

**Mary Taylor, CPA**  
Auditor of State





# Dave Yost • Auditor of State

February 8, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Reports completed prior to that date contain the signature of my predecessor.

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

DAVE YOST  
Auditor of State

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**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY**

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Mapleton Local School District  
Ashland County  
2 Mountie Drive  
Ashland, Ohio 44805

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mapleton Local School District, Ashland County, Ohio (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Mapleton Local School District, Ashland County, Ohio, as of June 30, 2010, and the respective changes in financial position and where applicable, cash flows, thereof and the budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2011, on our consideration of the District'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.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The federal awards receipts and expenditures schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards receipts and expenditures schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Mary Taylor, CPA**  
Auditor of State

January 7, 2011



**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

The management's discussion and analysis of the Mapleton Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the District'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 District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2010 are as follows:

- In total, net assets of governmental activities decreased \$62,281 which represents a .37% decrease from 2009.
- General revenues accounted for \$7,826,967 in revenue or 79.64% of all revenues. Program specific revenues in the form of charges for services and sales, and grants and contributions accounted for \$2,001,055 or 20.36% of total revenues of \$9,828,022.
- The District had \$9,890,303 in expenses related to governmental activities; only \$2,001,055 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$7,826,967 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, debt service fund, and the permanent improvement fund. The general fund had \$7,745,679 in revenues and \$7,279,780 in expenditures and other financing uses. During fiscal year 2010, the general fund's fund balance increased \$465,899 from \$1,226,014 to a balance of \$1,691,913.
- The debt service fund had \$345,531 in revenues and \$346,884 in expenditures. During fiscal year 2010, the debt service fund's fund balance decreased \$1,353 from \$479,595 to \$478,242.
- The permanent improvement fund had \$250,905 in revenues and \$223,721 in expenditures. During fiscal year 2010, the permanent improvement fund's fund balance increased \$27,184 from a balance of \$533,638 to \$560,822.

**Using these Basic Financial Statements**

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 District 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 District, presenting both an aggregate view of the District'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 District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund, debt service fund and permanent improvement fund are by far the most significant funds, and the only governmental funds reported as major funds.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)

**Reporting the District as a Whole**

***Statement of Net Assets and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2010?" The statement of net assets and the statement of activities answer this question. These statements include *all non-fiduciary assets, liabilities, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operations and maintenance, pupil transportation, extracurricular activities, and food service operations.

The District's statement of net assets and statement of activities can be found on pages 13-14 of this report.

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page 9. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, debt service fund, and permanent improvement fund.

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund financial statements provide a detailed *short-term* view of the District'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 basic financial statements. The basic governmental fund financial statements can be found on pages 15-19 of this report.

***Proprietary Funds***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for medical/surgical and dental benefits self-insurance. The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for its scholarship programs. This activity is presented as a private-purpose trust fund. The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in agency funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets on pages 23 and 24. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***Notes to the Basic Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 25-52 of this report.

**The District as a Whole**

Recall that the statement of net assets provides the perspective of the District as a whole.

The table below provides a summary of the District's net assets at June 30, 2010 and June 30, 2009.

|  | <b>Net Assets</b>                         |   |
|--|---|---|
|  | Governmental<br>Activities<br><u>2010</u> | Governmental<br>Activities<br><u>2009</u> |
| <b><u>Assets</u></b>                               |   |   |
| Current and other assets                           | \$ 6,810,001                              | \$ 6,339,503                              |
| Capital assets, net                                | <u>16,353,014</u>                         | <u>17,013,800</u>                         |
| Total assets                                       | <u>23,163,015</u>                         | <u>23,353,303</u>                         |
| <b><u>Liabilities</u></b>                          |   |   |
| Current liabilities                                | 2,871,871                                 | 2,778,933                                 |
| Long-term liabilities                              | <u>3,339,599</u>                          | <u>3,560,544</u>                          |
| Total liabilities                                  | <u>6,211,470</u>                          | <u>6,339,477</u>                          |
| <b><u>Net Assets</u></b>                           |   |   |
| Invested in capital<br>assets, net of related debt | 13,356,495                                | 13,817,491                                |
| Restricted   | 1,626,301                                 | 1,586,981                                 |
| Unrestricted                                       | <u>1,968,749</u>                          | <u>1,609,354</u>                          |
| Total net assets                                   | <u>\$ 16,951,545</u>                      | <u>\$ 17,013,826</u>                      |

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$16,951,545. Of this total, \$1,968,749 is unrestricted in use.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

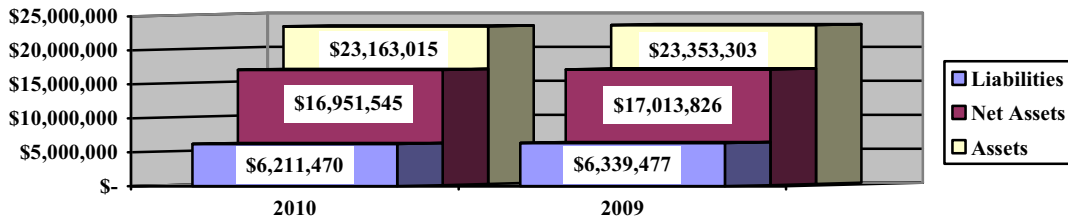
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

At year-end, capital assets represented 70.60% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2010, were \$13,356,495. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net assets, \$1,626,301, represents resources that are subject to external restriction on how they may be used.

The table below illustrates the District's assets, liabilities and net assets at June 30, 2010 and 2009.

**Governmental Activities**



The table below shows the change in net assets for fiscal year 2010 and 2009.

**Change in Net Assets**

|  | Governmental<br>Activities<br>2010 | Governmental<br>Activities<br>2009 |
|--|------------------------------------|------------------------------------|
| <b><u>Revenues</u></b>                 |                                    |                                    |
| Program revenues:                      |                                    |                                    |
| Charges for services and sales         | \$ 901,647                         | \$ 821,857                         |
| Operating grants and contributions     | 1,099,408                          | 1,018,426                          |
| Capital grants and contributions       | -                                  | 11,493                             |
| General revenues:                      |                                    |                                    |
| Property taxes                         | 2,830,343                          | 3,129,855                          |
| Grants and entitlements not restricted | 4,896,560                          | 4,763,614                          |
| Investment earnings                    | 24,302                             | 60,203                             |
| Miscellaneous                          | 75,762                             | 24,365                             |
| <b>Total revenues</b>                  | <b>9,828,022</b>                   | <b>9,829,813</b>                   |

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)

**Change in Net Assets**

|  | Governmental<br>Activities<br><u>2010</u> | Governmental<br>Activities<br><u>2009</u> |
|--|---|---|
| <b><u>Expenses</u></b>                   |   |   |
| Program expenses:                        |   |   |
| Instruction:                             |   |   |
| Regular                                  | \$ 4,310,857                              | \$ 4,068,484                              |
| Special                                  | 826,569                                   | 811,338                                   |
| Vocational                               | 76,022                                    | 184,585                                   |
| Other                                    | 843,058                                   | 713,315                                   |
| Support services:                        |   |   |
| Pupil                                    | 263,191                                   | 277,007                                   |
| Instructional staff                      | 434,227                                   | 412,280                                   |
| Board of education                       | 58,023                                    | 36,570                                    |
| Administration                           | 624,287                                   | 630,594                                   |
| Fiscal                                   | 271,801                                   | 309,962                                   |
| Operations and maintenance               | 803,704                                   | 809,475                                   |
| Pupil transportation                     | 468,418                                   | 586,967                                   |
| Central                                  | 122,295                                   | 58,486                                    |
| Operation of non-instructional services: |   |   |
| Other non-instructional services         | 9,405                                     | -   |
| Food service operations                  | 331,591                                   | 350,546                                   |
| Extracurricular activities               | 284,444                                   | 300,287                                   |
| Interest and fiscal charges              | <u>162,411</u>                            | <u>175,062</u>                            |
| Total expenses                           | <u>9,890,303</u>                          | <u>9,724,958</u>                          |
| Change in net assets                     | (62,281)                                  | 104,855                                   |
| Net assets at beginning of year          | <u>17,013,826</u>                         | <u>16,908,971</u>                         |
| Net assets at end of year                | <u>\$ 16,951,545</u>                      | <u>\$ 17,013,826</u>                      |

**Governmental Activities**

Net assets of the District's governmental activities decreased \$62,281. Total governmental expenses of \$9,890,303 were offset by program revenues of \$2,001,055 and general revenues of \$7,826,967. Program revenues supported 20.23% of the total governmental expenses.

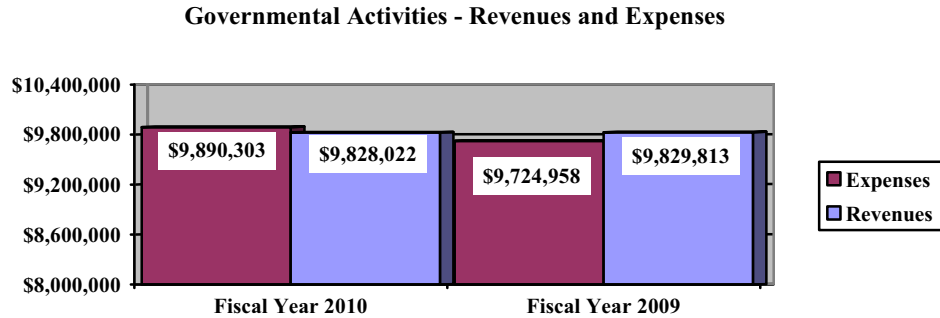
The primary sources of revenue for governmental activities are derived from property taxes, and grants and entitlements. These revenue sources represent 78.62% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$6,056,506 or 61.24% of total governmental expenses for fiscal year 2010.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)

The graph below presents the District's governmental activities revenue and expenses for fiscal year 2010 and 2009.



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

**Governmental Activities**

|  | Total Cost of<br>Services<br>2010 | Net Cost of<br>Services<br>2010 | Total Cost of<br>Services<br>2009 | Net Cost of<br>Services<br>2009 |
|--|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| <b>Program expenses</b>                  |                                   |                                 |                                   |                                 |
| Instruction:                             |                                   |                                 |                                   |                                 |
| Regular                                  | \$ 4,310,857                      | \$ 3,377,566                    | \$ 4,068,484                      | \$ 3,491,890                    |
| Special                                  | 826,569                           | 370,883                         | 811,338                           | 192,811                         |
| Vocational                               | 76,022                            | 75,290                          | 184,585                           | 131,465                         |
| Other                                    | 843,058                           | 813,022                         | 713,315                           | 711,765                         |
| Support services:                        |                                   |                                 |                                   |                                 |
| Pupil                                    | 263,191                           | 260,496                         | 277,007                           | 272,381                         |
| Instructional staff                      | 434,227                           | 339,540                         | 412,280                           | 325,408                         |
| Board of education                       | 58,023                            | 58,023                          | 36,570                            | 36,570                          |
| Administration                           | 624,287                           | 604,406                         | 630,594                           | 620,822                         |
| Fiscal                                   | 271,801                           | 271,801                         | 309,962                           | 309,962                         |
| Operations and maintenance               | 803,704                           | 803,635                         | 809,475                           | 805,976                         |
| Pupil transportation                     | 468,418                           | 451,294                         | 586,967                           | 573,795                         |
| Central                                  | 122,295                           | 114,688                         | 58,486                            | 45,837                          |
| Operation of non-instructional services: |                                   |                                 |                                   |                                 |
| Other non-instructional services         | 9,405                             | 9,329                           | -                                 | -                               |
| Food service operations                  | 331,591                           | 1,938                           | 350,546                           | 7,143                           |
| Extracurricular activities               | 284,444                           | 174,926                         | 300,287                           | 172,295                         |
| Interest and fiscal charges              | 162,411                           | 162,411                         | 175,062                           | 175,062                         |
| <b>Total expenses</b>                    | <b>\$ 9,890,303</b>               | <b>\$ 7,889,248</b>             | <b>\$ 9,724,958</b>               | <b>\$ 7,873,182</b>             |

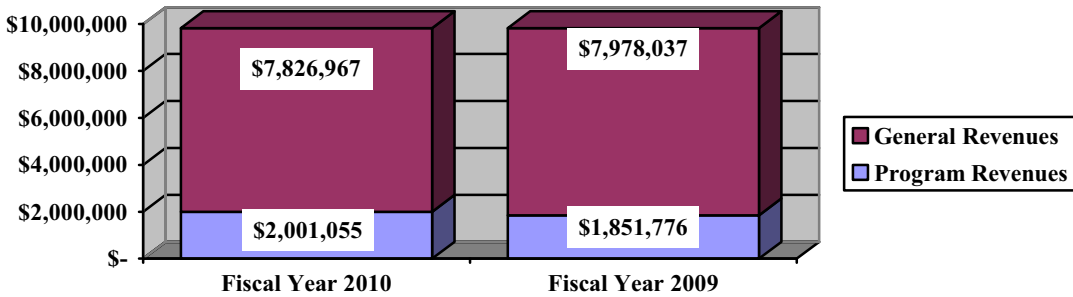
**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)

The dependence upon tax and other general revenues for governmental activities is apparent, as 76.56% of 2010 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 79.77%. The District's taxpayers and unrestricted grants and entitlements from the State are by far the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal year 2010 and 2009.

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds reported a combined fund balance of \$3,171,767, which is higher than last year's total of \$2,716,436. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2010 and 2009.

|                       | Fund Balance<br><u>June 30, 2010</u> | Fund Balance<br><u>June 30, 2009</u> | Increase/<br>(Decrease) | Percentage<br><u>Change</u> |
|-----------------------|--------------------------------------|--------------------------------------|-------------------------|-----------------------------|
| General               | \$ 1,691,913                         | \$ 1,226,014                         | \$ 465,899              | 38.00 %                     |
| Debt Service          | 478,242                              | 479,595                              | (1,353)                 | (0.28) %                    |
| Permanent Improvement | 560,822                              | 533,638                              | 27,184                  | 5.09 %                      |
| Other Governmental    | <u>440,790</u>                       | <u>477,189</u>                       | <u>(36,399)</u>         | (7.63) %                    |
| Total                 | <u>\$ 3,171,767</u>                  | <u>\$ 2,716,436</u>                  | <u>\$ 455,331</u>       | 16.76 %                     |

**General Fund**

The District's general fund balance increased \$465,899. The increase in fund balance can be attributed to the District's control of expenditures.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

|   | <u>2010</u><br><u>Amount</u> | <u>2009</u><br><u>Amount</u> | <u>Increase</u><br><u>(Decrease)</u> | <u>Percentage</u><br><u>Change</u> |
|---|------------------------------|------------------------------|--------------------------------------|------------------------------------|
| <b><u>Revenues</u></b>                  |                              |                              |                                      |                                    |
| Taxes                                   | \$ 2,295,225                 | \$ 2,555,433                 | \$ (260,208)                         | (10.18) %                          |
| Tuition                                 | 572,060                      | 481,964                      | 90,096                               | 18.69 %                            |
| Earnings on investments                 | 2,552                        | 29,871                       | (27,319)                             | (91.46) %                          |
| Intergovernmental                       | 4,823,606                    | 4,997,462                    | (173,856)                            | (3.48) %                           |
| Other revenues                          | <u>52,236</u>                | <u>64,820</u>                | <u>(12,584)</u>                      | <u>(19.41) %</u>                   |
| Total                                   | <u>\$ 7,745,679</u>          | <u>\$ 8,129,550</u>          | <u>\$ (383,871)</u>                  | <u>(4.72) %</u>                    |
| <b><u>Expenditures</u></b>              |                              |                              |                                      |                                    |
| Instruction                             | \$ 4,329,675                 | \$ 4,703,205                 | \$ (373,530)                         | (7.94) %                           |
| Support services                        | 2,732,562                    | 2,780,285                    | (47,723)                             | (1.72) %                           |
| Extracurricular activities              | 175,933                      | 181,482                      | (5,549)                              | (3.06) %                           |
| Facilities acquisition and construction | 500                          | -                            | 500                                  | 100.00 %                           |
| Debt service                            | <u>16,110</u>                | <u>15,960</u>                | <u>150</u>                           | <u>0.94 %</u>                      |
| Total                                   | <u>\$ 7,254,780</u>          | <u>\$ 7,680,932</u>          | <u>\$ (426,152)</u>                  | <u>(5.55) %</u>                    |

Tax revenues decreased \$260,208 or 10.18%. This decrease can be attributed to the phase out of tangible personal property taxes. The decrease in intergovernmental revenue is due to less state foundation support. In total expenditures decreased \$426,152 or 5.55% due to the District's attempt to control operations costs, including salaries and benefits.

***Debt Service Fund***

The debt service fund had \$345,531 in revenues and \$346,884 in expenditures. During fiscal year 2010, the debt service fund's fund balance decreased \$1,353 from \$479,595 to \$478,242.

***Permanent Improvement Fund***

The permanent improvement fund had \$250,905 in revenues and \$223,721 in expenditures in 2010. The permanent improvement fund's fund balance increased \$27,184 from \$533,638 to \$560,822.

***General Fund Budgeting Highlights***

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund.

During the course of fiscal year 2010, the District amended its general fund budget. General fund original budgeted revenues and other financing sources were \$7,781,001 and final budgeted revenues and other financing sources were \$7,856,047. Actual revenues and other financing sources for fiscal year 2010 were \$7,855,810. This represents a \$237 decrease from final budgeted revenues.

General fund original appropriations (appropriated expenditures and other financing uses) of \$8,043,190 remained the same for the final appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2010 totaled \$7,342,885, which was \$700,305 lower than the final budget appropriations due to slight reductions across most expenditure functions.



**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2010, the District had \$16,353,014 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2010 balances compared to June 30, 2009:

|                            | <b>Capital Assets at June 30<br/>(Net of Depreciation)</b> |                      |
|----------------------------|--|----------------------|
|                            | <u>Governmental Activities</u>                             |                      |
|                            | <u>2010</u>  | <u>2009</u>          |
| Land                       | \$ 177,800   | \$ 177,800           |
| Land improvements          | 1,452,979  | 1,562,579            |
| Buildings and improvements | 14,118,310   | 14,570,535           |
| Furniture and equipment    | 311,099  | 342,346              |
| Vehicles                   | <u>292,826</u>   | <u>360,540</u>       |
| Total                      | <u>\$ 16,353,014</u>                                       | <u>\$ 17,013,800</u> |

The overall decrease in capital assets of \$660,786 is due to depreciation expense of \$834,110 exceeding capital outlay of \$173,324 in the fiscal year.

See Note 8 to the basic financial statements for additional information on the District's capital assets.

***Debt Administration***

At June 30, 2010, the District had \$2,996,519 in bonds and capital lease obligations outstanding. Of this total, \$206,519 is due within one year and \$2,790,000 is due in more than one year. The following table summarizes the bonds and capital lease obligations outstanding.

|  | Governmental        | Governmental        |
|--|---------------------|---------------------|
|  | Activities          | Activities          |
|  | <u>2010</u>         | <u>2009</u>         |
| Classroom facilities improvement bonds | \$ 2,990,000        | \$ 3,175,000        |
| Capital lease obligation               | <u>6,519</u>        | <u>21,309</u>       |
| Total                                  | <u>\$ 2,996,519</u> | <u>\$ 3,196,309</u> |

At June 30, 2010, the District's overall legal debt margin was \$8,630,442, and an unvoted debt margin of \$123,802.

See Note 10 to the basic financial statements for additional information on the District's debt administration.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010  
(UNAUDITED)**

**Current Financial Related Activities**

The District has continued to meet its current financial obligations; however, the Board's five-year forecast indicates that cash-flow problems will persist throughout the forecast period and by fiscal year 2013 will have a deficit cash balance at year end. Without additional revenue or a reduction of expenditures through cost cutting measures, the district's expenditures will exceed the revenue in fiscal year 2011.

The Board continues to purchase equipment, textbooks and major improvements through the Permanent Improvement Fund. The Permanent Improvement tax levy and a Current Expense levy will expire at the end of calendar year 2011; renewal of these levies were placed on the ballot in November, 2010 with both levies passing. The Board of Education has had numerous levy failures and has not passed a new operating levy since 1991. The District is currently at the 20 mill floor, the lowest millage amount a District can legally collect. Currently the Board of Education does not have plans to levy any new taxes.

The Board of Education has negotiated 3 year contracts with both certified and non-certified collective bargaining units effective July 1, 2008. Increases in base salaries will have an impact in the salaries and benefits paid over the next fiscal year.

The State of Ohio recently passed the Ohio Evidence Based Model for funding of Ohio's schools and at the end of the current fiscal year has not established spending guidelines. Current models indicate only a slight increase in state funding to the Mapleton Local School District in fiscal year 2011. The Federal Government has passed legislation to provide additional money to states. The Mapleton Local School District will receive additional Federal Funds in the areas of special education and Title I. None of these funds can be spent for repairs or maintenance. As the State looks to balance its budget, decreases in educational funding could follow.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Susan K. Guthrie, Treasurer, Mapleton Local School District, 635 County Road 801, Ashland, Ohio 44805.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

STATEMENT OF NET ASSETS  
JUNE 30, 2010

|   |    | <b>Governmental<br/>Activities</b> |
|---|----|------------------------------------|
| <b>Assets:</b>  |    |                                    |
| Equity in pooled cash and cash equivalents. . . . .         | \$ | 3,218,388                          |
| Cash with fiscal agent . . . . .                            |    | 691,932                            |
| Cash with escrow agent . . . . .                            |    | 9,964                              |
| Receivables:  |    |                                    |
| Taxes . . . . .   |    | 2,766,675                          |
| Intergovernmental . . . . .                                 |    | 42,977                             |
| Prepayments . . . . .                                       |    | 69,022                             |
| Materials and supplies inventory. . . . .                   |    | 11,043                             |
| Capital assets:   |    |                                    |
| Land . . . . .  |    | 177,800                            |
| Depreciable capital assets, net. . . . .                    |    | 16,175,214                         |
| Capital assets, net. . . . .                                |    | 16,353,014                         |
| <br>Total assets. . . . .                                   |    | 23,163,015                         |
| <br><b>Liabilities:</b>                                     |    |                                    |
| Accounts payable. . . . .                                   |    | 3,612                              |
| Accrued wages and benefits . . . . .                        |    | 666,793                            |
| Pension obligation payable. . . . .                         |    | 181,187                            |
| Intergovernmental payable . . . . .                         |    | 22,124                             |
| Unearned revenue . . . . .                                  |    | 1,843,778                          |
| Accrued interest payable . . . . .                          |    | 30,097                             |
| Claims payable. . . . .                                     |    | 124,280                            |
| Long-term liabilities:                                      |    |                                    |
| Due within one year. . . . .                                |    | 266,634                            |
| Due in more than one year . . . . .                         |    | 3,072,965                          |
| Total long-term liabilities. . . . .                        |    | 3,339,600                          |
| Total liabilities . . . . .                                 |    | 6,211,470                          |
| <br><b>Net Assets:</b>                                      |    |                                    |
| Invested in capital assets, net<br>of related debt. . . . . |    | 13,356,495                         |
| Restricted for:   |    |                                    |
| Capital projects . . . . .                                  |    | 972,047                            |
| Debt service. . . . .                                       |    | 464,862                            |
| Classroom facilities maintenance . . . . .                  |    | 100,766                            |
| Locally funded programs . . . . .                           |    | 4,856                              |
| State funded programs. . . . .                              |    | 26                                 |
| Federally funded programs . . . . .                         |    | 6,545                              |
| Public school support . . . . .                             |    | 18,077                             |
| Student activities . . . . .                                |    | 18,386                             |
| Other purposes . . . . .                                    |    | 40,736                             |
| Unrestricted . . . . .                                      |    | 1,968,749                          |
| Total restricted net assets. . . . .                        |    | 3,540,107                          |
| Total net assets . . . . .                                  | \$ | 16,951,545                         |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|  | Expenses            | Program Revenues                  |                                       | Net (Expense)                           |
|--|---------------------|-----------------------------------|---------------------------------------|---|
|  |                     | Charges for<br>Services and Sales | Operating Grants<br>and Contributions | Revenue and<br>Changes in<br>Net Assets |
|  |                     |                                   |                                       | Governmental<br>Activities              |
| <b>Governmental activities:</b>                |                     |                                   |                                       |   |
| Instruction:                                   |                     |                                   |                                       |   |
| Regular . . . . .                              | \$ 4,310,857        | \$ 595,649                        | \$ 337,642                            | \$ (3,377,566)                          |
| Special . . . . .                              | 826,569             | 5,135                             | 450,551                               | (370,883)                               |
| Vocational . . . . .                           | 76,022              | 732                               | -                                     | (75,290)                                |
| Other . . . . .                                | 843,058             | 573                               | 29,463                                | (813,022)                               |
| Support services:                              |                     |                                   |                                       |   |
| Pupil. . . . .                                 | 263,191             | -                                 | 2,695                                 | (260,496)                               |
| Instructional staff . . . . .                  | 434,227             | 402                               | 94,285                                | (339,540)                               |
| Board of education . . . . .                   | 58,023              | -                                 | -                                     | (58,023)                                |
| Administration. . . . .                        | 624,287             | 11,826                            | 8,055                                 | (604,406)                               |
| Fiscal. . . . .                                | 271,801             | -                                 | -                                     | (271,801)                               |
| Operations and maintenance . . . . .           | 803,704             | -                                 | 69                                    | (803,635)                               |
| Pupil transportation. . . . .                  | 468,418             | 17,124                            | -                                     | (451,294)                               |
| Central . . . . .                              | 122,295             | -                                 | 7,607                                 | (114,688)                               |
| Operation of non-instructional<br>services:    |                     |                                   |                                       |   |
| Other non-instructional services . . . . .     | 9,405               | -                                 | 76                                    | (9,329)                                 |
| Food service operations . . . . .              | 331,591             | 161,844                           | 167,809                               | (1,938)                                 |
| Extracurricular activities. . . . .            | 284,444             | 108,362                           | 1,156                                 | (174,926)                               |
| Interest and fiscal charges . . . . .          | 162,411             | -                                 | -                                     | (162,411)                               |
| <b>Total governmental activities . . . . .</b> | <b>\$ 9,890,303</b> | <b>\$ 901,647</b>                 | <b>\$ 1,099,408</b>                   | <b>(7,889,248)</b>                      |

**General Revenues:**

Property taxes levied for:

|  |           |
|--|-----------|
| General purposes . . . . .   | 2,288,864 |
| Special revenue . . . . .  | 40,786    |
| Debt service. . . . .  | 297,775   |
| Capital outlay. . . . .  | 202,918   |
| Grants and entitlements not restricted<br>to specific programs . . . . . | 4,896,560 |
| Investment earnings . . . . .  | 24,302    |
| Miscellaneous . . . . .  | 75,762    |

Total general revenues . . . . . 7,826,967

Change in net assets . . . . . (62,281)

**Net assets at beginning of year. . . . .** 17,013,826

**Net assets at end of year . . . . .** \$ 16,951,545

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2010

|   | <u>General</u>      | <u>Debt<br/>Service</u> | <u>Permanent<br/>Improvement</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---------------------|-------------------------|----------------------------------|---|---|
| <b>Assets:</b>  |                     |                         |                                  |   |   |
| Equity in pooled cash<br>and cash equivalents . . . . .             | \$ 1,722,590        | \$ 393,550              | \$ 506,789                       | \$ 563,020                              | \$ 3,185,949                            |
| Cash with escrow agent . . . . .                                    | 9,964               | -                       | -                                | -                                       | 9,964                                   |
| Receivables:  |                     |                         |                                  |   |   |
| Taxes . . . . .   | 2,228,579           | 304,009                 | 193,953                          | 40,134                                  | 2,766,675                               |
| Interfund loans . . . . .   | 2,500               | -                       | -                                | -                                       | 2,500                                   |
| Intergovernmental . . . . .   | 3,227               | -                       | -                                | 39,750                                  | 42,977                                  |
| Prepayments . . . . .   | 68,805              | -                       | -                                | 217                                     | 69,022                                  |
| Materials and supplies inventory . . . . .                          | -                   | -                       | -                                | 11,043                                  | 11,043                                  |
| Restricted assets:  |                     |                         |                                  |   |   |
| Equity in pooled cash<br>and cash equivalents . . . . .             | 32,439              | -                       | -                                | -                                       | 32,439                                  |
| Total assets . . . . .  | <u>\$ 4,068,104</u> | <u>\$ 697,559</u>       | <u>\$ 700,742</u>                | <u>\$ 654,164</u>                       | <u>\$ 6,120,569</u>                     |
| <b>Liabilities:</b>   |                     |                         |                                  |   |   |
| Accounts payable . . . . .  | \$ 514              | \$ -                    | \$ -                             | \$ 3,098                                | \$ 3,612                                |
| Accrued wages and benefits . . . . .                                | 544,300             | -                       | -                                | 122,493                                 | 666,793                                 |
| Compensated absences payable . . . . .                              | 33,698              | -                       | -                                | -                                       | 33,698                                  |
| Interfund loans payable . . . . .                                   | -                   | -                       | -                                | 2,500                                   | 2,500                                   |
| Intergovernmental payable . . . . .                                 | 18,562              | -                       | -                                | 3,562                                   | 22,124                                  |
| Unearned revenue . . . . .  | 1,485,178           | 202,600                 | 129,255                          | 26,745                                  | 1,843,778                               |
| Deferred revenue . . . . .  | 125,771             | 16,717                  | 10,665                           | 41,957                                  | 195,110                                 |
| Pension obligation payable . . . . .                                | 168,168             | -                       | -                                | 13,019                                  | 181,187                                 |
| Total liabilities . . . . .   | <u>2,376,191</u>    | <u>219,317</u>          | <u>139,920</u>                   | <u>213,374</u>                          | <u>2,948,802</u>                        |
| <b>Fund Balances:</b>   |                     |                         |                                  |   |   |
| Reserved for encumbrances . . . . .                                 | 16,650              | -                       | 113,209                          | 23,549                                  | 153,408                                 |
| Reserved for materials and supplies inventory . . . . .             | -                   | -                       | -                                | 11,043                                  | 11,043                                  |
| Reserved for prepayments . . . . .                                  | 68,805              | -                       | -                                | 217                                     | 69,022                                  |
| Reserved for tax revenue<br>unavailable for appropriation . . . . . | 620,857             | 84,692                  | 54,033                           | 11,182                                  | 770,764                                 |
| Reserved for debt service . . . . .                                 | -                   | 393,550                 | -                                | -                                       | 393,550                                 |
| Reserved for BWC refunds . . . . .                                  | 32,439              | -                       | -                                | -                                       | 32,439                                  |
| Unreserved, undesignated (deficit), reported in:                    |                     |                         |                                  |   |   |
| General fund . . . . .  | 953,162             | -                       | -                                | -                                       | 953,162                                 |
| Special revenue funds . . . . .                                     | -                   | -                       | -                                | (761)                                   | (761)                                   |
| Capital projects funds . . . . .                                    | -                   | -                       | 393,580                          | 395,560                                 | 789,140                                 |
| Total fund balances . . . . .                                       | <u>1,691,913</u>    | <u>478,242</u>          | <u>560,822</u>                   | <u>440,790</u>                          | <u>3,171,767</u>                        |
| Total liabilities and fund balances . . . . .                       | <u>\$ 4,068,104</u> | <u>\$ 697,559</u>       | <u>\$ 700,742</u>                | <u>\$ 654,164</u>                       | <u>\$ 6,120,569</u>                     |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2010

|  |    |                  |                          |
|--|----|------------------|--------------------------|
| <b>Total governmental fund balances</b>  |    | \$               | 3,171,767                |
| <i>Amounts reported for governmental activities on the statement of net assets are different because:</i>  |    |                  |                          |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  |    |                  | 16,353,014               |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.   |    |                  |                          |
| Taxes receivable   | \$ | 155,360          |                          |
| Intergovernmental receivable   |    | <u>39,750</u>    |                          |
| Total  |    |                  | 195,110                  |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets. |    |                  | 567,652                  |
| In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditures are reported when due.  |    |                  | (30,097)                 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.   |    |                  |                          |
| Capital lease obligation payable   |    | (6,519)          |                          |
| Classroom facilities improvement bonds payable   |    | (2,990,000)      |                          |
| Compensated absences   |    | <u>(309,382)</u> |                          |
| Total  |    |                  | <u>(3,305,901)</u>       |
| <b>Net assets of governmental activities</b>   |    | <b>\$</b>        | <b><u>16,951,545</u></b> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|  | <u>General</u>      | <u>Debt<br/>Service</u> | <u>Permanent<br/>Improvement</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------|-------------------------|----------------------------------|---|---|
| <b>Revenues:</b>   |                     |                         |                                  |   |   |
| From local sources:  |                     |                         |                                  |   |   |
| Property taxes . . . . .   | \$ 2,295,225        | \$ 297,372              | \$ 203,690                       | \$ 40,859                               | \$ 2,837,146                            |
| Tuition . . . . .  | 572,060             | -                       | -                                | -                                       | 572,060                                 |
| Transportation fees . . . . .  | 17,124              | -                       | -                                | -                                       | 17,124                                  |
| Earnings on investments . . . . .                                      | 2,552               | 570                     | 742                              | 762                                     | 4,626                                   |
| Charges for services . . . . .   | -                   | -                       | -                                | 161,844                                 | 161,844                                 |
| Extracurricular . . . . .  | 27,297              | -                       | -                                | 83,364                                  | 110,661                                 |
| Classroom materials and fees . . . . .                                 | 53                  | -                       | -                                | 27,421                                  | 27,474                                  |
| Contributions and donations . . . . .                                  | 3,948               | -                       | -                                | 13,664                                  | 17,612                                  |
| Other local revenues . . . . .   | 3,814               | -                       | -                                | 70,993                                  | 74,807                                  |
| Intergovernmental - intermediate . . . . .                             | -                   | -                       | -                                | 20,215                                  | 20,215                                  |
| Intergovernmental - state . . . . .                                    | 4,823,606           | 47,589                  | 46,473                           | 37,615                                  | 4,955,283                               |
| Intergovernmental - federal . . . . .                                  | -                   | -                       | -                                | 1,012,608                               | 1,012,608                               |
| Total revenues . . . . .   | <u>7,745,679</u>    | <u>345,531</u>          | <u>250,905</u>                   | <u>1,469,345</u>                        | <u>9,811,460</u>                        |
| <b>Expenditures:</b>   |                     |                         |                                  |   |   |
| Current:   |                     |                         |                                  |   |   |
| Instruction:   |                     |                         |                                  |   |   |
| Regular . . . . .  | 3,002,588           | -                       | 37,852                           | 421,035                                 | 3,461,475                               |
| Special . . . . .  | 436,492             | -                       | -                                | 378,729                                 | 815,221                                 |
| Vocational . . . . .   | 81,467              | -                       | -                                | 1,178                                   | 82,645                                  |
| Other . . . . .  | 809,128             | -                       | -                                | 32,854                                  | 841,982                                 |
| Support services:  |                     |                         |                                  |   |   |
| Pupil . . . . .  | 258,220             | -                       | -                                | 3,180                                   | 261,400                                 |
| Instructional staff . . . . .  | 315,066             | -                       | 7,644                            | 102,285                                 | 424,995                                 |
| Board of education . . . . .   | 58,023              | -                       | -                                | -                                       | 58,023                                  |
| Administration . . . . .   | 591,510             | -                       | 200                              | 23,722                                  | 615,432                                 |
| Fiscal . . . . .   | 268,684             | -                       | 3,738                            | 738                                     | 273,160                                 |
| Operations and maintenance . . . . .                                   | 632,274             | -                       | 38,316                           | 30,567                                  | 701,157                                 |
| Pupil transportation . . . . .   | 508,144             | -                       | 103,615                          | -                                       | 611,759                                 |
| Central . . . . .  | 100,641             | -                       | 11,015                           | 8,883                                   | 120,539                                 |
| Operation of non-instructional services:                               |                     |                         |                                  |   |   |
| Other non-instructional services . . . . .                             | -                   | -                       | -                                | 101                                     | 101                                     |
| Food service operations . . . . .                                      | -                   | -                       | -                                | 321,890                                 | 321,890                                 |
| Extracurricular activities . . . . .                                   | 175,933             | -                       | 2,649                            | 84,730                                  | 263,312                                 |
| Facilities acquisition and construction . . . . .                      | 500                 | -                       | 18,692                           | 120,852                                 | 140,044                                 |
| Debt service:  |                     |                         |                                  |   |   |
| Principal retirement . . . . .   | 14,790              | 185,000                 | -                                | -                                       | 199,790                                 |
| Interest and fiscal charges . . . . .                                  | 1,320               | 161,884                 | -                                | -                                       | 163,204                                 |
| Total expenditures . . . . .   | <u>7,254,780</u>    | <u>346,884</u>          | <u>223,721</u>                   | <u>1,530,744</u>                        | <u>9,356,129</u>                        |
| Excess (deficiency) of revenues<br>over (under) expenditures . . . . . | <u>490,899</u>      | <u>(1,353)</u>          | <u>27,184</u>                    | <u>(61,399)</u>                         | <u>455,331</u>                          |
| <b>Other financing sources (uses):</b>                                 |                     |                         |                                  |   |   |
| Transfers in . . . . .   | -                   | -                       | -                                | 25,000                                  | 25,000                                  |
| Transfers (out) . . . . .  | (25,000)            | -                       | -                                | -                                       | (25,000)                                |
| Total other financing sources (uses) . . . . .                         | <u>(25,000)</u>     | <u>-</u>                | <u>-</u>                         | <u>25,000</u>                           | <u>-</u>                                |
| Net change in fund balances . . . . .                                  | 465,899             | (1,353)                 | 27,184                           | (36,399)                                | 455,331                                 |
| <b>Fund balances at beginning of year . . . . .</b>                    | <u>1,226,014</u>    | <u>479,595</u>          | <u>533,638</u>                   | <u>477,189</u>                          | <u>2,716,436</u>                        |
| <b>Fund balances at end of year . . . . .</b>                          | <u>\$ 1,691,913</u> | <u>\$ 478,242</u>       | <u>\$ 560,822</u>                | <u>\$ 440,790</u>                       | <u>\$ 3,171,767</u>                     |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

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, 2010

**Net change in fund balances - total governmental funds** \$ 455,331

*Amounts reported for governmental activities in the statement of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.

|                           |    |                  |               |
|---------------------------|----|------------------|---------------|
| Capital asset additions   | \$ | 173,324          |               |
| Current year depreciation |    | <u>(834,110)</u> |               |
| <br>Total                 |    |                  | <br>(660,786) |

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

|                   |  |              |          |
|-------------------|--|--------------|----------|
| Property taxes    |  | (3,576)      |          |
| Intergovernmental |  | <u>3,506</u> |          |
| <br>Total         |  |              | <br>(70) |

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

199,790

Governmental funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due.

793

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.

40,536

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(97,875)

**Change in net assets of governmental activities** \$ (62,281)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|   | <u>Budgeted Amounts</u> |                     |                     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|---|-------------------------|---------------------|---------------------|---|
|   | <u>Original</u>         | <u>Final</u>        | <u>Actual</u>       |   |
| <b>Revenues:</b>  |                         |                     |                     |   |
| From local sources:   |                         |                     |                     |   |
| Property taxes . . . . .  | \$ 2,280,675            | \$ 2,280,675        | \$ 2,303,188        | \$ 22,513   |
| Tuition . . . . .   | 566,468                 | 566,468             | 572,060             | 5,592   |
| Transportation fees . . . . .                                       | 16,957                  | 16,957              | 17,124              | 167   |
| Earnings on investments . . . . .                                   | 2,527                   | 2,527               | 2,552               | 25  |
| Extracurricular . . . . .   | 26,559                  | 26,559              | 26,821              | 262   |
| Classroom materials and fees . . . . .                              | 52                      | 52                  | 53                  | 1   |
| Contributions and donations . . . . .                               | 3,909                   | 3,909               | 3,948               | 39  |
| Other local revenues . . . . .                                      | 1,846                   | 1,846               | 1,864               | 18  |
| Intergovernmental - state . . . . .                                 | 4,768,399               | 4,843,446           | 4,815,470           | (27,976)  |
| <b>Total revenues . . . . .</b>                                     | <u>7,667,392</u>        | <u>7,742,439</u>    | <u>7,743,080</u>    | <u>641</u>  |
| <b>Expenditures:</b>  |                         |                     |                     |   |
| Current:  |                         |                     |                     |   |
| Instruction:  |                         |                     |                     |   |
| Regular . . . . .   | 3,330,319               | 3,330,319           | 3,041,183           | 289,136   |
| Special . . . . .   | 489,663                 | 489,663             | 447,151             | 42,512  |
| Vocational . . . . .  | 99,336                  | 99,336              | 90,712              | 8,624   |
| Other . . . . .   | 885,294                 | 885,294             | 808,433             | 76,861  |
| Support services:   |                         |                     |                     |   |
| Pupil . . . . .   | 280,770                 | 280,770             | 256,394             | 24,376  |
| Instructional staff . . . . .                                       | 340,617                 | 340,617             | 311,045             | 29,572  |
| Board of education . . . . .  | 38,784                  | 38,784              | 35,417              | 3,367   |
| Administration . . . . .  | 651,577                 | 651,577             | 595,007             | 56,570  |
| Fiscal . . . . .  | 322,550                 | 322,550             | 294,546             | 28,004  |
| Operations and maintenance . . . . .                                | 690,666                 | 690,666             | 630,703             | 59,963  |
| Pupil transportation . . . . .                                      | 562,490                 | 562,490             | 513,655             | 48,835  |
| Central . . . . .   | 108,554                 | 108,554             | 99,129              | 9,425   |
| Extracurricular activities . . . . .                                | 182,171                 | 182,171             | 166,510             | 15,661  |
| Facilities acquisition and construction . . . . .                   | 548                     | 548                 | 500                 | 48  |
| <b>Total expenditures . . . . .</b>                                 | <u>7,983,339</u>        | <u>7,983,339</u>    | <u>7,290,385</u>    | <u>692,954</u>  |
| Excess (deficiency) of revenues over (under) expenditures . . . . . | <u>(315,947)</u>        | <u>(240,900)</u>    | <u>452,695</u>      | <u>693,595</u>  |
| <b>Other financing sources (uses):</b>                              |                         |                     |                     |   |
| Refund of prior year's expenditures . . . . .                       | 16,795                  | 16,795              | 16,961              | 166   |
| Transfers in . . . . .  | 1,980                   | 1,980               | -                   | (1,980)   |
| Transfers (out) . . . . .   | (29,736)                | (29,736)            | (25,000)            | 4,736   |
| Advances in . . . . .   | 92,902                  | 92,902              | 93,819              | 917   |
| Advances (out) . . . . .  | (30,115)                | (30,115)            | (27,500)            | 2,615   |
| Sale of capital assets . . . . .                                    | 1,931                   | 1,931               | 1,950               | 19  |
| <b>Total other financing sources (uses) . . . . .</b>               | <u>53,757</u>           | <u>53,757</u>       | <u>60,230</u>       | <u>6,473</u>  |
| Net change in fund balance . . . . .                                | (262,190)               | (187,143)           | 512,925             | 700,068   |
| <b>Fund balance at beginning of year . . . . .</b>                  | 1,204,276               | 1,204,276           | 1,204,276           | -   |
| <b>Prior year encumbrances appropriated . . . . .</b>               | 20,596                  | 20,596              | 20,596              | -   |
| <b>Fund balance at end of year . . . . .</b>                        | <u>\$ 962,682</u>       | <u>\$ 1,037,729</u> | <u>\$ 1,737,797</u> | <u>\$ 700,068</u>   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
JUNE 30, 2010

|                                  | <u><b>Governmental<br/>Activities -<br/>Internal<br/>Service Fund</b></u> |
|----------------------------------|---|
| <b>Assets:</b>                   |   |
| Cash with fiscal agent . . . . . | \$ 691,932  |
| Total assets . . . . .           | <u>691,932</u>  |
| <b>Liabilities:</b>              |   |
| Claims payable . . . . .         | <u>124,280</u>  |
| Total liabilities . . . . .      | <u>124,280</u>  |
| <b>Net assets:</b>               |   |
| Unrestricted. . . . .            | <u>567,652</u>  |
| Total net assets . . . . .       | <u><u>\$ 567,652</u></u>  |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|  | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Fund</b> |
|--|--|
| <b>Operating revenues:</b>                       |  |
| Sales/charges for services. . . . .              | \$ 1,153,174   |
| Total operating revenues . . . . .               | <u>1,153,174</u>   |
| <b>Operating expenses:</b>                       |  |
| Claims expense . . . . .                         | 1,186,781  |
| Purchased services. . . . .                      | 83,227   |
| Materials and supplies . . . . .                 | 371  |
| Total operating expenses. . . . .                | <u>1,270,379</u>   |
| Operating loss . . . . .                         | <u>(117,205)</u>   |
| <b>Nonoperating revenues:</b>                    |  |
| Interest revenue . . . . .                       | <u>19,330</u>  |
| Total nonoperating revenues. . . . .             | <u>19,330</u>  |
| Change in net assets. . . . .                    | (97,875)   |
| <b>Net assets at beginning of year . . . . .</b> | <u>665,527</u>   |
| <b>Net assets at end of year. . . . .</b>        | <u><u>\$ 567,652</u></u>   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|   | <b>Governmental<br/>Activities -<br/>Internal<br/>Service Fund</b> |
|---|--|
| <b>Cash flows from operating activities:</b>                                      |  |
| Cash received from sales/charges for services . . . . .                           | \$ 1,153,174   |
| Cash payments for claims expense . . . . .  | (1,188,635)  |
| Cash payments for purchased services. . . . .                                     | (83,227)   |
| Cash payments for materials and supplies . . . . .                                | <u>(371)</u>   |
| Net cash used in operating activities . . . . .                                   | <u>(119,059)</u>   |
| <b>Cash flows from investing activities:</b>                                      |  |
| Interest received . . . . .   | <u>19,330</u>  |
| Net cash provided by investing activities . . . . .                               | <u>19,330</u>  |
| Net decrease in cash with fiscal agent. . . . .                                   | (99,729)   |
| <b>Cash with fiscal agent at beginning of year . . . . .</b>                      | <u>791,661</u>   |
| <b>Cash with fiscal agent at end of year . . . . .</b>                            | <u><u>\$ 691,932</u></u>   |
| <b>Reconciliation of operating loss to net cash used in operating activities:</b> |  |
| Operating loss . . . . .  | \$ (117,205)   |
| Changes in liabilities:   |  |
| Decrease in claims payable . . . . .  | <u>(1,854)</u>   |
| Net cash used in operating activities . . . . .                                   | <u><u>\$ (119,059)</u></u>   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2010

|   | <b>Private-Purpose Trust</b> |               |
|---|------------------------------|---------------|
|   | <b>Scholarship</b>           | <b>Agency</b> |
| <b>Assets:</b>  |                              |               |
| Equity in pooled cash<br>and cash equivalents . . . . . | \$ 3,853                     | \$ 41,059     |
| Total assets. . . . .                                   | 3,853                        | \$ 41,059     |
| <b>Liabilities:</b>                                     |                              |               |
| Accounts payable. . . . .                               | -                            | \$ 1,044      |
| Due to students. . . . .                                | -                            | 40,015        |
| Total liabilities . . . . .                             | -                            | \$ 41,059     |
| <b>Net assets:</b>                                      |                              |               |
| Held in trust for scholarships . . . . .                | 3,853                        |               |
| Total net assets . . . . .                              | \$ 3,853                     |               |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

|  | <b>Private-Purpose<br/>Trust</b> |
|--|----------------------------------|
|  | <b>Scholarship</b>               |
| <b>Additions:</b>                                |                                  |
| Interest. . . . .                                | \$ 6                             |
| Gifts and contributions. . . . .                 | 2,263                            |
|  | 2,269                            |
| Total additions. . . . .                         | 2,269                            |
| <b>Deductions:</b>                               |                                  |
| Scholarships awarded . . . . .                   | 2,767                            |
|  | (498)                            |
| Change in net assets. . . . .                    | (498)                            |
| <b>Net assets at beginning of year . . . . .</b> | <b>4,351</b>                     |
| <b>Net assets at end of year. . . . .</b>        | <b>\$ 3,853</b>                  |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Mapleton Local School District (the "District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The District provides educational services as authorized by State statute and/or federal guidelines.

The District is the 486<sup>th</sup> largest in the State of Ohio (out of 905 public and community school districts) in terms of enrollment. It is staffed by 48 non-certified employees and 71 certified full-time teaching personnel who provide services to 1,023 students and other community members.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (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 District also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, to its governmental activities and to its proprietary fund provided it does not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary governments financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The following organizations are described due to their relationship to the District:

*JOINTLY GOVERNED ORGANIZATIONS*

Midland Council of Governments

The District is a member of the Midland Council of Governments (COG), which was organized as a council-of-governments entity in accordance with Ohio statute. While the District and the other 21 members are assessed annual user fees for data services, none of the members retain an ongoing financial interest in the COG.

Ashland County - West Holmes Career Center (the "Career Center")

The Career Center is a separate body politic and corporate, established by the Ohio Revised Code (ORC) to provide vocational and special education needs of the students. The Career Center accepts non-tuition students from the District as a member school; however, it is considered a separate political subdivision and is not considered to be part of the District.

*INSURANCE PURCHASING POOLS*

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP was established under Section 4123.29 of the Ohio Revised Code. 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 Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Ohio Mid-Eastern Regional Educational Services Agency

The District is a participant with several other school districts in an insurance purchasing pool to operate the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA). OME-RESA was formed for the purpose of providing medical and dental insurance. OME-RESA is governed by a Board of Directors comprised of 6 representatives elected by the membership; 2 Treasurers elected by the membership and a representative of the Fiscal Agent. The degree of control exercised by any participating school district is limited to its representation on the Board.

Schools of Ohio Risk Sharing Authority

The District participates in the Schools of Ohio Risk Sharing Authority Board (SORSA), an insurance purchasing pool. SORSA's business affairs are conducted by a nine member Board of directors consisting of a President, Vice President, Secretary, Treasurer and five delegates. SORSA was created to provide joint self-insurance coverage and to assist members to prevent and reduce losses and injuries to the District's property and person. It is intended to provide liability and property insurance at reduced premiums for the participants. SORSA is organized as a nonprofit corporation under provisions of Ohio Revised Code 2744.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.



**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*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 are the District's major governmental funds:

*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 for any purpose provided it is expended or transferred according to the general laws of Ohio.

*Debt service fund* - The debt service fund is used to account for the accumulation of property tax revenues for, and the payment of, general obligation bonds used for the construction of school facilities.

*Permanent improvement fund* - The permanent improvement capital projects fund is used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705 of the Ohio Revised Code.

Other governmental funds of the District are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary, trust, and permanent improvement funds, (b) food service operations; and (c) grants and other resources whose use is restricted to a particular purpose.

*PROPRIETARY FUND*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The District has no enterprise funds. The following is a description of the District's internal service fund:

*Internal service fund* - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides medical/surgical and dental benefits to employees.

*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 District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only trust fund is a private-purpose trust which accounts for scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**C. Basis of Presentation and Measurement Focus**

Government-wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net assets.

Fund Financial Statements - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of fund net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the District's internal service fund are charges for sales and services. Operating expenses for internal service funds include the claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The private-purpose trust fund is reported using the economic resources measurement focus. Agency funds do not report a measurement focus as they do not report operations.

**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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, are 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 are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District 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 6).

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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District 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, interest, tuition, grants, student fees and rentals.

Unearned Revenue and Deferred Revenue - Unearned revenue and deferred revenue arise 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, 2010, but which were levied to finance fiscal year 2011 operations, and other revenues received in advance of the fiscal year for which they are intended to finance, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period, including delinquent property taxes due at June 30, 2010, are recorded as deferred revenue.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue.

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. Budgets**

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds except agency. The specific timetable for fiscal year 2010 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 20, the Board-adopted budget is filed with the Ashland County Budget Commission for tax rate determination.
3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The budget figures, as shown in the accompanying budgetary statement, reflect the amounts set forth in the original and final certificate of estimated resources issued for fiscal year 2010.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals.
5. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocated or increased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board prior to June 30, 2010, however, none of these amendments were significant. The budget figures, as shown in the accompanying budgetary statement, reflect the original and final appropriation amounts including all amendments and modifications.
8. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures may not legally exceed budgeted appropriations at the fund level.

**F. Cash and Investments**

To improve cash management, cash received by the District, other than with fiscal and escrow agent, is pooled in a central bank account. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During fiscal year 2010, investments were limited to investments in the State Treasury Asset Reserve Ohio (STAR Ohio) and shares of preferred stock (see below). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's shares price which is the price the investment could be sold for on June 30, 2010.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or by policy of the Board of Education. Investment earnings are assigned to the general fund, public school fund, classroom construction fund, and self insurance fund. Interest revenue credited to the general fund during fiscal year 2010 amounted to \$2,552, which includes \$443 assigned from other District funds.

While preferred stock is not an allowable investment according to Ohio statute, the District received a donation of stock to its general fund. No public funds were used to acquire the stock. At June 30, 2010, the preferred stock value was \$100.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**G. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed/expended when used. Inventories are accounted for using the consumption method.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**H. Capital Assets**

General capital assets are those related to governmental activities. 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 in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their fair market values as of the date received. The District's capitalization threshold is \$5,000. 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. The District does not possess infrastructure.

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

| <u>Description</u>         | Governmental<br>Activities<br><u>Estimated Lives</u> |
|----------------------------|--|
| Land improvements          | 20 years   |
| Buildings and improvements | 20 - 50 years  |
| Furniture and equipment    | 5 - 20 years   |
| Vehicles                   | 8 years  |

**I. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2010, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least five years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2010 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

**J. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the internal service fund are reported on the proprietary fund 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 and compensated absences 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 year.

**K. Fund Balance Reserves**

The District 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, materials and supplies inventory, prepayments, property tax revenue unavailable for appropriation, debt service and BWC refunds. The reserve for property taxes unavailable for appropriation represents taxes recognized as revenue under GAAP, but not available for appropriation under State statute. The reserve for BWC refunds reserve represents BWC refunds received prior to April 10, 2002 and are restricted by State statute.

**MAPLETON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**L. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the employee self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

**M. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consist 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 enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include monies restricted by State statute for BWC refunds and uniform school supplies.

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

**N. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

**O. Estimates**

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

**P. Restricted Assets**

Restricted assets in the general fund represent cash and cash equivalent set-asides to establish a BWC refund reserve. This reserve is required by State statute. A schedule of the statutory reserve is presented in Note 17.

**Q. Interfund Activity**

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 and after nonoperating revenues/expenses in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.



**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

**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 2010.

**S. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable." These amounts are eliminated in the governmental activities column on the statement of net assets.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2010, the District has implemented GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", and GASB Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 addresses accounting and financial reporting standards for intangible assets, which are assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a single reporting period. Examples of intangible assets include easements, water rights, computer software, patents, and trademarks. GASB Statement No. 51 improves the quality of financial reporting by creating consistency in the recognition, initial measurement, and amortization of intangible assets. The implementation of GASB Statement No. 51 did not have an effect on the financial statements of the District.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments include interest rate and commodity swaps, interest rate locks, options, swaptions, forward contracts, and futures contracts. The implementation of GASB Statement No. 53 did not have an effect on the financial statements of the District.

GASB Statement No. 58 establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB Statement No. 58 requires governments to remeasure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan. The implementation of GASB Statement No. 58 did not have an effect on the financial statements of the District.

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at June 30, 2010 included the following individual fund deficits:

| <u>Nonmajor funds</u>                 | <u>Deficit</u> |
|---------------------------------------|----------------|
| Food service operations               | \$ 22,488      |
| IDEA, Part B                          | 11,121         |
| Education stabilization fund          | 41,084         |
| School improvement stimulus A         | 3,809          |
| Stimulus school improvement subsidy G | 6,675          |
| Title I, Disadvantaged Children       | 14,966         |
| Drug free school grant                | 528            |
| Improving teacher quality             | 7,300          |

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the District into three categories.

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

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

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

Interim monies may be deposited or invested in the following securities:

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

**MAPLETON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash with Fiscal Agent**

The District is self-insured through a fiscal agent. The money held by the fiscal agent cannot be identified as an investment or deposits, since it is held in a pool made up of numerous participants. The amount held by the fiscal agent at June 30, 2010, was \$691,932.

**B. Cash with Escrow Agent**

At fiscal year end, \$9,964 was on deposit in the District's escrow account with Tri-County Educational Service Center. The ESC retains a portion of the District's Foundation settlements from which ESC services are paid. These amounts are included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the financial statements as "equity in pooled cash and cash equivalents".

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**C. Deposits with Financial Institutions**

At June 30, 2010, the carrying amount of all District deposits was \$292,278. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of June 30, 2010, \$283,105 of the District’s bank balance of \$533,105 was exposed to custodial risk as discussed below, while \$250,000 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the District’s deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

**D. Investments**

As of June 30, 2010, the District had the following investments and maturities:

| <u>Investment type</u> | <u>Fair Value</u>   | <u>Investment Maturities</u> |
|------------------------|---------------------|------------------------------|
|                        |                     | 6 months or<br>less          |
| STAR Ohio              | \$ 2,970,922        | \$ 2,970,922                 |
| Preferred stock        | <u>100</u>          | <u>-</u>                     |
| Total                  | <u>\$ 2,971,022</u> | <u>\$ 2,970,922</u>          |

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District’s investment policy limits investment portfolio maturities to five years or less.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District’s investment policy does not specifically address custodial credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

*Credit Risk:* Standard & Poor’s has assigned STAR Ohio an AAAM money market rating.

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2010:

| <u>Investment type</u> | <u>Fair Value</u>   | <u>% to Total</u> |
|------------------------|---------------------|-------------------|
| STAR Ohio              | \$ 2,970,922        | 99.99             |
| Preferred stock        | <u>100</u>          | <u>0.01</u>       |
| Total                  | <u>\$ 2,971,022</u> | <u>100.00</u>     |

**E. Reconciliation of Cash and Investments to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net assets as of June 30, 2010:

|   |                     |
|---|---------------------|
| <u>Cash and investments per note</u>                        |                     |
| Carrying amount of deposits                                 | \$ 292,278          |
| Investments   | 2,971,022           |
| Cash with escrow agent                                      | 9,964               |
| Cash with fiscal agent                                      | <u>691,932</u>      |
| Total   | <u>\$ 3,965,196</u> |
| <br><u>Cash and investments per statement of net assets</u> |                     |
| Governmental activities                                     | \$ 3,920,284        |
| Private purpose trust fund                                  | 3,853               |
| Agency funds  | <u>41,059</u>       |
| Total   | <u>\$ 3,965,196</u> |

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund balances at June 30, 2010 as reported on the fund statements consist of the following individual interfund loan receivable and payable:

| <u>Receivable fund</u> | <u>Payable fund</u>         | <u>Amount</u>   |
|------------------------|-----------------------------|-----------------|
| General                | Nonmajor governmental funds | <u>\$ 2,500</u> |

This interfund balance will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the statement of net assets.

**MAPLETON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

- B.** Interfund transfers for the year ended June 30, 2010, consisted of the following, as reported on the fund statements:

|                                 | <u>Amount</u> |
|---------------------------------|---------------|
| Transfers from general fund to: |               |
| Nonmajor governmental funds     | \$ 25,000     |

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District 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 property, public utility property, and certain tangible personal (used in business) property located in the District. Real property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed values as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2010 represent the collection of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien on December 31, 2008, were levied after April 1, 2009, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, 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 District prior to June 30.

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 6 - PROPERTY TAXES - (Continued)**

The District receives property taxes from Ashland County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2010, are available to finance fiscal year 2010 operations. The amount available as an advance at June 30, 2010 was \$620,857 in the general fund, \$84,692 in the debt service fund, \$54,033 in the permanent improvement fund and \$11,182 in the classroom facilities fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2009 was \$628,820 in the general fund, \$79,581 in the debt service fund, \$55,790 in the permanent improvement fund and \$11,123 in the classroom facilities fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end 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, 2010 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to unearned revenue.

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

The assessed values upon which the fiscal year 2010 taxes were collected are:

|   | 2009 Second<br>Half Collections |                | 2010 First<br>Half Collections |                |
|---|---------------------------------|----------------|--------------------------------|----------------|
|   | <u>Amount</u>                   | <u>Percent</u> | <u>Amount</u>                  | <u>Percent</u> |
| Agricultural/residential<br>and other real estate | \$ 118,161,340                  | 94.77          | \$ 118,897,450                 | 95.86          |
| Public utility personal                           | 6,073,940                       | 4.87           | 4,920,240                      | 3.97           |
| Tangible personal property                        | <u>441,133</u>                  | <u>0.36</u>    | <u>211,965</u>                 | <u>0.17</u>    |
| Total   | <u>\$ 124,676,413</u>           | <u>100.00</u>  | <u>\$ 124,029,655</u>          | <u>100.00</u>  |

Tax rate per \$1,000 of  
assessed valuation for:

|                       |         |         |
|-----------------------|---------|---------|
| Operations            | \$41.10 | \$41.10 |
| Debt retirement       | 2.70    | 2.70    |
| Permanent improvement | 4.50    | 4.50    |

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2010 consisted of taxes and intergovernmental grants and entitlements. 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 year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net assets follows:

**Governmental activities:**

|                   |                     |
|-------------------|---------------------|
| Taxes             | \$ 2,766,675        |
| Intergovernmental | <u>42,977</u>       |
| Total             | <u>\$ 2,809,652</u> |

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

|   | Balance<br><u>July 1, 2009</u> | <u>Additions</u>    | <u>Disposals</u> | Balance<br><u>June 30, 2010</u> |
|---|--------------------------------|---------------------|------------------|---------------------------------|
| <b>Governmental activities:</b>               |                                |                     |                  |                                 |
| <i>Capital assets, not being depreciated:</i> |                                |                     |                  |                                 |
| Land  | \$ 177,800                     | \$ -                | \$ -             | \$ 177,800                      |
| Total capital assets, not being depreciated   | <u>177,800</u>                 | <u>-</u>            | <u>-</u>         | <u>177,800</u>                  |
| <i>Capital assets, being depreciated:</i>     |                                |                     |                  |                                 |
| Land improvements                             | 2,463,731                      | 8,362               | -                | 2,472,093                       |
| Buildings and improvements                    | 18,705,967                     | 135,783             | -                | 18,841,750                      |
| Furniture and equipment                       | 619,777                        | 5,693               | -                | 625,470                         |
| Vehicles                                      | <u>979,245</u>                 | <u>23,486</u>       | <u>(49,000)</u>  | <u>953,731</u>                  |
| Total capital assets, being depreciated       | <u>22,768,720</u>              | <u>173,324</u>      | <u>(49,000)</u>  | <u>22,893,044</u>               |
| <i>Less: accumulated depreciation:</i>        |                                |                     |                  |                                 |
| Land improvements                             | (901,152)                      | (117,962)           | -                | (1,019,114)                     |
| Buildings and improvements                    | (4,135,432)                    | (588,008)           | -                | (4,723,440)                     |
| Furniture and equipment                       | (277,431)                      | (36,940)            | -                | (314,371)                       |
| Vehicles                                      | <u>(618,705)</u>               | <u>(91,200)</u>     | <u>49,000</u>    | <u>(660,905)</u>                |
| Total accumulated depreciation                | <u>(5,932,720)</u>             | <u>(834,110)</u>    | <u>49,000</u>    | <u>(6,717,830)</u>              |
| Governmental activities capital assets, net   | <u>\$ 17,013,800</u>           | <u>\$ (660,786)</u> | <u>\$ -</u>      | <u>\$ 16,353,014</u>            |



**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 8 - CAPITAL ASSETS - (Continued)**

Depreciation expense was charged to governmental functions as follows:

|                            |                   |
|----------------------------|-------------------|
| <u>Instruction:</u>        |                   |
| Regular                    | \$ 779,354        |
| Special                    | 593               |
| Vocational                 | 1,410             |
| <u>Support services:</u>   |                   |
| Administration             | 4,077             |
| Operations and maintenance | 9,528             |
| Pupil transportation       | 9,871             |
| Extracurricular activities | 20,166            |
| Food service operations    | <u>9,111</u>      |
| Total depreciation expense | <u>\$ 834,110</u> |

**NOTE 9 - CAPITAL LEASES - LESSEE DISCLOSURE**

During a prior year, the District entered into a capitalized lease for the acquisition of copiers. The lease meets the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee at the conclusion of the lease term.

Capital lease payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reflected as function expenditures on the budgetary statements. Capital assets consisting of copier equipment have been capitalized in the amount of \$65,336. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide financial statements. Principal payments in fiscal year 2010 totaled \$14,790 paid by the general fund. Accumulated depreciation as of June 30, 2010 was \$45,738 leaving a current book value of \$19,598.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2010:

|   |                 |
|---|-----------------|
| Fiscal Year                             |                 |
| <u>Ending June 30.</u>                  | <u>Payments</u> |
| 2011                                    | \$ <u>6,650</u> |
| Total minimum lease payment             | 6,650           |
| Less: amount representing interest      | <u>(131)</u>    |
| Present value of minimum lease payments | <u>\$ 6,519</u> |

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 10 - LONG-TERM OBLIGATIONS**

- A. During the fiscal year 2010, the following changes occurred in governmental activities long-term obligations:

|   | Balance<br>Outstanding<br><u>July 1, 2009</u> | <u>Additions</u> | <u>Reductions</u>   | Balance<br>Outstanding<br><u>June 30, 2010</u> | Amounts<br>Due in<br><u>One Year</u> |
|---|---|------------------|---------------------|--|--------------------------------------|
| <b>Governmental activities:</b>                         |   |                  |                     |  |                                      |
| Classroom facilities improvements                       |   |                  |                     |  |                                      |
| bonds, 3.4%-5.7%, 4/1/04-12/1/19                        | \$ 3,175,000                                  | \$ -             | \$ (185,000)        | \$ 2,990,000                                   | \$ 200,000                           |
| Capital lease obligation                                | 21,309  | -                | (14,790)            | 6,519  | 6,519                                |
| Compensated absences                                    | <u>364,235</u>                                | <u>54,134</u>    | <u>(75,289)</u>     | <u>343,080</u>                                 | <u>60,115</u>                        |
| Total long-term obligations,<br>governmental activities | <u>\$ 3,560,544</u>                           | <u>\$ 54,134</u> | <u>\$ (275,079)</u> | <u>\$ 3,339,599</u>                            | <u>\$ 266,634</u>                    |

*Compensated Absences:* Compensated absences will be paid from the fund from which the employee's salaries are paid which, for the District, is the general fund and the food service fund (a nonmajor governmental fund).

*Capital Lease Obligation:* The capital lease obligation will be paid from the general fund. See Note 9 for details.

*Classroom Facilities Improvements Bonds:* The District has issued general obligation bonds to provide for the construction of school facilities. The general obligation bonds are direct obligations of the District for which its full faith, credit and resources are pledged and payable from taxes levied on all taxable property in the District. Payments of principal and interest relating to this bond are recorded as an expenditure in the debt service fund.

- B. Principal and interest requirements to retire the classroom facilities improvements bonds outstanding at June 30, 2010 are as follows:

| <u>Fiscal Year<br/>Ending June 30,</u> | <u>Principal on<br/>Bonds</u> | <u>Interest on<br/>Bonds</u> | <u>Total</u>        |
|--|-------------------------------|------------------------------|---------------------|
| 2011                                   | \$ 200,000                    | \$ 152,603                   | \$ 352,603          |
| 2012                                   | 220,000                       | 144,003                      | 364,003             |
| 2013                                   | 240,000                       | 134,323                      | 374,323             |
| 2014                                   | 260,000                       | 120,643                      | 380,643             |
| 2015                                   | 280,000                       | 105,822                      | 385,822             |
| 2016 - 2020                            | <u>1,790,000</u>              | <u>279,061</u>               | <u>2,069,061</u>    |
| Total                                  | <u>\$ 2,990,000</u>           | <u>\$ 936,455</u>            | <u>\$ 3,926,455</u> |

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

**C. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2010, are a voted debt margin of \$8,630,442 (including available funds of \$478,242) and an unvoted debt margin of \$123,802.

**NOTE 11 - COMPENSATED ABSENCES**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees working eleven or twelve months per year are entitled to an annual vacation, with pay, based on length of service in the District. Accumulated unused vacation time is paid to employees upon termination of employment. Teachers and administrators working fewer than ten months per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated for an unlimited number of days. For certified and classified employees, payment is made at retirement for accumulated sick leave and is determined by taking one-fourth of the unused balance to a maximum of 46 days.

**NOTE 12 - RISK MANAGEMENT**

**A. Comprehensive**

The District maintains comprehensive insurance coverage with private carriers for liability, real property, building contents, boiler/machinery and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. In addition, real property contents are 90% coinsured. The following is a description of the District's insurance coverage:

| <u>Coverage</u>                | <u>Insurer</u> | <u>Limits of Coverage</u> | <u>Deductible</u> |
|--------------------------------|----------------|---------------------------|-------------------|
| General liability:             | SORSA          |                           |                   |
| Each occurrence                |                | \$ 5,000,000              | \$ 0              |
| Aggregate                      |                | 7,000,000                 | 0                 |
| Property/building and contents | SORSA          | 31,936,691                | 0                 |
| Fleet:                         |                |                           |                   |
| Comprehensive                  | SORSA          | Included in property      | 1,000             |
| Collision                      |                | Included in property      | 1,000             |
| Umbrella liability             | SORSA          | 5,000,000                 | 0                 |

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 12 - RISK MANAGEMENT - (Continued)**

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant reduction in insurance from the prior year.

**B. Fidelity Bond**

The Board President and Superintendent have a \$20,000 position bond. The Treasurer is covered under a surety bond in the amount of \$50,000. All other school employees who are responsible for handling funds are covered on the SORSA policy up to \$100,000.

**C. Workers' Compensation**

For fiscal year 2010, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 2.A.). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays 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 school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

**D. Employee Group Medical/Surgical, Dental and Vision Insurance**

The District has elected to provide employee medical, prescription, and dental benefits through a self-insurance program. The District maintains a self-insurance fund through their fiscal agent, Ohio Mid Eastern Regional Service Agency (OME-RESA), to account for and finance its uninsured risk of loss in this program. This plan provides a medical plan with a \$200 family and \$100 single deductible and a dental plan with a \$50 family and \$25 single deductible. A third party administrator, Self-Funded Plans, Inc., reviews all medical and dental claims which are then paid by the District. A stop-loss insurance contract with a private insurance carrier covers specific liability claims in excess of \$250,000. A stop-loss internal pooling contract with OME-RESA covers specific liability claims between \$35,000 and \$250,000.

Employees are responsible for a portion of this premium based on job classification and length of workday as outlined in their negotiated agreement. Premiums for medical coverage are \$1,208.69 per month for each employee with family coverage and \$548.53 per month for each employee with individual coverage. The premium for dental coverage is \$55.91 monthly for each employee with family or individual coverage. The premium for life insurance is \$2.90 monthly for each \$20,000 in coverage. The premium for vision coverage is \$15.42 per month for each employee with family coverage and \$6.92 per month for each employee with individual coverage. All premiums are paid by the fund that pays the salary for the employee. The claims liability of \$124,280 reported in the internal service fund at June 30, 2010 is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 12 - RISK MANAGEMENT - (Continued)**

Changes in claims activity for the past two fiscal years are as follows:

| <u>Fiscal Year</u> | <u>Beginning<br/>Balance</u> | <u>Claims<br/>Incurred</u> | <u>Claims<br/>Payments</u> | <u>Ending<br/>Balance</u> |
|--------------------|------------------------------|----------------------------|----------------------------|---------------------------|
| 2010               | \$ 126,134                   | \$ 1,186,781               | \$ (1,188,635)             | \$ 124,280                |
| 2009               | 194,739                      | 1,244,755                  | (1,313,360)                | 126,134                   |

**NOTE 13 - PENSION PLANS**

**A. School Employees Retirement System**

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement, disability, survivor 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, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2010, 12.78 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 District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2010, 2009 and 2008 were \$115,840, \$85,073 and \$79,760, respectively; 43.65 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**B. State Teachers Retirement System of Ohio**

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

**MAPLETON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 13 - PENSION PLANS - (Continued)**

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 fiscal year 2010, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. 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 District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009 and 2008 were \$460,746, \$460,407 and \$456,703, respectively; 83.53 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$15,086 made by the District and \$10,776 made by the plan members.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the SERS/STRS Ohio have an option to choose Social Security or the SERS/STRS Ohio. As of June 30, 2010, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 14 - POSTEMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Plan Description - The District participates in two cost-sharing, multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) 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, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Chapter 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2009 was \$96.40 and SERS' reimbursement to retirees was \$45.50. 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 St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, [www.ohsers.org](http://www.ohsers.org), under *Employers/Audit Resources*.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2010, 0.46 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2010, the actuarially determined amount was \$35,800.

Active members do not contribute to the postemployment benefit plans. The Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility and retirement status.

The District's contributions for health care (including surcharge) for the fiscal years ended June 30, 2010, 2009, and 2008 were \$22,856, \$56,251 and \$51,829, respectively; 43.65 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For fiscal year 2010, this actuarially required allocation was 0.76 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$6,889, \$7,019 and \$5,747, respectively; 43.65 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**MAPLETON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 14 - POSTEMPLOYMENT BENEFITS - (Continued)**

**B. State Teachers Retirement System of Ohio**

Plan Description - The District contributes to the cost sharing, multiple employer defined benefit Health Plan (the "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](http://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 2010, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2010, 2009, and 2008 were \$35,442, \$35,416 and \$35,131, respectively; 83.53 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of 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 and actual (non-GAAP budgetary basis) 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 the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).



**MAPLETON LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

|   | <u>General fund</u> |
|---|---------------------|
| Budget basis                            | \$ 512,925          |
| Net adjustment for revenue accruals     | 2,599               |
| Net adjustment for expenditure accruals | 18,473              |
| Net adjustment for other sources/uses   | (85,230)            |
| Adjustment for encumbrances             | <u>17,132</u>       |
| GAAP basis                              | <u>\$ 465,899</u>   |

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**B. Litigation**

The District is involved in no material litigation as either plaintiff or defendant.

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**NOTE 17 - STATUTORY RESERVES**

The District 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. During the fiscal year ended June 30, 2010, the reserve activity was as follows:

|   | Textbooks/<br>Instructional<br><u>Materials</u> | Capital<br><u>Acquisition</u> | BWC<br><u>Refunds</u> |
|---|---|-------------------------------|-----------------------|
| Set-aside balance as of July 1, 2009            | \$ (229,911)                                    | \$ (3,832,811)                | \$ 32,439             |
| Current year set-aside requirement              | 161,321   | 161,321                       | -                     |
| Current year offset                             | -   | (205,447)                     | -                     |
| Qualifying disbursements                        | <u>(48,403)</u>                                 | <u>(53,811)</u>               | <u>-</u>              |
| <br>Total                                       | <br><u>\$ (116,993)</u>                         | <br><u>\$ (3,930,748)</u>     | <br><u>\$ 32,439</u>  |
| <br>Balance carried forward to fiscal year 2011 | <br><u>\$ (116,993)</u>                         | <br><u>\$ (3,832,811)</u>     | <br><u>\$ 32,439</u>  |

Monies representing BWC refunds that were received prior to April 10, 2002, have been shown as a restricted asset and reserved fund balance in the general fund since allowable expenditures are restricted by State statute. The amount is reported as BWC refunds.

The District had qualifying disbursements during the year and prior years that reduced the set-aside amounts below zero for the textbook reserve. This extra amount may be used to reduce the set-aside requirement for future years. The District issued bonds to finance construction of new school facilities in a prior year and this amount may be used to reduce the capital acquisition set-aside requirement. The excess qualifying disbursements and offsets in the capital acquisition reserve in the current year may not be carried forward to future years.

A schedule of the restricted assets at June 30, 2010 follows:

|                                    |                  |
|------------------------------------|------------------|
| Amounts restricted for BWC refunds | <u>\$ 32,439</u> |
|------------------------------------|------------------|

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2010**

| Federal Grantor/<br>Passed Through Grantor/<br>Program Title           | Federal<br>CFDA<br>Number | Pass Through<br>Grantor<br>Number | Receipts           | Non-Cash<br>Receipts | Expenditures     | Non-Cash<br>Expenditures |
|--|---------------------------|-----------------------------------|--------------------|----------------------|------------------|--------------------------|
| <b><u>U.S. Department of Agriculture</u></b>                           |                           |                                   |                    |                      |                  |                          |
| <i>(Passed through the Ohio Department of Education)</i>               |                           |                                   |                    |                      |                  |                          |
| Child Nutrition Cluster:   |                           |                                   |                    |                      |                  |                          |
| Non-Cash Assistance (Food Distribution):                               |                           |                                   |                    |                      |                  |                          |
| National School Lunch Program  | 10.555                    | N/A                               |                    | \$21,405             |                  | \$21,405                 |
| Cash Assistance:   |                           |                                   |                    |                      |                  |                          |
| National School Lunch Program  | 10.555                    | N/A                               | \$143,258          |                      | \$143,258        |                          |
| Total Child Nutrition Cluster/U.S. Department of Agriculture           |                           |                                   | 143,258            | 21,405               | 143,258          | 21,405                   |
| <b><u>U.S. Department of Education</u></b>                             |                           |                                   |                    |                      |                  |                          |
| <i>(Passed through the Ohio Department of Education )</i>              |                           |                                   |                    |                      |                  |                          |
| Title I Cluster:   |                           |                                   |                    |                      |                  |                          |
| Title I Grants to Local Educational Agencies (Disadvantaged Youth)     | 84.010                    | 2009                              | 11,408             |                      | 10,724           |                          |
|  |                           | 2010                              | 114,262            |                      | 113,457          |                          |
| Title I Grants to Local Educational Agencies (School Improvement)      |                           | 2009                              | 31,061             |                      | 8,112            |                          |
|  |                           | 2010                              | 36,361             |                      | 36,361           |                          |
| Total Title I Grants to Local Educational Agencies                     |                           |                                   | 193,092            |                      | 168,654          |                          |
| ARRA - Title I Grants to Local Educational Agencies                    | 84.389                    | 2010                              | 19,887             |                      | 17,602           |                          |
| Total Title I Cluster  |                           |                                   | 212,979            |                      | 186,256          |                          |
| School Improvement Grants  | 84.377                    | 2010                              | 23,273             |                      | 26,534           |                          |
| Special Education Cluster:   |                           |                                   |                    |                      |                  |                          |
| Special Education_Grants to States                                     | 84.027                    | 2009                              | 35,476             |                      | 13,987           |                          |
|  |                           | 2010                              | 188,811            |                      | 169,355          |                          |
| Total Special Education_Grants to States                               |                           |                                   | 224,287            |                      | 183,342          |                          |
| ARRA - Special Education Grants to States                              | 84.391                    | 2010                              | 87,452             |                      | 86,805           |                          |
| Total Special Education Cluster  |                           |                                   | 311,739            |                      | 270,147          |                          |
| Safe and Drug-Free Schools and Communities_State Grants                | 84.186                    | 2009                              | 1,158              |                      | 819              |                          |
|  |                           | 2010                              | 1,841              |                      | 2,368            |                          |
| Total Safe and Drug-Free and Communities State Grants                  |                           |                                   | 2,999              |                      | 3,187            |                          |
| State Grants for Innovative Programs                                   | 84.298                    | 2009                              | 37                 |                      |                  |                          |
| Education Technology State Grants                                      | 84.318                    | 2010                              | 1,327              |                      | 1,327            |                          |
| Improving Teacher Quality State Grants                                 | 84.367                    | 2009                              | 10,155             |                      | 5,241            |                          |
|  |                           | 2010                              | 51,062             |                      | 51,312           |                          |
| Total Improving Teacher Quality State Grants                           |                           |                                   | 61,217             |                      | 56,553           |                          |
| ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants | 84.394                    | 2010                              | 289,924            |                      | 287,958          |                          |
| <b>Total U.S. Department of Education</b>                              |                           |                                   | 903,495            |                      | 831,962          |                          |
| <b>Totals</b>  |                           |                                   | <u>\$1,046,753</u> | <u>\$21,405</u>      | <u>\$975,220</u> | <u>\$21,405</u>          |

*The Notes to the Federal Awards Receipts and Expenditures Schedule are an integral part of this schedule.*

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Mapleton Local School District's (the District's) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

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



# 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*

Mapleton Local School District  
Ashland County  
2 Mountie Drive  
Ashland, Ohio 44805

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Mapleton Local School District, Ashland County, Ohio, (the District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 7, 2011. 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 District's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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

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

### **Compliance and Other Matters**

As part of reasonably assuring whether the District'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 did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated January 7, 2011.

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

January 7, 2011



# Mary Taylor, CPA

Auditor of State

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

Mapleton Local School District  
Ashland County  
2 Mountie Drive  
Ashland, Ohio 44805

To the Board of Education:

### Compliance

We have audited the compliance of Mapleton Local School District, Ashland County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Mapleton Local School District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Mapleton Local School District, Ashland County, Ohio, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

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

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

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



**Mary Taylor, CPA**  
Auditor of State

January 7, 2011



**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2010**

**1. SUMMARY OF AUDITOR'S RESULTS**

|                     |   |   |
|---------------------|---|---|
| <i>(d)(1)(i)</i>    | <b>Type of Financial Statement Opinion</b>  | Unqualified   |
| <i>(d)(1)(ii)</i>   | <b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>                  | No  |
| <i>(d)(1)(ii)</i>   | <b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b> | No  |
| <i>(d)(1)(iii)</i>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>                        | No  |
| <i>(d)(1)(iv)</i>   | <b>Were there any material internal control weaknesses reported for major federal programs?</b>                       | No  |
| <i>(d)(1)(iv)</i>   | <b>Were there any significant deficiencies in internal control reported for major federal programs?</b>               | No  |
| <i>(d)(1)(v)</i>    | <b>Type of Major Programs' Compliance Opinion</b>   | Unqualified   |
| <i>(d)(1)(vi)</i>   | <b>Are there any reportable findings under § .510(a)?</b>   | No  |
| <i>(d)(1)(vii)</i>  | <b>Major Programs (list):</b>   | CFDA # 84.027 – Special Education_Grants to States<br>CFDA # 84.391 – ARRA - Special Education Grants to States,<br>CFDA # 84.394 – ARRA - State Fiscal Stabilization Fund (SFSF) – Education State Grants. |
| <i>(d)(1)(viii)</i> | <b>Dollar Threshold: Type A/B Programs</b>  | Type A: > \$ 300,000<br>Type B: all others  |
| <i>(d)(1)(ix)</i>   | <b>Low Risk Auditee?</b>  | No  |

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**MAPLETON LOCAL SCHOOL DISTRICT  
ASHLAND COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2010**

| Finding Number | Finding Summary   | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b> |
|----------------|---|------------------|--|
| 2009-001       | Financial Statement Errors – The District had errors in the taxes receivables and capital assets. | No               | Partially Corrected – Similar comment repeated in Management Letter.   |



# Dave Yost • Auditor of State

MAPLETON LOCAL SCHOOL DISTRICT

ASHLAND 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  
FEBRUARY 8, 2011