MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2008

Mary Taylor, CPA
Auditor of State

MAPLEWOOD CAREER CENTER
PORTAGE COUNTY

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Mary Taylor, CPA
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INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Maplewood Career Center, Portage County, Ohio (the Center), as of and for the year ended June 30, 2008, 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 Maplewood Career Center, Portage County, Ohio, as of June 30, 2008, and the respective changes in financial position thereof and 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 February 27, 2009, 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.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293
Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949
www.auditor.state.oh.us

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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 27, 2009

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, 2008. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

Key financial highlights for the 2008 fiscal year are as follows:

- In total net assets increased by $3,251,863, or 15.16 percent.

- General revenues accounted for $12,428,940 in revenues, or 86.36 percent, of all revenues. Program specific revenues in the form of charges for services, grants and contributions accounted for $1,963,017, or 13.64 percent, of total revenues.

- Of the $12,428,940 in general revenues, $6,378,081, or 51.32 percent, was derived from local tax revenue, $4,832,820, or 38.88 percent, from State revenue, $978,544, or 7.87 percent, from investment earnings, $118,067, or .95 percent, from gains on sale of capital assets, and $121,428, or .98 percent from miscellaneous revenue.

- The Center had $11,140,094 in expenses related to governmental activities. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of $12,428,940 and program revenue of $1,963,017 were adequate to provide for these programs. Governmental activities expenses consumed 89.63 percent of general revenues in fiscal year 2008.

- The Center's only major governmental fund is the General Fund.

- The Center's governmental funds (as presented on the balance sheet on page 15) reported a combined fund balance of $17,691,052, a decrease of $866,295 from fiscal year 2007.

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.

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 2008?" 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.

Reporting the Center's Most Significant Funds

Fund Financial Statements

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

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

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

The Center as a Whole

You may recall that the Statement of Net Assets provides the perspective of the Center as a whole. Table 1 provides a comparison of the Center's Net Assets for fiscal year 2008 compared to 2007:

Table 1
Net Assets

	Governmental Activites		
	2008	2007	Change
Assets			
Current and Other Assets	$25,190,966	$26,056,066	($865,100)
Capital Assets, Net	7,876,067	3,796,444	4,079,623
Total Assets	33,067,033	29,852,510	3,214,523
Liabilities			
Current Liabilities	7,139,250	7,181,679	(42,429)
Long-term Liabilities			
Due within one Year	68,169	72,110	(3,941)
Due in More than one Year	1,160,328	1,151,298	9,030
Total Liabilities	8,367,747	8,405,087	(37,340)
Net Assets			
Invested in Capital Assets	7,876,067	3,796,444	4,079,623
Restricted for:			
Set Asides	223,362	223,527	(165)
Food Service Operations	37,736	41,782	(4,046)
Adult Basic Education	10,077	22,690	(12,613)
Miscellaneous Federal Grants	1,995	4,269	(2,274)
Other Purposes	182,610	3,865	178,745
Unrestricted	16,367,439	17,354,846	(987,407)
Total Net Assets	$24,699,286	$21,447,423	$3,251,863

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 $3,251,863. Current and Other Assets decreased from $26,056,066 in 2007 to $25,190,966 in 2008. The majority of this decrease is due to Cash and Cash Equivalents decreasing by $713,681 from 2007 to 2008, which is mostly due to the capital improvements made by the Center during the fiscal year.

Table 2 shows the changes in net assets for fiscal year 2008.

Table 2
Change in Net Assets
Governmental Activities

	2008	2007	Change
Revenues			
Program Revenues			
Charges for Services	$698,473	$709,386	($10,913)
Operating Grants and Contributions	1,264,544	1,456,066	(191,522)
Total Program Revenues	1,963,017	2,165,452	(202,435)
General Revenues			
Property Taxes	6,378,081	6,632,186	(254,105)
Intergovernmental	4,832,820	4,509,981	322,839
Investment Earnings	978,544	955,714	22,830
Gain on Sale of Capital Assets	118,067	0	118,067
Miscellaneous	121,428	65,329	56,099
Total General Revenues	12,428,940	12,163,210	265,730
Total Revenues	14,391,957	14,328,662	63,295
Program Expenses			
Instruction:			
Regular	1,220,090	1,591,909	(371,819)
Vocational	4,696,925	4,163,285	533,640
Adult/Continuing	125,772	124,065	1,707
Support Services:			
Pupil	924,508	1,014,421	(89,913)
Instructional Staff	518,516	529,920	(11,404)
Board of Education	153,947	61,903	92,044
Administration	798,206	796,633	1,573
Fiscal	509,336	507,037	2,299
Business	220,208	225,239	(5,031)
Operation and Maintenance of Plant	1,295,545	1,146,614	148,931
Pupil Transportation	26,835	28,873	(2,038)
Central	330,631	363,060	(32,429)
Operation of Non-Instructional Services	30,381	28,612	1,769
Operation of Food Services	271,083	259,774	11,309
Extracurricular Activities	18,111	20,720	(2,609)
Total Program Expenses	11,140,094	10,862,065	278,029
Change in Net Assets	3,251,863	3,466,597	(214,734)
Net Assets Beginning of Year	21,447,423	17,980,826	3,466,597
Net Assets End of Year	$24,699,286	$21,447,423	$3,251,863

Governmental Activities

Net assets of the Center's governmental activities increased by $3,251,863 in fiscal year 2008. Program revenues of $1,963,017 and general revenues of $12,428,940 offset total governmental expenses of $11,140,094. Program revenues supported 17.62 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 77.90 percent of the total revenue. Property taxes, alone, represent 44.32 percent of revenues. The remaining 55.68 percent of revenue is from program revenues, State foundation, interest, gains on sale of capital assets, and miscellaneous local sources.

A State law, enacted in 1976, does not allow for tax revenue increases caused by inflationary growth of real property. Increases in valuation prompt corresponding annual reductions in the "effective millage," the tax rates applied to real property. The Center operates on voted millage of 4 mills. The reduced or effective millage in fiscal year 2008 was 2.8601 mills for Residential/Agricultural property and 3.2144 mills for Commercial/Industrial property. The following table illustrates the rate of growth in property values in the past ten years which has positively impacted the Center:

Year Ending	Portage County	Summit County	Total Valuation	Growth Rate
2008	$2,319,596,103	$68,824,430	$2,388,420,533	0.07 %
2007	2,310,725,427	76,099,634	2,386,825,061	7.40
2006	2,137,086,710	85,363,185	2,222,449,895	0.38
2005	2,122,585,194	91,553,938	2,214,139,132	3.77
2004	2,048,432,563	85,331,750	2,133,764,313	11.00
2003	1,837,968,775	84,259,994	1,922,228,769	3.28
2002	1,783,566,161	77,688,190	1,861,254,351	4.31
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

The average rate of growth over the last 10 years is 5.29 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 2.9 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.

Many of the expenses remained fairly constant in comparison between 2007 and 2008. However, the vocational instruction expense did increase significantly while regular instruction expense decreased, due mostly to more accurate coding of salaries for regular instruction related academics.

Program revenues covered 17.62 percent of program expenses overall. The remaining 82.38 percent is supported through tax revenues and other general revenues. In fiscal year 2008, however, revenues totaled 129.19 percent of expenses resulting in an increase in net assets of $3,251,863.

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 2008	Net Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2007
Program Expenses				
Instruction:				
Regular	$1,220,090	$1,197,607	$1,591,909	$1,513,288
Vocational	4,696,925	3,645,860	4,163,285	3,064,139
Adult/Continuing	125,772	23,785	124,065	20,139
Support Services:				
Pupil	924,508	752,898	1,014,421	842,390
Instructional Staff	518,516	430,542	529,920	384,689
Board of Education	153,947	151,024	61,903	61,036
Administration	798,206	657,537	796,633	622,026
Fiscal	509,336	474,387	507,037	478,870
Business	220,208	215,986	225,239	222,007
Operation and Maintenance of Plant	1,295,545	1,270,379	1,146,614	1,127,316
Pupil Transportation	26,835	26,603	28,873	28,669
Central	330,631	264,796	363,060	293,287
Operation of Non-Instructional Services	30,381	(64,268)	28,612	28,331
Operation of Food Services	271,083	121,138	259,774	488
Extracurricular Activities	18,111	8,803	20,720	9,938
Total	$11,140,094	$9,177,077	$10,862,065	$8,696,613

As one can see, the reliance upon local tax revenues for the governmental activities is crucial. 57.25 percent of expenses are directly supported by local property taxes. Grants and entitlements not restricted to specific programs support 43.38 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 13) reported a combined fund balance of $17,691,052, a decrease of $866,295 from fiscal year 2007.

General Fund

The general fund balance decreased by $917,078 in fiscal year 2008. The decrease in fund balance can be attributed primarily to expenditures in excess of revenues after a previous pattern of revenues exceeding expenditures. The increase in expenditures is mainly attributed to the $4,837,440 of capital outlay, mostly due to the expansion of the Center's building. The fund balance still exceeds one and a half years of current 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 2008 all funds were appropriated at the fund level.

In fiscal year 2008, the Center adopted its appropriations prior to October 1, 2007 and amended those appropriations several times prior to fiscal year end. For the general fund, final amended estimated revenues, including other financing sources, were $12,920,404, a decrease of $96,582 under the original estimate. Total final estimated revenues were less than original estimated revenues due mostly to a decline in State foundation revenues due to a decrease in estimated enrollment offset by an increase in expected interest revenues and additional estimated revenues from the closing of a special revenue fund.

General fund original appropriations, including other financing uses, of $18,041,662 were decreased by $126,000 in the final appropriation measure of $17,915,662. The Center's budget for instruction totaled 31.09 percent of general fund final appropriations; support services 28.48 percent; operation of non-instructional services 0.16 percent; extracurricular activities 0.22 percent; capital outlay 38.24 percent; and transfers/advances 1.81 percent. The capital outlay was budgeted for remodeling existing buildings, building a 25,000 square foot addition, a new bus loop, new drainage and a new storage building. Final appropriations for capital outlay exceeded actual expenditures by $1,036,435. This difference was due to the Center appropriating for the entirety of the projects and by fiscal year end not all of the construction had been completed. Also contributing to the difference was that actual expenditures were under the architects' estimated costs, on which final appropriations were budgeted.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the Center had $7,876,067 invested in land, construction in progress, buildings and improvements, furniture, fixtures and equipment and vehicles. The following table shows fiscal 2008 balances compared to 2007.

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

	Governmental Activities	
	2008	2007
Land	$169,975	$169,975
Construction in Progress	5,031,803	559,110
Buildings and Improvements	1,492,859	1,679,358
Furniture, Fixtures and Equipment	1,089,642	1,172,707
Vehicles	91,788	103,790
Total Capital Assets	$7,876,067	$3,684,940

Capital assets net of depreciation increased by $4,191,127, overall. The increase was mainly due to construction in progress on a 25,000 square foot building addition.

The Center's capitalization threshold for capital assets was set at $5,000. For additional information on capital assets, see Note 10 to the basic financial statements.

Debt

At June 30, 2008 the Center had no outstanding bonded long-term debt. The long-term liabilities listed in Table 1 are those accumulated for compensated absences. For additional information on long-term obligations, see Note 15 to the basic financial statements.

Challenges and Opportunities

The vision of the Maplewood Career Center is to prepare learners to be productive, responsible, and successful members of society. Through progressive curriculum and dynamic hands-on learning, 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.

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. 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 appropriations.

Contacting the Center's Financial Management Personnel

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the Center's finances and to show the Center's accountability for the money it receives. If you have questions about this report or need additional financial information contact Michelle Seckman, Treasurer, Maplewood Career Center, 7075 State Route 88, Ravenna, Ohio 44266. You may also contact the Treasurer by phone at (330) 296-2892, extension 112, or by e-mail at seckmanmi@mwood.cc.

Maplewood Career Center

Statement of Net Assets

June 30, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	$18,227,954
Accounts Receivable	7,315
Intergovernmental Receivable	26,492
Prepaid Items	3,193
Materials and Supplies Inventory	612
Inventory Held for Resale	3,621
Property Taxes Receivable	6,847,443
Assets Held for Resale	74,336
Nondepreciable Capital Assets	5,201,778
Depreciable Capital Assets, Net	2,674,289
Total Assets	33,067,033
Liabilities	
Accounts Payable	92,150
Accrued Wages Payable	667,824
Matured Compensated Absences Payable	67,990
Vacation Benefits Payable	58,814
Intergovernmental Payable	136,227
Deferred Revenue	6,116,245
Long-Term Liabilities:	
Due Within One Year	68,169
Due In More Than One Year	1,160,328
Total Liabilities	8,367,747
Net Assets	
Invested in Capital Assets	7,876,067
Restricted for:	
Set Asides	223,362
Food Service Operations	37,736
Adult Basic Education	10,077
Miscellaneous Federal Grants	1,995
Other Purposes	182,610
Unrestricted	16,367,439
Total Net Assets	$24,699,286

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Activities

For the Fiscal Year Ended June 30, 2008

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$1,220,090	$22,483	$0	($1,197,607)
Vocational	4,696,925	321,586	729,479	(3,645,860)
Adult/Continuing	125,772	2,022	99,965	(23,785)
Support Services:				
Pupil	924,508	29,728	141,882	(752,898)
Instructional Staff	518,516	20,690	67,284	(430,542)
Board of Education	153,947	2,923	0	(151,024)
Administration	798,206	104,519	36,150	(657,537)
Fiscal	509,336	9,143	25,806	(474,387)
Business	220,208	4,222	0	(215,986)
Operation and Maintenance of Plant	1,295,545	24,117	1,049	(1,270,379)
Pupil Transportation	26,835	232	0	(26,603)
Central	330,631	6,103	59,732	(264,796)
Operation of Non-Instructional Services	30,381	412	94,237	64,268
Operation of Food Services	271,083	149,945	0	(121,138)
Extracurricular Activities	18,111	348	8,960	(8,803)
Totals	$11,140,094	$698,473	$1,264,544	(9,177,077)

General Revenues	
Property Taxes Levied for General Purposes	6,378,081
Grants and Entitlements not Restricted to Specific Programs	4,832,820
Investment Earnings	978,544
Gain on Sale of Capital Assets	118,067
Miscellaneous	121,428
Total General Revenues	12,428,940
Change in Net Assets	3,251,863
Net Assets Beginning of Year	21,447,423
Net Assets End of Year	$24,699,286

See accompanying notes to the basic financial statements

Maplewood Career Center

Balance Sheet

Governmental Funds

June 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	$17,701,376	$303,216	$18,004,592
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	223,362	0	223,362
Accounts Receivable	5,935	1,380	7,315
Interfund Receivable	98,449	0	98,449
Intergovernmental Receivable	0	26,492	26,492
Prepaid Items	3,193	0	3,193
Materials and Supplies Inventory	0	612	612
Inventory Held for Resale	0	3,621	3,621
Property Taxes Receivable	6,847,443	0	6,847,443
Assets Held for Resale	0	74,336	74,336
Total Assets	$24,879,758	$409,657	$25,289,415
Liabilities			
Accounts Payable	$82,191	$9,959	$92,150
Accrued Wages Payable	610,124	57,700	667,824
Matured Compensated Absences Payable	67,990	0	67,990
Intergovernmental Payable	110,140	26,087	136,227
Interfund Payable	0	98,449	98,449
Deferred Revenue	6,535,723	0	6,535,723
Total Liabilities	7,406,168	192,195	7,598,363
Fund Balances			
Reserved for Encumbrances	1,607,689	53,681	1,661,370
Reserved for Property Taxes	311,720	0	311,720
Reserved for Budget Stabilization	223,362	0	223,362
Reserved for Assets Held for Resale	0	74,336	74,336
Unreserved:			
Designated for Severance Payments	395,936	0	395,936
Undesignated, Reported in:			
General Fund	14,934,883	0	14,934,883
Special Revenue Funds	0	89,445	89,445
Total Fund Balances	17,473,590	217,462	17,691,052
Total Liabilities and Fund Balances	$24,879,758	$409,657	$25,289,415

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, 2008

Total Governmental Funds Balances	$17,691,052
Amounts reported for governmental activities in the statement of net assets are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	7,876,067
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property Taxes	419,478
Vacation benefits payable is a contractually required benefit not expected to be paid with expendable available financial resources and therefore not reported in the funds.	(58,814)
Long-term liabilities, such as compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(1,228,497)
Net Assets of Governmental Activities	$24,699,286

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, 2008

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	$6,418,040	$0	$6,418,040
Intergovernmental	5,453,451	657,986	6,111,437
Interest	975,375	3,169	978,544
Tuition and Fees	117,346	281,604	398,950
Rentals	48,845	0	48,845
Contributions and Donations	782	0	782
Charges for Services	10,471	240,207	250,678
Miscellaneous	82,066	39,362	121,428
Total Revenues	13,106,376	1,222,328	14,328,704
Expenditures			
Current:			
Instruction:			
Regular	1,162,948	0	1,162,948
Vocational	3,774,277	495,498	4,269,775
Adult/Continuing	0	116,905	116,905
Support Services:			
Pupil	741,132	168,380	909,512
Instructional Staff	422,496	63,218	485,714
Board of Education	152,484	0	152,484
Administration	623,895	157,097	780,992
Fiscal	473,572	29,520	503,092
Business	227,775	0	227,775
Operation and Maintenance of Plant	1,251,814	1,200	1,253,014
Pupil Transportation	12,069	0	12,069
Central	319,104	12,367	331,471
Operation of Non-Instructional Services	21,540	0	21,540
Operation of Food Services	0	246,642	246,642
Extracurricular Activities	18,111	0	18,111
Capital Outlay	4,837,440	8,347	4,845,787
Total Expenditures	14,038,657	1,299,174	15,337,831
Excess of Revenues Under Expenditures	(932,281)	(76,846)	(1,009,127)
Other Financing Sources (Uses)			
Sale of Capital Assets	0	142,832	142,832
Transfers In	17,776	2,573	20,349
Transfers Out	(2,573)	(17,776)	(20,349)
Total Other Financing Sources (Uses)	15,203	127,629	142,832
Net Change in Fund Balances	(917,078)	50,783	(866,295)
Fund Balances Beginning of Year (Restated - See Note 3)	18,390,668	166,679	18,557,347
Fund Balances End of Year	$17,473,590	$217,462	$17,691,052

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, 2008

Net Change in Fund Balances - Total Governmental Funds		($866,295)
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	4,645,574	
Depreciation	(429,682)	
Total		4,215,892
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.		(24,765)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(39,959)	
Intergovernmental	(14,855)	
Total		(54,814)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences	(5,089)	
Vacation Benefits Payable	(13,066)	
Total		(18,155)
Change in Net Assets of Governmental Activities		$3,251,863

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, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	$6,513,477	$6,548,394	$6,466,960	($81,434)
Intergovernmental	5,739,257	5,336,707	5,453,451	116,744
Interest	262,182	618,832	891,071	272,239
Tuition and Fees	90,738	84,238	116,094	31,856
Rentals	15,000	22,100	47,585	25,485
Contributions and Donations	700	800	782	(18)
Charges for Services	8,300	6,100	10,471	4,371
Miscellaneous	5,999	14,900	82,767	67,867
Total Revenues	12,635,653	12,632,071	13,069,181	437,110
Expenditures				
Current:				
Instruction:				
Regular	1,593,737	1,527,073	1,218,156	308,917
Vocational	4,079,688	4,043,983	3,865,139	178,844
Support Services:				
Pupil	934,326	860,187	790,453	69,734
Instructional Staff	446,846	448,787	423,913	24,874
Board of Education	92,358	181,499	179,773	1,726
Administration	729,415	722,565	633,876	88,689
Fiscal	637,873	637,873	563,963	73,910
Business	229,452	229,452	228,327	1,125
Operation and Maintenance of Plant	1,536,249	1,597,102	1,597,102	0
Pupil Transportation	19,945	19,945	17,834	2,111
Central	400,146	404,623	335,968	68,655
Operation of Non-Instructional Services	20,375	28,234	21,715	6,519
Extracurricular Activities	39,175	39,975	18,843	21,132
Capital Outlay	6,832,077	6,850,364	5,813,929	1,036,435
Total Expenditures	17,591,662	17,591,662	15,708,991	1,882,671
Excess of Revenues Under Expenditures	(4,956,009)	(4,959,591)	(2,639,810)	2,319,781
Other Financing Sources (Uses)				
Sale of Capital Assets	4,000	0	0	0
Advances In	288,333	288,333	308,648	20,315
Advances Out	(300,000)	(300,000)	(98,449)	201,551
Transfers In	89,000	0	17,776	17,776
Transfers Out	(150,000)	(24,000)	(2,573)	21,427
Total Other Financing Sources (Uses)	(68,667)	(35,667)	225,402	261,069
Net Change in Fund Balance	(5,024,676)	(4,995,258)	(2,414,408)	2,580,850
Fund Balance Beginning of Year	13,972,487	13,972,487	13,972,487	0
Prior Year Encumbrances Appropriated	4,661,689	4,661,689	4,661,689	0
Fund Balance End of Year	$13,609,500	$13,638,918	$16,219,768	$2,580,850

See accompanying notes to the basic financial statements

Maplewood Career Center

Statement of Fiduciary Net Assets

Fiduciary Funds

June 30, 2008

	Private Purpose Trust	
	Scholarship	Agency
Assets		
Equity in Pooled Cash and Cash Equivalents	$35,373	$39,815
Liabilities		
Due to Students	0	$39,815
Net Assets		
Held in Trust for Scholarships	$35,373	

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, 2008

	Scholarship
Additions	
Contributions and Donations	$3,500
Interest	1,086
Miscellaneous	6,753
Total Additions	11,339
Deductions	
Scholarships Awarded	17,500
Change in Net Assets	(6,161)
Net Assets Beginning of Year	41,534
Net Assets End of Year	$35,373

See accompanying notes to the basic financial statements

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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 in their home district and then appointed to the Center's board. The Center provides educational services as authorized by state statute and federal guidelines to the following School Districts: Crestwood Local School District, Field Local School District, James A. Garfield Local School District, Mogadore Local School District, Ravenna City School District, Rootstown Local School District, Southeast Local School District, Streetsboro City School District, Waterloo Local School District, and Windham Exempted Village School District. Each of these school districts has one board member on the Center's Board of Education, except for Ravenna City School District which has two members. The Center employs 72 certified employees and 30 non-certified employees who provide services to 623 students and other community members.

Reporting Entity

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

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

The Center participates in a jointly governed organization and two insurance purchasing pools. These organizations are the Northeast Ohio Network for Educational Technology, the Ohio School Boards Association Workers' Compensation Group Rating Program and the Portage Area School Consortium. These organizations are presented in Notes 17 and 18 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.

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

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

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

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 fund accounts for student activities.

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.

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 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 passed by the Board of Education.

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

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 2008, investments were limited to Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Notes, Federal National Mortgage Association Notes, and STAROhio. Investments are reported at fair value which is based on quoted market prices.

STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on June 30, 2008.

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 2008 amounted to $975,375, which includes $13,311 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. See Note 16 for additional information regarding set-asides.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Inventory

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

J. Assets Held for Resale

Assets held for resale represent land purchased by the Center which will be sold with student-built houses. This amount is offset by a fund balance reserve on the governmental fund financial statements.

K. Capital Assets

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

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

All reported capital assets, other than land and construction in progress, 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	5-15 years

L. 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.

M. Compensated Absences

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

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

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

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

N. 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.

O. 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 $455,780 of restricted net assets, none of which are restricted by enabling legislation. Net assets restricted for other purposes include rotary - special services programs, 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.

P. Fund Balance Reserves and Designations

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, property taxes, budget stabilization, and assets held for resale.

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.

Fund balance designations have been established for severance payments. The Board intends for this portion of fund balance to be used for the payments of accrued vacation and sick leave upon employee termination or retirement.

Q. Internal Activity

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. 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. Neither type of transaction occurred during fiscal year 2008.

S. Estimates

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

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

A. Change in Accounting Principles

For fiscal year 2008, the Center has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "Pension Disclosures".

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of Other Post-Employment Benefits (OPEB) costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this statement for the STRS post-employment healthcare plan in the amount of $6,570, which is the same as the previously reported liability.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the basic financial statements. The implementation of this statement did not result in any change to the financial statements.

B. Restatement of Fund Balance

During fiscal year 2008, it was determined that the rotary – special services fund had been understated due to the omission of assets held for resale. The assets held for resale had been categorized as capital assets in prior years.

The following table summarizes the restatement adjustment for fund balances:

	General	Other Governmental Funds	Total
Fund Balances, June 30, 2007	$18,390,668	$55,175	$18,445,843
Assets Held for Resale	0	111,504	111,504
Restated Fund Balance, June 30, 2007	$18,390,668	$166,679	$18,557,347

Note 4 - Fund Deficits

Fund balances at June 30, 2008, included the following individual fund deficits:

Special Revenue Funds:	
Uniform School Supplies	$4,000
Adult Education	27,018
Vocational Education	5,603
Management Information System	3

The special revenue fund deficit balances resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in these funds and will provide 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. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

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

Net Change in Fund Balance	
GAAP Basis	($917,078)
Net Adjustment for Revenue Accruals	(98,339)
Advances In	308,648
Beginning Fair Value Adjustment for Investments	72,724
Ending Fair Value Adjustment for Investments	(11,580)
Net Adjustment for Expenditure Accruals	23,056
Advances Out	(98,449)
Encumbrances	(1,693,390)
Budget Basis	($2,414,408)

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 Center treasury. Active monies must be maintained either as cash in the Center treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

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

3. Written repurchase agreements in the securities listed above;

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

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

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

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

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

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

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, the Center's bank balance of $8,514,167 had $8,302,009 that was uninsured and uncollateralized. Although the securities were held by the pledging financial institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Center to a successful claim by the FDIC.

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

Investments

All investments are in an internal investment pool. As of June 30, 2008, the Center had the following investments:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	1-2	2-3
Federal Home Loan Mortgage Corporation Notes	$679,133	$380,000	$299,133	$0
Federal Home Loan Bank Notes	710,208	195,133	0	515,075
Federal National Mortgage Association Notes	3,468,556	1,966,431	206,727	1,295,398
STAROhio	5,215,837	5,215,837	0	0
Total Investments	$10,073,734	$7,757,401	$505,860	$1,810,473

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.

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 Moody's. STAROhio carries a rating of AAA 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 addresses credit risk.

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

Concentration of Credit Risk. The Center places no limit on the amount it may invest in any one issuer. The following is the Center's allocation as of June 30, 2008:

Investment Issuer	Percentage of Investments
Federal Home Loan Mortgage Corporation Notes	6.74 %
Federal Home Loan Bank Notes	7.05
Federal National Mortgage Association Notes	34.43
STAROhio	51.78
Total	100.00 %

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 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, 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 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 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 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero percent in 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the Center prior to June 30.

The Center receives property taxes from Portage and Summit Counties. The County Auditors periodically advance to the Center its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2008, are available to finance fiscal year 2008 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, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current year operations is offset by a credit to deferred revenue.

The amount available as an advance in the general fund was $311,720 at June 30, 2008, and $360,640 at June 30, 2007.

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

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second Half Collections		2008 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	$2,219,222,390	92.98 %	$2,266,567,110	94.90 %
Public Utility Personal	72,014,900	3.02	58,118,390	2.43
Tangible Personal Property	95,587,771	4.00	63,735,033	2.67
Total	$2,386,825,061	100.00 %	$2,388,420,533	100.00 %
Tax rate per $1,000 of assessed valuation	$4.00		$4.00	

Note 8 - Receivables

Receivables at June 30, 2008, 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 except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

The Center has an intergovernmental receivable for the vocational education special revenue fund in the amount of $26,492.

Note 9 - Assets Held for Resale

Assets held for resale represents home lots purchased by the Center which will be sold with student-built houses. During fiscal year 2008, the Center sold one lot. As of June 30, 2008, the Center has two lots remaining which are being held for resale.

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	Balance 6/30/07	Additions	Reductions	Balance 6/30/08
Governmental Activities:				
Capital assets not being depreciated				
Land	$169,975	$0	$0	$169,975
Construction in progress	559,110	4,472,693	0	5,031,803
Total capital assets not being depreciated	729,085	4,472,693	0	5,201,778
Capital assets being depreciated				
Buildings and improvements	7,335,327	0	0	7,335,327
Furniture, fixtures and equipment	2,224,106	172,881	(133,038)	2,263,949
Vehicles	281,985	0	(20,001)	261,984
Total capital assets being depreciated	9,841,418	172,881	(153,039)	9,861,260
Accumulated depreciation				
Buildings and improvements	(5,655,969)	(186,499)	0	(5,842,468)
Furniture, fixtures and equipment	(1,051,399)	(231,181)	108,273	(1,174,307)
Vehicles	(178,195)	(12,002)	20,001	(170,196)
Total accumulated depreciation	(6,885,563)	(429,682) *	128,274	(7,186,971)
Capital assets being depreciated, net	2,955,855	(256,801)	(24,765)	2,674,289
Governmental activities capital assets, net	$3,684,940	$4,215,892	($24,765)	$7,876,067

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	$47,600
Vocational	268,098
Adult/Continuing	8,867
Support Services:	
Pupil	11,242
Instructional Staff	23,056
Board of Education	1,463
Administration	8,135
Fiscal	3,012
Operation and Maintenance of Plant	22,795
Pupil Transportation	14,766
Operation of Non-Instructional Services	8,841
Operation of Food Services	11,807
Total Depreciation Expense	$429,682

Note 11 - 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. Settled claims have not exceeded commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year. See Note 18 for more information on the Pool.

B. Workers' Compensation

For fiscal year 2008, the Center participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). 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 & Co. 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 Health and Welfare Insurance Pool (the Consortium), a shared risk pool (See Note 18), through which a cooperative Health Benefit Program was created for the benefit of its members. The Health Benefit Program (the Program) is an employee health benefit plan which covers the participating members' employees. The Consortium acts as a fiscal agent for the cash funds paid into the program by the participating School Districts. These funds are pooled together for the purposes of paying health benefit claims of employees and their covered dependents, administrative expenses of the program and premiums for stop-loss insurance coverage. A reserve exists which is to cover any unpaid claims if the Center were to withdraw from the pool. If the reserve would not cover such claims, the Center would be liable for any costs above the reserve.

Note 12 - Defined Benefit Pension Plans

A. School Employee Retirement System

Plan Description - The Center contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer 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 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, OH 43215-3746.

Funding Policy - 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 2008, 9.16 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 by the SERS’ Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The Center’s required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were $115,165, $119,017, and $114,528, respectively; 100 percent has been contributed for fiscal years 2008, 2007, and 2006.

B. State Teachers Retirement System

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member’s lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the 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. The DB portion of the Combined Plan payment is payable to a

member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.
A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2008, 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 2007, the portion used to fund pension obligations was also 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 STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were $613,517, $586,985, and $584,937, respectively; 86.51 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were $13,166 made by the Center and $34,241 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 Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2008, four members of the Board of Education have elected Social Security. The contribution rate is 6.20 percent of wages.

Note 13 - Postemployment Benefits

A. School Employee Retirement System

Plan Description - The Center participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, OH 43215-3746.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was $18,017.

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

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The Center's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were $70,570, $56,836, and $74,540, respectively; 100 percent has been contributed for fiscal years 2008, 2007, and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were $8,298, $8,093, and $9,125, respectively; 100 percent has been contributed for fiscal years 2008, 2007, and 2006.

B. State Teachers Retirement System

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

Funding Policy - Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The Center's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were $47,194, $45,153, and $44,995, respectively; 86.51 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Note 14 - Compensated Absences

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

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

Note 15 - Long-term Obligations

The changes in the Center's long-term obligations during fiscal year 2008 were as follows:

	Amount Outstanding 06/30/07	Additions	Reductions	Amount Outstanding 06/30/08	Amount Due in One Year
Governmental Activities					
Compensated Absences	$1,223,408	$77,199	($72,110)	$1,228,497	$68,169

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

The Center's overall legal debt margin was $209,160,266 with an unvoted debt margin of $2,324,003 at June 30, 2008.

Note 16 - 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, 2008, 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, 2007	$223,362	$165	$0
Current Year Set-aside Requirement	0	109,573	109,573
Qualifying Disbursements	0	(109,738)	(198,377)
Totals	$223,362	$0	($88,804)
Set-aside Balance Carried Forward to Future Fiscal Years	$223,362	$0	($88,804)
Set-aside Reserve Balance as of June 30, 2008	$223,362	$0	$0

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 $223,362.

Note 17 - Jointly Governed Organization

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is a jointly governed organization among twenty-five school districts, three career centers, and the Summit and Medina County Educational Service Centers. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The Career Center does not retain an ongoing financial interest or an ongoing financial responsibility in NEONET. During the current fiscal year, the Career Center made $28,113 in payments to NEONET. Financial information can be obtained by writing to the Summit County Educational Service Center, 420 Washington Avenue, Suite 200, Cuyahoga Falls, OH 44221.

Note 18 - Insurance Purchasing Pools

A. 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. 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 Area School Consortium Property and Casualty Pool and the Portage Area School Consortium Health and Welfare Insurance Pool. These Pools were established by the Consortium on August 5, 1988 to provide property and casualty risk management services and risk sharing to its members. The Pools were established as local government risk pools under Section 1744.081 of the Ohio Revised Code and are not subject to federal tax filing requirements.

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

Note 19 - 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, 2008.

B. Litigation

The Center is not party to any legal proceedings.

Note 20 - Interfund Balances

A. Interfund Balances

	Interfund Receivable
Interfund Payable	General
Nonmajor Governmental Funds:	
Uniform School Supplies	$15,000
Adult Education	35,000
Vocational Education	33,449
Miscellaneous Federal Grants	15,000
Total	$98,449

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 during fiscal year 2008 were minimal with the general fund transferring $2,573 to the uniform school supply special revenue fund. The general fund also received a transfer of $17,776 from the rotary - special services special revenue fund for a total transfer amount of $20,349. The transfer to the uniform school supply special revenue fund was to move unrestricted money to support its programs. The transfer from the rotary - special services special revenue fund to the general fund was to account for the balance remaining in a horticulture program that had been closed.

Note 21 - Subsequent Event

At the beginning of fiscal year 2009, the Center's new 25,000 square foot addition opened. The addition includes new vocational program labs, new academic classrooms, and new offices for adult education. New programs added to the Center include a Medical Assisting program, a Dental Assisting program, and an additional Cosmetology program. A Building Property Maintenance program was also created to replace the Auto Maintenance and Detailing program that was eliminated. Also, the Auto Service Technology program that had previously shared a lab with the Auto Maintenance and Detailing program is now able to enroll twice the number of students.

Mary Taylor, CPA
Auditor of State

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, 2008, which collectively comprise the Center's basic financial statements and have issued our report thereon dated February 27, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Government's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Center's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Center's internal control will not prevent or detect a material financial statement misstatement.

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

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293
Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949
www.auditor.state.oh.us

Compliance and Other Matters

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

We intend this report solely for the information and use of the audit committee, management and Board of Education. We intend it for no one other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 27, 2009

Mary Taylor, CPA
Auditor of State

MAPLEWOOD CAREER CENTER

PORTAGE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 24, 2009

88 E. Broad St. / Fourth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
www.auditor.state.oh.us