



**Auditor of State
Betty Montgomery**

**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

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**Auditor of State
Betty Montgomery**

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, the major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, Ohio (the Center), as of and for the year ended June 30, 2005, 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, the major fund, and the aggregate remaining fund information of the Maplewood Career Center, Portage County, Ohio, as of June 30, 2005, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2005, 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.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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We conducted our audit to form an opinion on the financial statements that collectively comprise the Center's basic financial statements. The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. We subjected the federal awards expenditure schedule to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 6, 2005

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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, 2005. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for the 2005 fiscal year are as follows:

- In total net assets increased by \$3,066,244 or 25.5 percent.
- General revenues accounted for \$12,240,244 in revenues or 89.7 percent of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for \$1,412,442 or 10.3 percent of total revenues.
- Of the \$12,240,244 in general revenues, \$6,891,107 or 56.3 percent was derived from local tax revenue, \$4,938,261 or 40.3 percent from state revenue and \$410,876 or 3.4 percent was comprised of \$285,575 in investment earnings and \$125,301 in miscellaneous revenue.
- The Center had \$10,586,442 in expenses related to governmental activities. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$12,240,244 and program revenue of \$1,412,442 were adequate to provide for these programs. Governmental activities expenses consumed 86.5 percent of general revenues in fiscal year 2005.
- The Center's only major governmental fund is the General Fund.
- The Center's governmental funds (as presented on the balance sheet on page 14) reported a combined fund balance of \$12,493,413, an increase of \$3,126,157 from fiscal year 2004.

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.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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 2005?" 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 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. On the other hand, financial factors may include the Center's financial position, liquidity and solvency, and fiscal capacity.

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 All 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.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

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 2005 compared to 2004:

Table 1
Net Assets

	Governmental Activities	
	2005	2004
Assets		
Current and Other Assets	\$19,808,328	\$16,715,328
Capital Assets, Net	3,486,382	3,574,010
<i>Total Assets</i>	23,294,710	20,289,338
Liabilities		
Current Liabilities	7,002,708	7,036,599
Long-term Liabilities		
Due within one Year	78,902	79,578
Due in More than one Year	1,111,249	1,137,554
<i>Total Liabilities</i>	8,192,859	8,253,731
Net Assets		
Invested in Capital Assets	3,486,382	3,574,010
Restricted for:		
Set Asides	321,782	224,021
Food Service Operations	0	11,351
Uniform School Supplies	10,276	17,037
Vocational Education Enhancement	213	14,357
Adult Basic Education	14,601	13,322
Miscellaneous Federal Grants	8,059	10,442
Other Purposes	16,316	7,969
Unrestricted	11,244,222	8,163,098
<i>Total Net Assets</i>	\$15,101,851	\$12,035,607

By comparing assets and liabilities, one can see the overall position of the Center has improved as evidenced by the increase in net assets of \$3,066,244.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 2 shows the changes in net assets for fiscal year 2005.

Table 2
 Change in Net Assets
 Governmental Activities

	2005	2004
Revenues		
<i>Program Revenues</i>		
Charges for Services	\$600,890	\$575,016
Operating Grants and Contributions	811,552	813,031
<i>Total Program Revenues</i>	<u>1,412,442</u>	<u>1,388,047</u>
<i>General Revenues</i>		
Property Taxes	6,891,107	6,420,275
Intergovernmental	4,938,261	4,756,259
Investment Earnings	285,575	166,600
Decrease in Fair Value of Investments	0	(200,431)
Miscellaneous	125,301	110,278
<i>Total General Revenues</i>	<u>12,240,244</u>	<u>11,252,981</u>
Total Revenues	<u>13,652,686</u>	<u>12,641,028</u>
<i>Program Expenses</i>		
Instruction:		
Regular	1,592,768	1,511,474
Special	3,930,614	4,056,408
Adult/Continuing	135,568	180,028
Support Services:		
Pupil	942,504	956,887
Instructional Staff	509,300	532,303
Board of Education	38,404	46,246
Administration	818,920	789,925
Fiscal	503,541	544,750
Business	231,949	227,131
Operation and Maintenance of Plant	1,205,230	1,242,664
Pupil Transportation	27,478	28,126
Central	323,767	362,033
Operation of Non-Instructional Services	42,039	16,403
Operation of Food Services	254,881	221,113
Extracurricular Activities	29,479	20,122
<i>Total Program Expenses</i>	<u>10,586,442</u>	<u>10,735,613</u>
Change in Net Assets	3,066,244	1,905,415
Net Assets Beginning of Year	12,035,607	10,130,192
Net Assets End of Year	<u>\$15,101,851</u>	<u>\$12,035,607</u>

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Governmental Activities

Net assets of the Center's governmental activities increased by \$3,066,244 in fiscal year 2005. Program revenues of \$1,412,442 and general revenues of \$12,240,244 offset total governmental expenses of \$10,586,442. Program revenues supported 13.3 percent of the total governmental expenses.

The primary sources of revenue for the Center are derived from property taxes and state foundation payments. These two revenue sources represent 86.6 percent of the total revenue. Property taxes, alone, represent 50.5 percent of revenues. The remaining 49.5 percent of revenue is from program revenues, interest and miscellaneous local sources.

A state law, enacted in 1976, does not allow for 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 2005 was 3.1503 mills for Residential/Agricultural property and 3.5540 mills for other property. The following table illustrates the rate of growth in property values in the past ten years which has positively impacted the Center:

Year Ending	Portage County	Summit County	Total Valuation	Growth Rate
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
2001	1,710,388,183	74,016,987	1,784,405,170	16.02
2000	1,461,444,912	76,559,342	1,538,004,254	3.47
1999	1,418,035,869	68,413,512	1,486,449,381	3.19
1998	1,373,978,796	66,469,461	1,440,448,257	14.38
1997	1,197,717,287	61,671,762	1,259,389,049	4.22
1996	1,155,151,898	53,264,354	1,208,416,252	1.34

The average rate of growth over the last 10 years is 6.50 percent.

In recent years, support from the State in terms of foundation increases, the implementation of weighted funding for special education students and career-tech students, and ADM funding for career technical students has combined to increase the financial condition of the Center. State support for educational programs has averaged an increase of 6.0 percent over the last three years. This increase is largely due to the change in the method of funding provided for career-technical students from unit funding to average daily membership funding, the weighted funding for special education and career-tech students, and increased enrollment at the Center. Also, at fiscal year end, the fair value of investments was down \$192,119 due to the market value on June 30, 2005. This does not express a loss to the Center as the fair value is anticipated to recover.

Many of the expenses remained fairly constant in comparison between 2004 and 2005. However, the operation of non-instruction services expense did increase significantly due to various cost-cutting attempts made by the Center in 2004.

Maplewood Career Center
Management's Discussion and Analysis
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Program revenues covered 13.3 percent of program expenses overall. The remaining 86.7 percent is supported through tax revenues and other general revenues. In fiscal year 2005, however, revenues totaled 129.0 percent of expenses resulting in an increase in net assets \$3,066,244.

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 2005	Total Cost of Services 2004	Net Cost of Services 2005	Net Cost of Services 2004
Program Expenses				
Instruction:				
Regular	\$1,592,768	\$1,511,474	\$1,521,109	\$1,475,262
Vocational	3,930,614	4,056,408	3,474,115	3,591,253
Adult/Continuing	135,568	180,028	13,019	50,223
Support Services:				
Pupil	942,504	956,887	755,120	765,093
Instructional Staff	509,300	532,303	372,849	406,108
Board of Education	38,404	46,246	38,031	45,347
Administration	818,920	789,925	661,178	654,397
Fiscal	503,541	544,750	496,338	521,092
Business	231,949	227,131	229,617	222,560
Operation and Maintenance of Plant	1,205,230	1,242,664	1,192,225	1,215,442
Pupil Transportation	27,478	28,126	26,433	26,308
Central	323,767	362,033	309,733	343,686
Operation of Non-Instructional Services	42,039	16,403	40,577	15,451
Operation of Food Services	254,881	221,113	14,473	(4,373)
Extracurricular Activities	29,479	20,122	29,183	19,717
<i>Total</i>	<u>\$10,586,442</u>	<u>\$10,735,613</u>	<u>\$9,174,000</u>	<u>\$9,347,566</u>

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. 65.1 percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs support 46.6 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 14) reported a combined fund balance of \$12,493,413, an increase of \$3,126,157 from fiscal year 2004.

Maplewood Career Center
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

General Fund

The general fund balance increased by \$3,143,101 in fiscal year 2005. The increase in fund balance can be attributed primarily to passage of a replacement levy and a continued pattern of revenues exceeding expenditures. The fund balance now exceeds one year of expenditures.

Budgeting Highlights

The Center's appropriations are prepared according to Ohio law and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. In fiscal year 2005 all funds were appropriated at the fund level.

In fiscal year 2005, the Center adopted its appropriations prior to October 1, 2004 and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues, including other financing sources, were \$12,008,311, an increase of \$97,115 over the original revenue estimate. Total final estimated revenues exceeded original estimated revenues due mostly to an original conservative estimate of collections from the replacement levy that was passed at a special election in February 2002.

General fund original appropriations, including other financing uses, of \$11,099,174 were increased by \$63,000 in the final appropriation measure of \$11,162,174. The Center's budget for salaries, wages and fringe benefits totaled 64.12 percent of general fund appropriations; purchased services 11.9 percent; supplies 4.79 percent; capital outlay 13.05 percent; transfers and advances 3.79 percent and other/miscellaneous expenses 2.35 percent.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2005, the Center had \$3,486,382 invested in land, buildings and improvements, furniture, fixtures and equipment and vehicles. The following table shows fiscal 2005 balances compared to 2004.

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

	Governmental Activities	
	2005	2004
Land	\$281,479	\$203,875
Buildings and Improvements	1,998,477	2,175,995
Furniture, Fixtures and Equipment	1,090,632	1,068,344
Vehicles	115,794	125,796
Total Capital Assets	\$3,486,382	\$3,574,010

Capital Assets net of depreciation decreased \$87,628 overall. The decrease was mainly due to an additional year of accumulated depreciation.

Maplewood Career Center
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For the Fiscal Year Ended June 30, 2005
Unaudited

The Center's capitalization threshold for capital assets was set at \$5,000. For additional information on capital assets, see Note 9 to the basic financial statements.

Debt

At June 30, 2005 the Center had no outstanding bonded long-term debt. The long-term liabilities listed in Note 14 are those accumulated for compensated absences. For additional information on long-term obligations, see Note 14 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.

The adult education program shall assist 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.

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.

Although the Center has achieved a large measure of financial stability and forecasts a continuation of that stability throughout the five years of the required forecast period, the Center also anticipates financial stability throughout the remainder of the current 10-year 3-mill replacement levy period. Administrators and staff are cognizant of the vulnerability of this stability and the Board of Education and administrators continue to closely monitor both revenues and expenses. The Treasurer continues to prepare annually monthly cash flow estimates in order to ascertain that actual revenues meet or exceed estimated revenues and actual expenditures do not exceed estimates.

Contacting the Center's Financial Management Personnel

This financial report is designed to provide our citizen's, 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 112, or by e-mail at seckmanmi@mwood.cc.

Basic Financial Statements

Maplewood Career Center

Statement of Net Assets

June 30, 2005

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$12,740,423
Accounts Receivable	15,543
Intergovernmental Receivable	40,271
Prepaid Items	1,984
Inventory Held for Resale	3,246
Materials and Supplies Inventory	381
Property Taxes Receivable	7,006,480
Nondepreciable Capital Assets	281,479
Depreciable Capital Assets, Net	3,204,903
<i>Total Assets</i>	<u>23,294,710</u>
Liabilities	
Accounts Payable	79,416
Accrued Wages Payable	620,523
Matured Compensated Absences Payable	55,909
Intergovernmental Payable	132,798
Deferred Revenue	6,114,062
Long-Term Liabilities:	
Due Within One Year	78,902
Due In More Than One Year	1,111,249
<i>Total Liabilities</i>	<u>8,192,859</u>
Net Assets	
Invested in Capital Assets	3,486,382
Restricted for:	
Set Asides	321,782
Uniform School Supplies	10,276
Vocational Education Enhancement	213
Adult Basic Education	14,601
Miscellaneous Federal Grants	8,059
Other Purposes	16,316
Unrestricted	11,244,222
<i>Total Net Assets</i>	<u><u>\$15,101,851</u></u>

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$1,592,768	\$23,985	\$47,674	(\$1,521,109)
Vocational	3,930,614	234,987	221,512	(3,474,115)
Adult/Continuing	135,568	2,620	119,929	(13,019)
Support Services:				
Pupil	942,504	13,608	173,776	(755,120)
Instructional Staff	509,300	32,173	104,278	(372,849)
Board of Education	38,404	369	4	(38,031)
Administration	818,920	89,210	68,532	(661,178)
Fiscal	503,541	4,987	2,216	(496,338)
Business	231,949	2,307	25	(229,617)
Operation and Maintenance of Plant	1,205,230	11,768	1,237	(1,192,225)
Pupil Transportation	27,478	128	917	(26,433)
Central	323,767	3,075	10,959	(309,733)
Operation of Non-Instructional Services	42,039	1,449	13	(40,577)
Operation of Food Services	254,881	179,931	60,477	(14,473)
Extracurricular Activities	29,479	293	3	(29,183)
<i>Totals</i>	<u>\$10,586,442</u>	<u>\$600,890</u>	<u>\$811,552</u>	<u>(9,174,000)</u>
General Revenues				
Property Taxes Levied for				
General Purposes				6,891,107
Grants and Entitlements not Restricted to Specific Programs				4,938,261
Investment Earnings				285,575
Miscellaneous				125,301
<i>Total General Revenues</i>				<u>12,240,244</u>
Change in Net Assets				3,066,244
<i>Net Assets Beginning of Year</i>				<u>12,035,607</u>
<i>Net Assets End of Year</i>				<u>\$15,101,851</u>

See accompanying notes to the basic financial statements

Maplewood Career Center*Balance Sheet**Governmental Funds**June 30, 2005*

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$12,076,951	\$341,690	\$12,418,641
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	321,782	0	321,782
Accounts Receivable	10,397	5,146	15,543
Interfund Receivable	284,001	0	284,001
Intergovernmental Receivable	0	40,271	40,271
Prepaid Items	1,984	0	1,984
Materials and Supplies Inventory	0	381	381
Inventory Held for Resale	0	3,246	3,246
Taxes Receivable	7,006,480	0	7,006,480
<i>Total Assets</i>	<u>\$19,701,595</u>	<u>\$390,734</u>	<u>\$20,092,329</u>
Liabilities			
Accounts Payable	\$66,184	\$13,232	\$79,416
Accrued Wages Payable	577,251	43,272	620,523
Intergovernmental Payable	109,248	23,550	132,798
Deferred Revenue	6,426,269	0	6,426,269
Matured Compensated Absences Payable	55,909	0	55,909
Interfund Payable	0	284,001	284,001
<i>Total Liabilities</i>	<u>7,234,861</u>	<u>364,055</u>	<u>7,598,916</u>
Fund Balances			
Reserved for Encumbrances	660,657	59,629	720,286
Reserved for Capital Improvements	98,420	0	98,420
Reserved for Property Taxes	580,211	0	580,211
Reserved for Budget Stabilization	223,362	0	223,362
Unreserved:			
Designated for Severance Payments	198,553	0	198,553
Undesignated, Reported in:			
General Fund	10,705,531	0	10,705,531
Special Revenue Funds (Deficit)	0	(32,950)	(32,950)
<i>Total Fund Balances</i>	<u>12,466,734</u>	<u>26,679</u>	<u>12,493,413</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$19,701,595</u>	<u>\$390,734</u>	<u>\$20,092,329</u>

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, 2005*

Total Governmental Funds Balances	\$12,493,413
 <i>Amounts reported for governmental activities in the statement of net assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,486,382
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds: Property Taxes	312,207
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: Compensated Absences	<u>(1,190,151)</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$15,101,851</u></u>

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, 2005

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$6,885,029	\$0	\$6,885,029
Intergovernmental	4,938,261	823,144	5,761,405
Interest	284,989	586	285,575
Tuition and Fees	67,336	221,148	288,484
Rentals	16,423	0	16,423
Contributions and Donations	1,025	0	1,025
Charges for Services	9,330	286,653	295,983
Miscellaneous	58,595	66,706	125,301
<i>Total Revenues</i>	<u>12,260,988</u>	<u>1,398,237</u>	<u>13,659,225</u>
Expenditures			
Current:			
Instruction:			
Regular	1,387,440	59,111	1,446,551
Vocational	3,474,610	437,796	3,912,406
Adult/Continuing	0	122,319	122,319
Support Services:			
Pupil	701,582	191,426	893,008
Instructional Staff	366,256	119,713	485,969
Board of Education	35,210	0	35,210
Administration	611,123	156,956	768,079
Fiscal	472,922	2,192	475,114
Business	243,157	0	243,157
Operation and Maintenance of Plant	1,123,994	1,100	1,125,094
Pupil Transportation	12,308	912	13,220
Central	287,701	13,851	301,552
Operation of Non-Instructional Services	19,997	0	19,997
Operation of Food Services	0	256,290	256,290
Extracurricular Activities	28,009	0	28,009
Capital Outlay	353,278	186,021	539,299
<i>Total Expenditures</i>	<u>9,117,587</u>	<u>1,547,687</u>	<u>10,665,274</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,143,401</u>	<u>(149,450)</u>	<u>2,993,951</u>
Other Financing Sources (Uses)			
Proceeds from Sale of Capital Assets	4,393	127,813	132,206
Transfers In	0	4,693	4,693
Transfers Out	(4,693)	0	(4,693)
<i>Total Other Financing Sources (Uses)</i>	<u>(300)</u>	<u>132,506</u>	<u>132,206</u>
<i>Net Change in Fund Balances</i>	3,143,101	(16,944)	3,126,157
<i>Fund Balances Beginning of Year</i>	<u>9,323,633</u>	<u>43,623</u>	<u>9,367,256</u>
<i>Fund Balances End of Year</i>	<u>\$12,466,734</u>	<u>\$26,679</u>	<u>\$12,493,413</u>

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, 2005*

Net Change in Fund Balances - Total Governmental Funds \$3,126,157

*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
capital outlay exceeded depreciation in the current period.

Capital Outlay	346,036	
Depreciation	(306,078)	
Total		39,958

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. (127,586)

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues
in the funds.

Property Taxes	6,078	
Grants	(12,617)	
Total		(6,539)

Some expenses reported in the statement of activities, such as
compensated absences and intergovernmental payable (which
represents contractually required pension contributions), do
not require the use of current financial resources and therefore
are not reported as expenditures in governmental funds.

Compensated Absences	26,981	
Pension Obligation	7,273	
Total		34,254

Change in Net Assets of Governmental Activities \$3,066,244

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, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$6,433,316	\$6,530,731	\$6,544,749	\$14,018
Intergovernmental	4,974,180	4,974,180	4,945,756	(28,424)
Interest	190,000	190,000	276,677	86,677
Tuition and Fees	70,000	70,000	62,626	(7,374)
Rentals	15,000	15,000	16,163	1,163
Contributions and Donations	1,700	1,400	1,025	(375)
Charges for Services	11,000	11,000	6,878	(4,122)
Miscellaneous	12,000	12,000	56,926	44,926
<i>Total Revenues</i>	11,707,196	11,804,311	11,910,800	106,489
Expenditures				
Current:				
Instruction:				
Regular	1,454,278	1,458,681	1,379,306	79,375
Vocational	3,931,426	3,833,218	3,496,538	336,680
Support Services:				
Pupil	718,259	719,541	711,743	7,798
Instructional Staff	375,937	377,887	350,665	27,222
Board of Education	64,905	64,905	43,983	20,922
Administration	667,261	695,861	616,550	79,311
Fiscal	641,313	673,313	567,063	106,250
Business	259,036	286,036	243,828	42,208
Operation and Maintenance of Plant	1,404,805	1,436,805	1,295,298	141,507
Pupil Transportation	53,003	53,003	11,913	41,090
Central	348,050	349,910	311,917	37,993
Operation of Non-Instructional Services	24,497	24,197	20,004	4,193
Extracurricular Activities	33,935	38,183	28,284	9,899
Capital Outlay	738,469	771,714	699,533	72,181
<i>Total Expenditures</i>	10,715,174	10,783,254	9,776,625	1,006,629
<i>Excess of Revenues Over Expenditures</i>	992,022	1,021,057	2,134,175	1,113,118
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	4,000	4,000	4,393	393
Advances In	200,000	200,000	213,520	13,520
Advances Out	(300,000)	(294,920)	(284,001)	10,919
Transfers Out	(84,000)	(84,000)	(4,693)	79,307
<i>Total Other Financing Sources (Uses)</i>	(180,000)	(174,920)	(70,781)	104,139
<i>Net Change in Fund Balance</i>	812,022	846,137	2,063,394	1,217,257
<i>Fund Balance Beginning of Year</i>	9,217,002	9,217,002	9,217,002	0
Prior Year Encumbrances Appropriated	579,355	579,355	579,355	0
<i>Fund Balance End of Year</i>	\$10,608,379	\$10,642,494	\$11,859,751	\$1,217,257

See accompanying notes to the basic financial statements

Maplewood Career Center
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	\$52,348	\$29,170
Liabilities		
Due to Students	0	\$29,170
Net Assets		
Held in Trust for Scholarships	\$52,348	

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, 2005

	<u>Scholarship</u>
Additions	
Contributions and Donations	\$3,720
Interest	1,014
Miscellaneous	<u>5,887</u>
<i>Total Additions</i>	10,621
Deductions	
Scholarships Awarded	<u>17,664</u>
<i>Change in Net Assets</i>	(7,043)
<i>Net Assets Beginning of Year</i>	<u>59,391</u>
<i>Net Assets End of Year</i>	<u><u>\$52,348</u></u>

See accompanying notes to the basic financial statements

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 elected to 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 75 certified employees and 30 non-certified employees who provide services to 683 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. A 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 Maplewood, 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 public entity risk pools. These organizations are the Stark/Portage Area Computer Consortium, the Ohio School Boards Association Workers’ Compensation Group Rating Program, and the Portage Area School Consortium. These organizations are presented in Notes 16 and 17 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.

A. 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.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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.

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.

B. 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 used to account for all financial resources, except those required to be accounted for in another fund. The general fund balance is available to the Center for any purpose provided it is expended or transferred according to the general laws of Ohio.

The other governmental funds of the Center account for grants and other resources whose uses are restricted 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 funds account for student activities.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

C. 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.

D. 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 7). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the Center must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 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.

E. 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 adopted.

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.

F. 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 2005, investments were limited to Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes, and STAROhio. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

STAROhio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price, which is the price the investment could be sold for on June 30, 2005.

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 2005 amounted to \$284,989, which includes \$7,073 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.

G. 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 reserve for budget stabilization and unspent resources restricted for capital improvements. See Note 15 for additional information regarding set-asides.

H. Inventory

Inventories are presented at cost 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.

I. 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. Donated fixed 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 years
Furniture, Fixtures and Equipment	5-25 years
Vehicles	10-15 years

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

J. 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.

K. 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. 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.

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.

L. 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.

M. 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. The government-wide statement of net assets reports \$371,247 of restricted net assets, of which none is restricted by enabling legislation. Net assets restricted for other purposes include public school support programs, school net professional development programs, drug free school programs and improving teacher quality programs.

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

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

N. Fund Balance Reserves

The Center reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, capital improvements, property taxes and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents monies required to be set aside by State statute to protect against cyclical changes in revenues and expenditures.

O. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. In the fund financial statements all transfers between governmental funds have been eliminated within the governmental activities column of the statement of net assets. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. 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.

Q. 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 – Changes in Accounting Principle

For fiscal year 2005, the Center has implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosures”, GASB Statement No. 46, “Net Assets Restricted by Enabling Legislation” and GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers.”

GASB Statement No. 40 establishes disclosure requirements related to investment risks

GASB Statement No. 46 clarifies when net assets should be considered restricted based upon enabling legislation.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

GASB Technical Bulletin No. 2004-2 addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

The implementation of GASB Statement No. 46 and GASB Technical Bulletin No. 2004-2 did not materially effect the presentation of the financial statements of the Center.

Note 4 – Compliance

Fund balances at June 30, 2005, included the following individual fund deficits:

Special Revenue Funds:

Rotary Special Services	\$67,863
Management Information Systems	6
Vocational Education	2,037

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

Note 5 - 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 reservation of fund balance (GAAP basis).
4. 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.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Net Change in Fund Balance

GAAP Basis	\$3,143,101
Net Adjustment for Revenue Accruals	(341,876)
Advances In	213,520
Beginning Fair Value Adjustment for Investments	(200,431)
Ending Fair Value Adjustment for Investments	192,119
Net Adjustment for Expenditure Accruals	72,063
Advances Out	(284,001)
Encumbrances	<u>(731,101)</u>
Budget Basis	<u><u>\$2,063,394</u></u>

Note 6 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District 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 may 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 obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal 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 or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAR Ohio).
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.

At year end, the Center had \$779 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$157,186 of the Center's bank balance of \$257,186 was uninsured and collateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the investment of money had been followed, noncompliance with Federal requirements could potentially subject the Center to a successful claim by the FDIC

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

Investments

All investments are in an internal investment pool. As of June 30, 2005, the Center had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-2	2-3
Federal National Mortgage Association Notes	\$4,021,437	\$1,001,562	\$3,019,875	\$0
Federal Home Loan Mortgage Corporation Notes	1,009,549	0	1,009,549	0
Federal Home Loan Bank Notes	3,004,883	0	1,000,000	2,004,883
STAROhio	4,851,754	4,851,754	0	0
Total Investments	<u>\$12,887,623</u>	<u>\$5,853,316</u>	<u>\$5,029,424</u>	<u>\$2,004,883</u>

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. To date, no investments have been purchased with a life greater than three years.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Credit Risk. The Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes and Federal Home Loan Bank Notes carry a rating of AAA by Fitch. STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The Center has no investment policy that would further limit its investment choices.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Federal National Mortgage Association Notes, Federal Home Loan Mortgage Corporation Notes, and the Federal Home Loan Bank Notes are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the Center's name.

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, 2005:

<u>Investment Issuer</u>	<u>Percentage of Investments</u>
Federal National Mortgage Association Notes	31.20 %
Federal Home Loan Mortgage Corporation Notes	7.83
Federal Home Loan Bank Notes	23.32
STAROhio	37.65

Note 7 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the Center 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. Real property tax revenue received in calendar 2005 represents collections of calendar year 2004 taxes. Real property taxes received in calendar year 2005 were levied after April 1, 2004, on the assessed value listed as of January 1, 2004, the lien date. Assessed values for real property taxes are established by State law at thirty-five 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 2005 represents collections of calendar year 2004 taxes. Public utility real and tangible personal property taxes received in calendar year 2005 became a lien December 31, 2003, were levied after April 1, 2004 and are collected in 2005 with real property taxes. Public utility real property is assessed at thirty-five 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 2005 (other than public utility property) represents the collection of 2005 taxes. Tangible personal property taxes received in calendar year 2005 were levied after April 1, 2004, on the value as of December 31, 2004. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

inventory. 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 Auditors periodically advance to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2005, are available to finance fiscal year 2005 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, 2005 and for which there is an enforceable legal claim. In the governmental funds the entire receivable for property taxes has been deferred since the current taxes were not levied to finance fiscal year 2005 operations, and the collection of delinquent taxes during the available period is not subject to reasonable estimation.

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 amount available as an advance in the general fund was \$580,211 at June 30, 2005, and \$239,931 at June 30, 2004.

The assessed values upon which the fiscal year 2005 taxes were collected are:

	2004 Second Half Collections		2005 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,842,350,120	86.34 %	\$1,915,838,736	86.53 %
Public Utility Personal	82,331,010	3.86	81,364,910	3.67
Tangible Personal Property	209,083,183	9.80	216,935,486	9.80
Total	\$2,133,764,313	100.00 %	\$2,214,139,132	100.00 %
Tax rate per \$1,000 of assessed valuation	\$4.00		\$4.00	

Note 8 - Receivables

Receivables at June 30, 2005, consisted of taxes, accounts (rent, student fees and tuition), 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 are expected to be collected within one year.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
Vocational Education Grant	\$25,399
Adult Education Grant	10,559
Adult Basic Education Grant	3,618
Vocational Education Enhancement Grant	388
Miscellaneous Federal Grants	307
	<hr/>
Total	<u>\$40,271</u>

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2005, was as follows:

	<u>Balance 6/30/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/05</u>
Governmental Activities:				
Capital assets not being depreciated				
Land	\$203,875	\$111,504	(\$33,900)	\$281,479
Capital assets being depreciated				
Buildings and improvements	7,318,097	0	(27,670)	7,290,427
Furniture, fixtures and equipment	1,829,654	234,532	(132,291)	1,931,895
Vehicles	271,985	0	0	271,985
Total capital assets being depreciated	<u>9,419,736</u>	<u>234,532</u>	<u>(159,961)</u>	<u>9,494,307</u>
Accumulated depreciation				
Buildings and improvements	(5,142,102)	(177,518)	27,670	(5,291,950)
Furniture, fixtures and equipment	(761,310)	(118,558)	38,605	(841,263)
Vehicles	(146,189)	(10,002)	0	(156,191)
Total accumulated depreciation	<u>(6,049,601)</u>	<u>(306,078) *</u>	<u>66,275</u>	<u>(6,289,404)</u>
Capital assets being depreciated, net	<u>3,370,135</u>	<u>(71,546)</u>	<u>(93,686)</u>	<u>3,204,903</u>
Governmental activities capital assets, net	<u>\$3,574,010</u>	<u>\$39,958</u>	<u>(\$127,586)</u>	<u>\$3,486,382</u>

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$36,628
Vocational	170,113
Adult/Continuing	6,823
Support Services:	
Pupil	10,326
Instructional Staff	21,178
Board of Education	1,344
Administration	7,473
Fiscal	2,766
Operation and Maintenance of Plant	20,938
Pupil Transportation	13,564
Operation of Non-Instructional Services	8,615
Operation of Food Services	6,310
	<hr/>
Total Depreciation Expense	\$306,078
	<hr/>

Note 10 - Risk Management

A. Property and Liability Insurance

The Center maintains comprehensive insurance coverage with a private carrier, Indiana Insurance, for liability coverage. Real property, building contents and vehicles are also maintained with Indiana Insurance; however, the Center makes the payment through the Portage Area School Consortium Property and Casualty Pool (the "Pool"). See Note 17 for more information on the Pool.

B. Workers' Compensation

The Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (See Note 17). 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 Gates McDonald & Company provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical Benefits

The Center is a member of the Portage Area School Consortium (the Consortium), a shared risk pool (See Note 17), 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.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 11 - Pension Plans

A. School Employees Retirement System

The Center contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State Statute Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required to contribute 10 percent of their annual covered salary and the Center is required to contribute at an actuarially determined rate. The current Center rate is 14 percent of annual covered payroll. A portion of the Center's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The Center's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004 and 2003 were \$127,146, \$102,636, and \$73,429, respectively; 96.04 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003.

B. State Teachers Retirement System

The Center participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio website 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 times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times 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 Combined Plan offers features of both the DC Plan and the DB 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. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2005, plan members were required to contribute 10 percent of their annual covered salaries. The Center was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2004, the portion used to fund pension obligations was 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The Center's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004 and 2003 were \$563,078, \$542,433, and \$491,228, respectively; 83.10 percent has been contributed for fiscal year 2005 and 100 percent for fiscal years 2004 and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$8,322 made by the School District and \$23,191 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teacher Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teacher Retirement System. As of June 30, 2005, certain members of the Board of Education have elected Social Security. The District's liability is 6.20 percent of wages paid.

Note 12 - Postemployment Benefits

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

Retirees who participated in the DB or Combined Plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the Center, this amount equaled \$43,314 for fiscal year 2005.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2004, (the latest information available), the balance in the Fund was \$3.10 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established as \$27,400. For the Center, the amount to fund health care benefits, including surcharge, during the 2005 fiscal year equaled \$75,791.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2004, (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, (the latest information available), SERS had net assets available for payment of health care benefits of \$300.8 million. SERS has approximately 62,000 participants currently receiving health care benefits.

Note 13 - Other Employee Benefits

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. 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 14 - Long-term Obligations

The changes in the Center's long-term obligations during fiscal year 2005 were as follows:

	Principal Outstanding 06/30/04	Additions	Reductions	Principal Outstanding 06/30/05	Amount Due in One Year
Governmental Activities					
Compensated Absences	<u>\$1,217,132</u>	<u>\$48,541</u>	<u>\$75,522</u>	<u>\$1,190,151</u>	<u>\$78,902</u>

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

The Center's overall legal debt margin was \$199,272,522 with an unvoted debt margin of \$2,214,139 at June 30, 2005.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 15 - 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, 2005, 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, 2004	\$223,362	\$659	\$0
Current Year Set-aside Requirement	0	105,080	105,080
Qualifying Disbursements	0	(7,319)	(219,942)
Totals	<u>\$223,362</u>	<u>\$98,420</u>	<u>(\$114,862)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$223,362</u>	<u>\$98,420</u>	<u>(\$114,862)</u>
Set-aside Reserve Balance as of June 30, 2005	<u>\$223,362</u>	<u>\$98,420</u>	<u>\$0</u>

The Center had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was \$321,782.

Note 16 - Jointly Governed Organization

Stark/Portage Area Computer Consortium The Stark/Portage Area Computer Consortium (SPARCC) is a jointly governed organization created as a regional council of governments pursuant to State Statutes made up of public school district's and county boards of education from Stark, Portage and Carroll counties. The primary function of SPARCC is to provide data processing services to its member districts with the major emphasis being placed on accounting, inventory control and payroll services. Other areas of service provided by SPARCC include student scheduling, registration, grade reporting and test scoring. Each member district pays an annual fee for the services provided by SPARCC.

SPARCC is governed by a board of directors comprised of each Superintendent within the Consortium. The Stark County Educational Service Center serves as the fiscal agent of the Consortium and receives funding from the State Department of Education. Each district has one vote in all matters and each member district's control over budgeting and financing of SPARCC is limited to its voting and any representation it may have on the board of directors. The continued existence of SPARCC is not dependent on the District's continued participation and no equity interest exists. Maplewood Career Center paid \$11,459 to SPARCC during fiscal year 2005 for services. Financial information can be obtained by writing the Stark/Portage Area Computer Consortium, 2100 38th Street NW, Canton, Ohio 44709.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 17 - Public Entity Risk Pools

A. Insurance Purchasing Pool

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.

B. Shared Risk Pool

Portage Area School 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 of various school districts in the Portage County, Ohio area. The Consortium is a stand alone entity, comprised of two stand-alone Pools; the Portage County 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 5th, 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 the method of selection therefore, 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 representation to the Consortium (usually the superintendent or designee). In the case of a member that is a board of education, that representative shall be an executive appointed by the member's governing body. The Assembly serves without compensation.

Note 18 - Contingencies

A. 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, 2005.

B. Litigation

The Center is not party to any legal proceedings.

Maplewood Career Center
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Note 19 - Interfund Transactions

A. Interfund Balances

Interfund Payable	Interfund Receivable
	General
<i>Nonmajor Governmental Funds:</i>	
Uniform School Supplies	\$15,000
Rotary Special Services	155,000
Vocational Education Enhancement	3,568
Vocational Education	41,725
Title V	2,477
Drug Free School Grant	1,377
Improving Teacher Quality	3,138
Miscellaneous Federal Grants	61,716
Total	\$284,001

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.

B. Interfund Transfers

Transfers made during the year ended June 30, 2005 were as follows:

Transfers To	Transfers From
	General
<i>Nonmajor Governmental Funds:</i>	
Adult Education	\$2,523
Rotary Special Services	1,100
Vocational Education Enhancement	1,070
Total	\$4,693

The transfer from the General Fund to the Adult Education Fund was to cover the difference in revenue and expenditures of the high school credit evening program that sometimes does not generate enough tuition revenue to cover expenditures since the classes can be quite small. The Board of Education agreed by resolution to fund any deficit that occurs through the operation of the high school credit evening classes. The transfer from the General Fund to the Rotary Special Services Fund was to cover the start up of a new customer service fund for careers in service industries to operate a luncheon program. The transfers from the General Fund to the Vocational Education Enhancement Fund was to cover the Board's matching requirement of the State funded grant program.

**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED June 30, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550		\$11,671		\$11,451
School Breakfast Program	051391-05UP-2004	10.553	\$518		\$518	
	051391-05UP-2005		5,654		5,654	
National School Lunch Program	051391-LLP4-2004	10.555	5,249		5,249	
	051391-LLP4-2005		35,722		35,722	
Total U.S. Department of Agriculture - Nutrition Cluster			<u>47,144</u>	<u>11,671</u>	<u>47,144</u>	<u>11,451</u>
U.S. DEPARTMENT OF EDUCATION						
<i>Direct From the U.S. Department of Education</i>						
REAP - Real Education Achievement	S358A045872	84.358	51,716		51,716	
<i>Passed Through Ohio Department of Education:</i>						
Adult Education- State Grant Program	051391-ABS1-2004	84.002	11,812		11,812	
	051391-ABS1-2004C		3,982		3,982	
	051391-ABS1-2005		122,697		122,697	
	051391-ABS2-2004		498		5,245	
	051391-ABS2-2005		1,626		1,626	
	051391-ABS2-2005		28,390		23,285	
	051391-ABSL-2005		15,422		12,995	
	051391-ABSL-2003C				216	
Total Adult Education - State Grant Program			<u>184,426</u>		<u>181,857</u>	
Vocational Education	051391-20C1-2004	84.048	41,724		25,007	
	051391-20C1-2005		263,335		257,398	
Total Vocational Education			<u>305,059</u>		<u>282,405</u>	
Drug Free School Grant Title IV	051391-DRS1-2004	84.186			179	
	051391-DRS1-2005		1,530		1,551	
Total Drug Free School Grant Title IV			<u>1,530</u>		<u>1,730</u>	
Innovative Educational Program	051391-C2S1-2005	84.298	2,753		2,753	
Improving Teacher Quality State Grants (Title II)	051391-TRS1-2004	84.367			139	
	051391-TRS1-2005		4,263		3,711	
Total Improving Teacher Quality State Grants (Title II)			<u>4,263</u>		<u>3,849</u>	
Total Department of Education			<u>549,746</u>		<u>524,310</u>	
U.S. DEPARTMENT OF LABOR						
<i>Passed Through Workforce Department Agency (WDA):</i>						
Workforce Investment Act - Youth	Thur GAPP Inc.	17.259	2,500		2,500	
					913	
			4,606		3,003	
			1,536		738	
			2,798		3,108	
			1,126		1,072	
Total Workforce Investment Act - Youth			<u>12,566</u>		<u>11,335</u>	
Workforce Investment Act - Adult	Thur GAPP Inc.	17.258			3,685	
Total U.S. Department of Labor			<u>12,566</u>		<u>15,020</u>	
Totals			<u>\$609,457</u>	<u>\$11,671</u>	<u>\$586,474</u>	<u>\$11,451</u>

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

**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

Program regulations do not require the Center to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C - MATCHING REQUIREMENTS

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



Auditor of State Betty Montgomery

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, the major fund, and the aggregate remaining fund information of Maplewood Career Center, Portage County (the Center) as of and for the year ended June 30, 2005, which collectively comprise the Center's basic financial statements and have issued our report thereon dated December 6, 2005. 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 to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

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*.

Maplewood Career Center
Portage County
Independent Accountants' Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Required
by *Government Auditing Standards*
Page 2

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 6, 2005



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH 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, Portage County (the Center) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to its major federal program for the year ended June 30, 2005. 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 each 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 contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of 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 apply to its major federal program for the year ended June 30, 2005.

Internal Control Over Compliance

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

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

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 6, 2005

**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

Finding Number	N/A-No finding is reported
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3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	N/A-No finding is reported
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**Auditor of State
Betty Montgomery**

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**MAPLEWOOD CAREER CENTER
PORTAGE COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 12, 2006**