational	4,331,117	99,314	182,532	(4,049,271)
Adult/Continuing	175,333	67,751	107,014	(568)
Support Services:				
Pupil	879,003	33,758	140,516	(704,729)
Instructional Staff	485,331	11,387	27,192	(446,752)
Board of Education	58,948	1,485	187	(57,276)
Administration	731,811	104,007	48,548	(579,256)
Fiscal	441,118	11,062	11,868	(418,188)
Business	215,486	5,557	700	(209,229)
Operation and Maintenance of Plant	999,323	27,529	3,675	(968,119)
Pupil Transportation	18,996	137	17	(18,842)
Central	291,754	7,746	8,410	(275,598)
Operation of Non-Instructional Services	56,048	558	70	(55,420)
Operation of Food Services	257,545	144,831	156,595	43,881
Extracurricular Activities	25,770	14,908	84	(10,778)
Totals	$10,016,725	$554,414	$745,891	(8,716,420)

General Revenues	
Property Taxes Levied for General Purposes	5,329,277
Grants and Entitlements not Restricted to Specific Programs	6,028,070
Investment Earnings	262,572
Miscellaneous	188,107
Total General Revenues	11,808,026
Change in Net Assets	3,091,606
Net Assets Beginning of Year	28,228,129
Net Assets End of Year	$31,319,735

See accompanying notes to the basic financial statements

Maplewood Career Center

Balance Sheet
Governmental Funds
June 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$18,342,677	$184,331	$18,527,008
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	223,362	0	223,362
Accounts Receivable	1,154	125	1,279
Interfund Receivable	187,965	0	187,965
Intergovernmental Receivable	0	38,932	38,932
Prepaid Items	2,421	0	2,421
Materials and Supplies Inventory	0	761	761
Inventory Held for Resale	0	8,818	8,818
Property Taxes Receivable	6,898,879	0	6,898,879
Assets Held for Resale	64,368	0	64,368
Total Assets	$25,720,826	$232,967	$25,953,793
Liabilities			
Accounts Payable	$45,792	$2,389	$48,181
Accrued Wages Payable	707,494	48,560	756,054
Matured Compensated Absences Payable	63,967	0	63,967
Intergovernmental Payable	135,688	25,074	160,762
Interfund Payable	0	187,965	187,965
Deferred Revenue	6,320,647	269	6,320,916
Total Liabilities	7,273,588	264,257	7,537,845
Fund Balances			
Nonspendable	66,789	9,579	76,368
Restricted	3,468	62,674	66,142
Committed	420,385	0	420,385
Assigned	670,924	0	670,924
Unassigned (Deficit)	17,285,672	(103,543)	17,182,129
Total Fund Balances (Deficit)	18,447,238	(31,290)	18,415,948
Total Liabilities and Fund Balances	$25,720,826	$232,967	$25,953,793

See accompanying notes to the basic financial statements

Maplewood Career Center

Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2011

Total Governmental Funds Balances		$18,415,948
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		13,646,961
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property Taxes	631,457	
Intergovernmental	269	
Total		631,726
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.		(64,888)
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.		(1,310,012)
Net Assets of Governmental Activities		$31,319,735

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$5,447,004	$0	$5,447,004
Intergovernmental	6,028,070	717,323	6,745,393
Interest	262,572	73	262,645
Tuition and Fees	122,110	171,402	293,512
Rentals	14,244	0	14,244
Contributions and Donations	28,226	0	28,226
Charges for Services	101,827	144,831	246,658
Miscellaneous	177,097	11,010	188,107
Total Revenues	12,181,150	1,044,639	13,225,789
Expenditures			
Current:			
Instruction:			
Regular	1,123,101	55,409	1,178,510
Vocational	4,504,577	162,652	4,667,229
Adult/Continuing	14,945	177,600	192,545
Support Services:			
Pupil	845,678	152,996	998,674
Instructional Staff	481,559	26,816	508,375
Board of Education	67,255	0	67,255
Administration	695,028	127,367	822,395
Fiscal	499,117	10,898	510,015
Business	237,421	0	237,421
Operation and Maintenance of Plant	1,218,636	784	1,219,420
Pupil Transportation	6,219	0	6,219
Central	328,497	7,887	336,384
Operation of Non-Instructional Services	24,850	0	24,850
Operation of Food Services	414	302,725	303,139
Extracurricular Activities	30,092	0	30,092
Capital Outlay	4,683,993	0	4,683,993
Total Expenditures	14,761,382	1,025,134	15,786,516
Net Change in Fund Balances	(2,580,232)	19,505	(2,560,727)
Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)	21,027,470	(50,795)	20,976,675
Fund Balances (Deficit) End of Year	$18,447,238	($31,290)	$18,415,948

See accompanying notes to the basic financial statements

Maplewood Career Center
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds		($2,560,727)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital Outlay	6,504,675	
Depreciation	(649,588)	
Total		5,855,087
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		(16,001)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(117,727)	
Intergovernmental	269	
Total		(117,458)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(63,133)	
Vacation Benefits Payable	(6,162)	
Total		(69,295)
Change in Net Assets of Governmental Activities		$3,091,606

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
Revenues				
Property Taxes	$6,376,015	$6,098,528	$6,123,580	$25,052
Intergovernmental	5,950,207	6,170,743	6,028,070	(142,673)
Interest	143,796	142,434	324,312	181,878
Tuition and Fees	198,002	143,850	121,696	(22,154)
Rentals	22,816	24,068	14,318	(9,750)
Contributions and Donations	707	1,026	1,026	0
Charges for Services	100,553	98,752	101,827	3,075
Miscellaneous	8,278	10,329	190,436	180,107
Total Revenues	12,800,374	12,689,730	12,905,265	215,535
Expenditures				
Current:				
Instruction:				
Regular	1,390,468	1,373,992	1,117,738	256,254
Vocational	5,130,271	5,024,668	4,524,181	500,487
Adult/Continuing	20,000	15,044	15,044	0
Support Services:				
Pupil	1,020,716	1,020,716	886,472	134,244
Instructional Staff	506,949	506,949	503,663	3,286
Board of Education	127,137	127,137	89,963	37,174
Administration	943,014	942,964	715,769	227,195
Fiscal	674,258	674,258	607,506	66,752
Business	254,805	254,805	241,066	13,739
Operation and Maintenance of Plant	2,011,667	2,011,667	1,584,435	427,232
Pupil Transportation	25,346	25,346	11,278	14,068
Central	453,021	453,021	340,888	112,133
Operation of Non-Instructional Services	25,811	25,811	25,388	423
Operation of Food Services	611	611	538	73
Extracurricular Activities	43,565	43,565	29,754	13,811
Capital Outlay	5,155,753	5,155,753	4,721,805	433,948
Total Expenditures	17,783,392	17,656,307	15,415,488	2,240,819
Excess of Revenues Under Expenditures	(4,983,018)	(4,966,577)	(2,510,223)	2,456,354
Other Financing Sources (Uses)				
Advances In	139,511	189,511	189,511	0
Advances Out	(145,000)	(237,965)	(187,965)	50,000
Total Other Financing Sources (Uses)	(5,489)	(48,454)	1,546	50,000
Net Change in Fund Balance	(4,988,507)	(5,015,031)	(2,508,677)	2,506,354
Fund Balance Beginning of Year	15,098,216	15,098,216	15,098,216	0
Prior Year Encumbrances Appropriated	5,065,214	5,065,214	5,065,214	0
Fund Balance End of Year	$15,174,923	$15,148,399	$17,654,753	$2,506,354

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2011

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	$42,289	$58,944
Liabilities		
Due to Students	0	$58,944
Net Assets		
Held in Trust for Scholarships	$42,289	

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Changes in Fiduciary Net Assets

Private Purpose Trust Fund

For the Fiscal Year Ended June 30, 2011

	Scholarship
Additions	
Contributions and Donations	$3,500
Interest	34
Miscellaneous	7,647
Total Additions	11,181
Deductions	
Scholarships Awarded	8,500
Change in Net Assets	2,681
Net Assets Beginning of Year	39,608
Net Assets End of Year	$42,289

See accompanying notes to the basic financial statements

Note 1 – Description of the Center and Reporting Entity

The Maplewood Career Center (the "Center") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The Center is a joint vocational center as defined by Section 3311.18 of the Ohio Revised Code. The Center operates under a Board of Education consisting of eleven members appointed for three year terms. Each Board member is selected in their home district and then appointed to the Center's board. The Center provides educational services as authorized by state statute and federal guidelines to the following school districts: Crestwood Local School District, Field Local School District, James A. Garfield Local School District, Mogadore Local School District, Ravenna City School District, Rootstown Local School District, Southeast Local School District, Streetsboro City School District, Waterloo Local School District, and Windham Exempted Village School District. Each of these school districts has one board member on the Center's Board of Education, except for Ravenna City School District which has two members. The Center employs 76 certified employees and 31 non-certified employees who provide services to 704 students and other community members.

Reporting Entity

The Center is considered to be a stand-alone government because it is a legally separate entity but does not have an elected board. The reporting entity is composed of the stand-alone government, component units, and other organizations that are included to insure that the basic financial statements are not misleading. The stand-alone government consists of all funds, departments, boards, and agencies that are not legally separate from the Center. For the Center, this includes the agencies and departments that provide the following services: general operations, food service, and student related activities of the Center.

Component units are legally separate organizations for which the Center is financially accountable. Component units may also include organizations that are fiscally dependent on the Center in that the Center approves the budget, the issuance of debt, or the levying of taxes. There are no component units of the Maplewood Career Center.

The Center participates in a jointly governed organization and two insurance purchasing pools. These organizations are the Northeast Ohio Network for Educational Technology, the Ohio School Boards Association Workers' Compensation Group Rating Program and the Portage Area Schools Consortium. These organizations are presented in Notes 18 and 19 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the Center have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Center also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities unless those pronouncements conflict with or contradict GASB pronouncements. Following are the more significant of the Center's accounting policies.

Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the Center that are governmental and those that are considered business-type. The Center, however, has no business-type activities.

The statement of net assets presents the financial condition of the governmental activities of the Center at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Center, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Center.

Fund Financial Statements During the year, the Center segregates transactions related to certain Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Center at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The Center uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Center are grouped into two categories: governmental and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the Center's major governmental fund:

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

The other governmental funds of the Center account for grants and other resources whose uses are restricted, committed, or assigned to a particular purpose.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's own programs. The Center's only trust fund is a private purpose trust which accounts for a college scholarship program for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Center's agency fund accounts for student activities.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the Center are included on the statement of net assets. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the Center receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Center must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenditures/Expenses On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Process

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Budgetary modifications at this level require a resolution of the Board of Education. The Treasurer has been given the authority to allocate Board appropriations to the function and object levels.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original and final appropriations were passed by the Board of Education.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Cash and Investments

To improve cash management, cash received by the Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Center's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2011, investments were limited to United States Treasury bonds, federal home loan mortgage corporation notes, federal home loan bank notes, federal national mortgage association notes, federal farm credit bank notes and STAR Ohio. Investments are reported at fair value which is based on quoted market prices.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2011.

By Ohio statutes, the Board of Education has specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2011 amounted to $262,572, which includes $2,509 assigned from other Center funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Center are presented on the financial statements as cash equivalents.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or the laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the general fund represent amounts required by State statute to be set aside to create a budget stabilization balance. See Note 17 for additional information regarding set-asides.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Inventory

Inventories are presented at the lower of cost or market value and donated commodities are presented at their entitlement value. Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale.

Assets Held for Resale

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

Capital Assets

All capital assets of the Center are classified as general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. The Center was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their fair market values as of the date received. The Center maintains a capitalization threshold of five thousand dollars. The Center does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives
Buildings and Improvements	40-60 years
Furniture, Fixtures and Equipment	5-25 years
Vehicles	5-15 years

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Interfund balance amounts are eliminated in the statement of net assets.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the Center's past experience of making termination payments.

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have resigned or retired will be paid.

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year.

Fund Balance

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

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

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

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

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

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net assets restricted for other purposes include adult basic education programs, vocational education programs and other miscellaneous federal grant programs.

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The Center did not have any extraordinary or special items.

Estimates

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

Note 3 – Change in Accounting Principles and Restatement of Fund Balance

Changes in Accounting Principles

For fiscal year 2011, the Center has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” and Statement No. 59, “Financial Instruments Omnibus”.

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that compromise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the reclassification of the Center’s financial statements.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments and external investment pools. The implementation of this statement resulted in the reclassification of the Center’s financial statements.

Restatement of Prior Year's Fund Balance

The implementation of GASB Statement No. 54 had the following effect on fund balances of the major and nonmajor funds as they were previously reported.

	General	Other Governmental Funds	Total Governmental Funds
Fund Balance at June 30, 2010	$20,897,853	$78,822	$20,976,675
Change in Fund Structure	129,617	(129,617)	0
Adjusted Fund Balance at June 30, 2010	$21,027,470	($50,795)	$20,976,675

Note 4 – Fund Balances

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

Fund Balances	General	Other Governmental	Total
Nonspendable:			
Inventory	$0	$9,579	$9,579
Prepaids	2,421	0	2,421
Assets Held for Resale	64,368	0	64,368
Total Nonspendable	66,789	9,579	76,368
Restricted for:			
Summer School	3,468	0	3,468
Food Service	0	48,788	48,788
Vocational Education	0	12,441	12,441
Other Purposes	0	1,445	1,445
Total Restricted	3,468	62,674	66,142
Committed to:			
Compensated Absences	420,385	0	420,385
Assigned to:			
Public School Support	3,681	0	3,681
Other Purposes	667,243	0	667,243
Total Assigned	670,924	0	670,924
Unassigned (Deficit)	17,285,672	(103,543)	17,182,129
Total Fund Balances	$18,447,238	($31,290)	$18,415,948

Note 5 – Fund Deficits

Fund balances at June 30, 2011, included the following individual fund deficits:

Special Revenue Funds:	
Adult Education	$98,244
Management Information System	4
Adult Basic Education	5,295

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

Note 6 – Budgetary Basis of Accounting

While the Center is reporting its financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

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

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

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

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

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

Net Change in Fund Balance	
GAAP Basis	($2,580,232)
Net Adjustment for Revenue Accruals	662,375
Advances In	189,511
Beginning Fair Value Adjustment for Investments	244,381
Ending Fair Value Adjustment for Investments	(182,641)
Net Adjustment for Expenditure Accruals	74,539
Advances Out	(187,965)
Encumbrances	(728,645)
Budget Basis	($2,508,677)

Note 7 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the Center treasury. Active monies must be maintained either as cash in the Center treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim monies held by the Center can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above;

4. Bonds and other obligations of the State of Ohio;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);

7. The State Treasurer's investment pool (STAR Ohio); and

8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

<u>Investments</u>

All investments are in an internal investment pool. As of June 30, 2011, the Center had the following investments:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-2	2-3	3-5
U.S. Treasury Bonds	$1,077,700	$200,968	$406,564	$263,418	$206,750
Federal Home Loan Mortgage Corporation Notes	4,950,228	709,411	676,453	1,158,710	2,405,654
Federal Home Loan Bank Notes	2,999,723	706,164	1,506,150	673,430	113,979
Federal National Mortgage Association Notes	4,432,788	201,870	721,121	1,363,451	2,146,346
Federal Farm Credit Bank Notes	302,589	302,589	0	0	0
STAR Ohio	4,788,388	4,788,388	0	0	0
Total Investments	$18,551,416	$6,909,390	$3,310,288	$3,459,009	$4,872,729

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

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

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

Concentration of Credit Risk. The Center places no limit on the amount it may invest in any one issuer. The following is the Center's allocation as of June 30, 2011:

Investment Issuer	Percentage of Investments
United States Treasury Bonds	5.81 %
Federal Home Loan Mortgage Corporation Notes	26.68
Federal Home Loan Bank Notes	16.17
Federal National Mortgage Association Notes	23.89

Note 8 – Property Taxes

Property taxes are levied and assessed on a calendar year basis while the Center's fiscal year runs from July through June. First half tax collections are received by the Center in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the Center's parameters. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in calendar year 2011 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the Center prior to June 30.

The Center receives property taxes from Portage and Summit Counties. The County Auditor and Fiscal Officer periodically advance to the Center its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance in the general fund was $578,232 at June 30, 2011, and $1,254,808 at June 30, 2010. The difference was in the timing and collection by the County Auditors.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which the fiscal year 2011 taxes were collected are:

	2010 Second Half Collections		2011 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property:				
Residential/Agricultural	$1,815,441,500	78.62 %	$1,824,556,010	78.93 %
Commercial/Industrial/Public Utility	429,618,750	18.61	424,760,820	18.37
Tangible Personal Property:				
Public Utility	61,475,440	2.66	62,353,560	2.70
General Business	2,506,715	0.11	0	0.00
Total	$2,309,042,405	100.00 %	$2,311,670,390	100.00 %
Tax rate per $1,000 of assessed valuation	$4.00		$4.00	

Note 9 – Receivables

Receivables at June 30, 2011, consisted of taxes, accounts (rent, student fees and tuition), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

The Center has an intergovernmental receivable for the adult basic education and vocational education special revenue funds in the amounts of $9,314 and $29,618, respectively, for Federal grants.

Note 10 – Assets Held for Resale

Assets held for resale represents home lots purchased by the Center which will be sold with student-built houses. As of June 30, 2011, the Center has two lots held for resale. One was purchased in fiscal year 2010, with a value of $37,168, and the other was purchased in fiscal year 2011, with a value of $27,200.

Note 11 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Balance 6/30/10	Additions	Reductions	Balance 6/30/11
Governmental Activities:				
Capital assets not being depreciated				
Land	$140,600	$0	$0	$140,600
Capital assets being depreciated				
Buildings and improvements	12,733,045	6,290,518	0	19,023,563
Furniture, fixtures and equipment	2,780,670	191,873	(105,408)	2,867,135
Vehicles	295,945	22,284	(20,755)	297,474
Total capital assets being depreciated	15,809,660	6,504,675	(126,163)	22,188,172
Accumulated depreciation				
Buildings and improvements	(6,246,890)	(272,316)	0	(6,519,206)
Furniture, fixtures and equipment	(1,694,428)	(349,904)	89,407	(1,954,925)
Vehicles	(201,067)	(27,368)	20,755	(207,680)
Total accumulated depreciation	(8,142,385)	(649,588) *	110,162	(8,681,811)
Capital assets being depreciated, net	7,667,275	5,855,087	(16,001)	13,506,361
Governmental activities capital assets, net	$7,807,875	$5,855,087	($16,001)	$13,646,961

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$65,487
Vocational	433,927
Adult/Continuing	12,199
Support Services:	
Pupil	12,153
Instructional Staff	24,925
Board of Education	1,581
Administration	8,794
Fiscal	3,257
Operation and Maintenance of Plant	24,643
Pupil Transportation	15,963
Operation of Non-Instructional Services	44,549
Operation of Food Services	2,110
Total Depreciation Expense	$649,588

Note 12 - Risk Management

Property and Liability Insurance

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

Workers' Compensation

For fiscal year 2011, the Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of Comp Management, A Sedgwick CMS Company, provides administrative, cost control, and actuarial services to the GRP.

Employee Medical Benefits

The Center is a member of the Portage Area School Consortium Health and Welfare Insurance Pool (the Consortium), a shared risk pool (See Note 19), through which a cooperative Health Benefit Program was created for the benefit of its members. The Health Benefit Program (the Program) is an employee health benefit plan which covers the participating members' employees. The Consortium acts as a fiscal agent for the cash funds paid into the program by the participating school districts. These funds are pooled together for the purposes of paying health benefit claims of employees and their covered dependents, administrative expenses of the program and premiums for stop-loss insurance coverage. A reserve exists which is to cover any unpaid claims if the Center were to withdraw from the pool. If the reserve would not cover such claims, the Center would be liable for any costs above the reserve.

Note 13 – Defined Benefit Pension Plans

School Employees Retirement System

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were $167,542, $176,139, and $130,515, respectively. For fiscal year 2011, 97.44 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

State Teachers Retirement System

Plan Description – The Center participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio web site at www.strsoh.org.

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

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The Center's required contributions to STRS Ohio for the DB Plan and for the defined benefit portion of the Combined Plan were $623,183 and $36,902 for the fiscal year ended June 30, 2011, $617,947 and $29,447 for the fiscal year ended June 30, 2010, and $606,453 and $23,498 for the fiscal year ended June 30, 2009. For fiscal year 2011, 85.83 percent has been contributed for the DB plan and 85.83 percent has been contributed for the Combined Plan, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2011 was $25,916 made by the Center and $18,512 made by the plan members. In addition, member contributions of $26,359 were made for fiscal year 2011 for the defined contribution portion of the Combined Plan.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2011, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages.

Note 14 – Postemployment Benefits

School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2011, this amount was $35,800. During fiscal year 2011, the Center paid $20,468 in surcharge.

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

The Center's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were $40,755, $25,995, and $73,927, respectively. For fiscal year 2011, 97.44 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2011, this actuarially required allocation was 0.76 percent of covered payroll. The Center's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009, were $10,782, $10,475, and $10,346, respectively. For fiscal year 2011, 97.44 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

State Teachers Retirement System

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The Center's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were $50,776, $49,800, and $48,458, respectively. For fiscal year 2011, 85.83 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Note 15 – Compensated Absences

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

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

Note 16 – Long-term Obligations

The changes in the Center's long-term obligations during fiscal year 2011 were as follows:

	Amount Outstanding 06/30/10	Additions	Reductions	Amount Outstanding 06/30/11	Amount Due in One Year
Governmental Activities					
Compensated Absences	$1,246,879	$135,599	($72,466)	$1,310,012	$73,840

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

The Center's overall legal debt margin was $208,050,335 with an unvoted debt margin of $2,311,670 at June 30, 2011.

Note 17 – Set-Asides

The Center is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward to be used for the same purposes in future years. In prior years, the Center was also required to set aside money for budget stabilization. At June 30, 2011, only the unspent portion of certain workers' compensation refunds continues to be set aside.

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

	Budget Stabilization Reserve	Capital Improvements Reserve	Textbook Instructional Materials Reserve
Set-aside Reserve Balance as of June 30, 2010	$223,362	$0	($500,455)
Current Year Set-aside Requirement	0	120,097	120,097
Qualifying Disbursements	0	(120,097)	(249,445)
Totals	$223,362	$0	($629,803)
Set-aside Balance Carried Forward to Future Fiscal Years	$223,362	$0	$0
Set-aside Reserve Balance as of June 30, 2011	$223,362	$0	$0

The Center had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. Effective July 1, 2011, the textbook set-aside is no longer required and has been removed from existing law. This negative fund balance is therefore not presented as being carried forward to future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was $223,362.

Note 18 – Jointly Governed Organization

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the Center. NEONET is a jointly governed organization among twenty-five school districts, three career centers, and the Summit and Medina County Educational Service Centers. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district’s control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The Career Center does not retain an ongoing financial interest or an ongoing financial responsibility in NEONET. During the current fiscal year, the Career Center made $83,962 in payments to NEONET. Financial information can be obtained by writing to the Summit County Educational Service Center, 420 Washington Avenue, Suite 200, Cuyahoga Falls, OH 44221.

Note 19 – Insurance Purchasing Pools

Ohio School Boards Association Workers’ Compensation Group Rating Program

The Center participates in the Ohio School Boards Association Workers’ Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP’s business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Centers pay an enrollment fee to the GRP to cover the costs of administering the program.

Portage Area Schools Consortium

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

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

Note 20 – Contingencies

Grants

The Center received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Center at June 30, 2011.

Litigation

The Center is a party to legal proceedings. The Board of Education is of opinion that the ultimate disposition of the current proceeding will not have a material effect, if any, on the financial condition of the Center.

Note 21 – Interfund Balances

	Interfund Receivable
Interfund Payable	General
Nonmajor Governmental Funds:	
Adult Education	$100,000
Vocational Education Enhancement	32,556
Miscellaneous Federal Grants	55,409
Total	$187,965

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

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2011

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						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	051391-05UP-2011	10.553	24,181		24,181	
National School Lunch Program	051391-LLP4-2011	10.555	107,553		107,553	
Food Distribution Program		10.555		21,865		18,672
Total U.S. Department of Agriculture			131,734	21,865	131,734	18,672
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Adult Education- State Grant Program	051391-ABS1-2011	84.002	99,597		99,597	
Adult Education- State Grant Program	051391-ABS1-2010		0		1,613	
Adult Education- State Grant Program	051391-ABSL-2011		14,768		14,028	
Adult Education- State Grant Program	051391-ABSL-2010C				1,202	
Total Adult Education - State Grant Program			114,365		116,440	
Vocational Education	051391-20C1-2010	84.048	26,086		30,205	
Vocational Education	051391-20C1-2011		202,558		201,786	
Total Vocation Education			228,644		231,991	
REAP- Rural Education Achievement Program	S358A105872	84.358	55,409		55,409	
Total U.S.Department of Education			398,418		403,840	
Totals			**530,152**	**21,865**	**535,574**	**18,672**

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

NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2011

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Maplewood Career Center, Portage County, (the Center) as of and for the year ended June 30, 2011, which collectively comprise the Center's basic financial statements and have issued our report thereon dated November 21, 2011, wherein we noted the Center adopted Governmental Accounting Standards Board Statement No. 54 (GASB 54). We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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Phone: 330-797-9900 or 800-443-9271 Fax: 330-797-9949
www.auditor.state.oh.us

Compliance and Other Matters

As part of reasonably assuring whether the Center's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, audit committee, Board of Education, federal awarding agencies and pass-through entities and others within the Government. We intend it for no one other than these specified parties.

Dave Yost

Dave Yost
Auditor of State

November 21, 2011

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

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

To the Board of Education:

Compliance

We have audited the compliance of Maplewood Career Center (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 could directly and materially affect Maplewood Career Center's major federal program for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the Center's major federal program. The Center's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal program. 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 included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 Maplewood Career Center complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

The Center's management is responsible for establishing and maintaining effective internal control over compliance with the 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 directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Center's internal control over compliance.

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A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We intend this report solely for the information and use of the audit committee, management, Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.

Dave Yost

Dave Yost
Auditor of State

November 21, 2011

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2011

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Maplewood Career Center (the Center]) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on December 16, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Dave Yost

Dave Yost
Auditor of State

November 21, 2011

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Dave Yost • Auditor of State

MAPLEWOOD CAREER CENTER

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 13, 2011