

TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY, OHIO

Audit Report

For the Year Ended June 30, 2005

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants and Government Consultants



**Auditor of State
Betty Montgomery**

Board of Trustees
Twinsburg City School District
11136 Ravenna Road
Twinsburg, Ohio 44087-1022

We have reviewed *Report of Independent Accountants* of the Twinsburg City School District, Summit County, prepared by Charles E. Harris & Associates, Inc. for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Twinsburg City School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

April 7, 2006

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TWINSBURG CITY SCHOOL DISTRICT
Audit Report
For the Year Ended June 30, 2005

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**OPINION ON SUPPLEMENTARY SCHEDULE
OF FEDERAL AWARDS EXPENDITURES**

**Board of Education
Twinsburg City School District
Twinsburg, Ohio**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twinsburg City School District (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 26, 2006, wherein we noted the District implemented GASB Technical Bulletin No. 2004-2, GASB Statement No. 40, and GASB Statement No. 45. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 conducted in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Twinsburg City School District taken as a whole. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget, Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
January 26, 2006

TWINSBURG CITY SCHOOL DISTRICT
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2005

Federal Grantor/Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
<u><i>U.S. Department of Agriculture</i></u>				
Passed Through the Ohio Department of Education				
Nutrition Cluster:				
Food Distribution	N/A	10.550	\$ 94,838	\$ 94,838
National School Lunch Program	050047-LLP4-2004	10.555	<u>158,517</u>	<u>158,517</u>
Total Nutrition Cluster			<u>253,355</u>	<u>253,355</u>
Total U.S. Department of Agriculture			253,355	253,355
<u><i>U.S. Department of Education</i></u>				
Pass through Ohio Department of Education				
Special Education Cluster:				
Preschool Disabilities	9004	84.173	2,932	-
Preschool Disabilities	9005	84.173	28,535	25,935
Title VI_B	9002	84.027	-	4,838
Title VI-B	9004	84.027	152,494	62,177
Title VI-B	9005	84.027	610,479	574,878
Title VI-B Access Grant	9003	84.027	-	951
Title VI-B Access Grant	9004	84.027	-	9,120
Title VI-B Access Grant	9005	84.027	<u>12,310</u>	<u>16,022</u>
Total Special Education Cluster			806,750	693,921
Title I	9004	84.010	42,852	6,092
Title I	9005	84.010	<u>122,751</u>	<u>119,577</u>
Total Title I			165,603	125,669
Title II-A Improving Teacher Quality	9004	84.367	38,731	16,492
Title II-A Improving Teacher Quality	050047-TRS1-2004	84.367	<u>84,609</u>	<u>77,546</u>
Total Title II-A Improving Teacher Quality			123,340	94,038
Mentor/Entry Year Grant	9000	84.336	-	2
Total Mentor/Entry Year Grant			-	2
Title II-D Technology	9003	84.318	-	1
Title II-D Technology	9004	84.318	893	-
Title II-D Technology	9005	84.318	<u>3,550</u>	<u>3,417</u>
Total Title II-D Technology			4,443	3,418
Title VI Innovative Education	9001	84.298	-	1,981
Title VI Innovative Education	9899	84.298	-	78
Title VI Innovative Education	2000	84.298	-	602
Title V Innovative Education - Formerly Title VI	9004	84.298	3,234	-
Title V Innovative Education - Formerly Title VI	9005	84.298	<u>17,069</u>	<u>15,986</u>
Total Title V Innovative Education			20,303	18,647
Assistive Technology Fusion	9203	84.352A	-	954
Assistive Technology Fusion	9202	84.358A	-	1,075
Total Assistive Technology Fusion			-	2,029
Safe and Drug Free Program	9004	84.186	5,229	1,396
Safe and Drug Free Program	9005	84.186	<u>12,215</u>	<u>13,343</u>
Total Safe and Drug Free Program			17,444	14,739
Safe and Drug Free Communities	9904	84.184	<u>4,354</u>	-
Total Safe and Drug Free Communities			4,354	-
Title III LEP	9004	84.365	6,207	996
Title III LEP	9005	84.365	<u>12,401</u>	<u>12,325</u>
Total Title III LEP			18,608	13,321
Total U.S. Department of Education			<u>1,160,845</u>	<u>965,784</u>
Total Federal Expenditures			<u>\$ 1,414,200</u>	<u>\$ 1,219,139</u>

See accompanying Notes to the Schedule of Federal Awards Expenditures

TWINSBURG CITY SCHOOL DISTRICT
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2005

1. Significant Accounting Policies

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures are recognized when paid rather than when the obligation is incurred.

2. Food Distribution

Nonmonetary assistance is reported in the schedule at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2005, the District had immaterial food commodities in inventory recorded in the Food Service Fund.

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INDEPENDENT ACCOUNTANT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

**Board of Education
Twinsburg City School District
Twinsburg, Ohio**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Twinsburg City School District as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 26, 2006, wherein we noted the District implemented GASB Technical Bulletin No. 2004-2, GASB Statement No. 40, and GASB Statement No. 45. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Controls Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matter involving the internal control over financial reporting that do not require inclusion in this report that, we have reported to management of the Twinsburg City School District in a separate letter dated January 26, 2006.

Compliance and Other Matters

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

However, we noted certain matters that we reported to the management of the District in a separate letter dated January 26, 2006.

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

Charles E. Harris & Associates, Inc.
January 26, 2006

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

**Board of Education
Twinsburg City School District
Twinsburg, Ohio**

Compliance

We have audited the compliance of the Twinsburg City School District with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program cluster for the year ended June 30, 2005. The District's major federal program cluster is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program cluster is the responsibility of the District's management. 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 contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program cluster for the year ended June 30, 2005.

Internal Control Over Compliance

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

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

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

Charles E. Harris & Associates, Inc.
January 26, 2006

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505**

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY
June 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any reported material non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other reportable internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510</i>	No
(d)(1)(vii)	<i>Major Programs:</i>	Special Education Cluster: Pre-school Disabilities Grant CFDA 84.173 Title VI-B CFDA 84.027
(d)(1)(viii)	<i>Dollar Threshold: Type A\B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	Yes

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)
OMB CIRCULAR A-133 SECTION .505

TWINSBURG CITY SCHOOL DISTRICT
CUYAHOGA COUNTY
June 30, 2005

**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.

TWINSBURG CITY SCHOOL DISTRICT

SUMMIT COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS

JUNE 30, 2005

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: Per ADAM 2001-10-disclose the current year finding in this schedule
2004-001	Severance Payout Overpayment	Yes	Overpayment returned

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**



Fiscal Year Ending June 30, 2005

**Twinsburg City School District
Twinsburg, Ohio**

Twinsburg City School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2005

Prepared By:
Martin Aho, Director of Finance/Treasurer and
Treasurer's Office Staff

**Twinsburg City School District
 Comprehensive Annual Financial Report
 For the fiscal year ended June 30, 2005**

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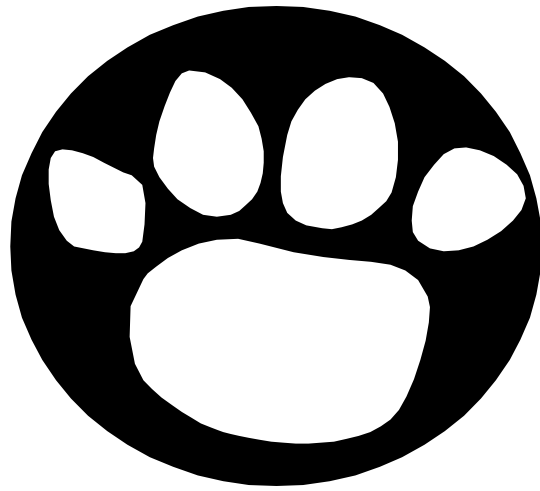
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INTRODUCTORY SECTION



TWINSBURG CITY SCHOOL DISTRICT

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Mr. Stephen Marlow, Superintendent
Mr. Michael Lenzo, Assistant Superintendent
Mr. Martin Aho, Treasurer

Susan Buckbee, Director of Curriculum/Staff Development
Mrs. Judith Henning, Director of Pupil Personnel

January 31, 2006

To the Citizens and Board of Education of the Twinsburg City School District:

The Comprehensive Financial Report (CAFR) of the Twinsburg City School District, the "School District" for the fiscal year ended June 30, 2005, is hereby submitted. This report, prepared by the Fiscal Office, includes financial statements, supplemental statements, and other financial and statistical information to provide complete and full disclosure of all material financial aspects of the School District for the 2004-2005 fiscal year. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and is representative of the School District's commitment to provide meaningful information to its' stakeholders.

State law requires the School District's financial statements to be subjected to a biennial examination by the Auditor of State of Ohio (Auditor) or an independent auditor contracted by the Auditor unless an annual Single Audit is required. In addition, the law requires the School District to prepare and file, within 150 days following the close of their fiscal period, a financial statement prepared in accordance with generally accepted accounting principles (GAAP) with the Auditor. The financial statements, at a minimum, should be the basic financial statements of the School District and include the notes to those statements. Although not required by law, management of the School District has decided to prepare this CAFR. A further discussion of the audit can be found later in this letter.

Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including the disclosures, rests with the School District's management. To the best of our knowledge and belief, the CAFR and enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School District.

This CAFR is presented in three sections:

The Introductory Section, which is unaudited, includes a table of contents, this transmittal letter, a list of principal officials, the organizational chart and Government Finance Officer's Association (GFOA) Certificate of Achievement.

The Financial Section, includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements, Notes that provide an overview of the School Districts financial position and operating results, the combining statements by fund type, and other schedules that provide detailed information relative to the basic financial statements.

The Statistical Section, which is unaudited, includes selective financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

The Reporting Entity

The School District meets the definition of the Governmental Accounting Standards Board Statement No. 14, "The Reporting Entity" as a School District for financial reporting purposes.

Twinsburg City School District has administrative responsibility for state funds distributed to Saints Cosmos & Damien Catholic Elementary School under its Auxiliary Services Program. While this entity shares a similar service to the School District, it is a separate and distinct entity with its own governing board. Because of this independent nature, its financial statements are not included in this report.

Description of the School District

The School District serves an area of approximately 30 square miles. It is comprised of the City of Twinsburg, Twinsburg Township and portions of the Village of Reminderville and the City of Macedonia. It is located in the Northeast corner of Summit County and is approximately 21 miles southeast of downtown Cleveland and 24 miles northwest of Akron. According to the 2000 Census, the population of the School District was 30,730.

As of October 2005, there were 3,872 students attending the five schools in the School District for general education. They are: Wilcox Primary built in 1960, Bissell Elementary built in 1963, Dodge Intermediate built in 1969, Chamberlin Middle School built in 1958, and Twinsburg High School built in 1999. The School District also owns a central office building built in 1957, a bus garage, a football stadium, and various athletic fields.

There has been a steady growth in student population. The 1992-93 enrollment was 2,431 students. Since then the student population has increased well over 65%. Most-likely enrollment projections completed by Fanning, Howey and Associates, Inc., in 2004 indicate continued growth over the next ten years. Projections indicate the district student population is anticipated to grow to approximately 5,000 students.

Organization of the School District

The Board of Education of the School District is comprised of five members elected at-large by the citizens of the School District. The Board serves as the taxing authority, contracting body, and policy initiator for the operation of the School District. The Board is responsible for the adoption of the tax budget, the annual operating budget and approves all expenditures of the School District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations within the School District. In January 2005, James Jones retired as Superintendent and Assistant Superintendent, Stephen Marlow was hired as Superintendent. Mr. Marlow has recently served the School District as middle school principal prior to accepting the position as Assistant Superintendent.

The Treasurer is the Chief Fiscal Officer of the School District and is responsible directly to the Board for all financial operations, investments, custody of School District funds and assets, and serves as Secretary to the Board. Martin Aho has served in this capacity since July 2002. He has over thirteen years of public sector employment experience. After seven years of service with the State Auditors Office, he was an Assistant Treasurer for three years. He has an MBA from the University of Akron. The Treasurers office employs three additional staff members.

All other School District employees are responsible to the Superintendent and are employed by the Board upon the recommendation of the Superintendent.

Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the School District operates.

Local Economy

While the School District, like the rest of the nation, felt the impact of the current recession, the School District continues to closely monitor intergovernmental revenues and property taxes. The School District considers both of these revenues indicators of the strengths or weaknesses of the local economy. In monitoring property tax revenues, the School District takes in account several factors, including tax collections, the values of new construction and revaluations.

The City of Twinsburg is an enviable location as part of the metropolitan Cleveland-Akron area. There are two exits on Interstate 480, and in very close proximity to Interstate 271 and Interstate 80 (Ohio Turnpike). The proximity to interstate highways has enabled the growth of an industrial park. Located within this park is a Daimler-Chrysler stamping plant. This plant is the tenth largest employer in Summit County employing 2071 people.

Four State-supported and six private colleges and universities are located within a convenient driving distance from Twinsburg. The Twinsburg Public Library has been nationally recognized as number one in the nation when compared to similar facilities. The Twinsburg Public Library's top rating was based on fifteen factors as measured by Hennen's American Public Library Rating.

Twinsburg City and Township have experienced strong business growth over the past ten years. The growth is continuing and land is available for this use. A well-managed tax incentive program has assisted the growth. The future benefits of such a plan are being realized at this point as most businesses are ending their abatement periods and remaining in the community.

Long-term financial planning

The School District's financial condition continues to be an area of focus for the Board of Education and Administration. In litigation now referred to as the "DeRolph Case", the Perry County Court of Common Pleas in 1995 declared the State's method of funding school districts to be unconstitutional. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations. The DeRolph Case was appealed to the United States Supreme Court, which decided not to hear the case.

In May, 2001 the School District electors approved an emergency tax levy that will produce \$5 million dollars each year for five years through collection year 2006. This emergency levy was recently renewed for five more years through collection year 2011. In addition, in November 2004, the School District electors approved an emergency levy that will produce \$4 million each year for five years through collection year 2009.

Enrollment projections continue to grow as well.

Financial policy

The School District is required by Ohio law to complete a five-year financial forecast annually. This School District completed the forecast in October 2005 as required. This document is updated regularly and serves as a financial roadmap for the School District.

Major initiatives

In June 2005, the State enacted legislation to eliminate taxation of tangible personal property. This is a major source of funding for the School District and the School District will see no increases in the future. With State budget cuts and elimination of tangible personal property taxes the School District will see a negative impact on their financial forecast.

Across the School District a number of major accomplishments have taken place. The following are examples of those initiatives that directly impact teaching and learning.

Students – Staff - District

- **Local Report Card**
The School District achieved an Excellent rating on the 2004 Report Card and Effective in 2005.
- **Scholarships**
Over \$4.5 million in scholarships were awarded to School District students from various sources for approximately 60 schools. The School District had one National Merit Scholarship finalist.
- **High School Test Scores**
Average SAT score of 1040.
Average ACT score 21.
The Ohio Graduation test scores were above State standards in all areas.
- **Post Secondary Option**
During the 2004-2005 school year twenty Twinsburg High School students attended local colleges and universities earning college credits.
- **Music Program**
The High School vocal music group Great Expectations took many first place awards. The orchestra continues to grow from fourth to the high school grade levels. The band includes student musicians from grade five and above. Joint concerts at the holidays continue a long-held Twinsburg tradition.
- **Reading at Wilcox Primary**
Reading Wall of Fame displays photos and descriptions of students who have become early readers. Several grants assist in reading assessment and the training of teachers and parents to help our kids become better readers.
- **Mini-PANDA Program**
Students and parents at Dodge Intermediate School participated in a program where students learn about the side effects of drugs and alcohol.
- **Family Focus Night and Parent Workshops**
These workshops were among many of the opportunities available to parents to learn about school curriculum and/or to learn parenting skills. Topics included learning about the new math adoption, Sitton spelling curriculum, peer pressure, anger management, and school success to name a few.
- **Grandparent Days**
Grandparents are invited to each of the schools through grade 8 for special programs of music, drama, and reading to their grandchildren.

- **Power of the Pen Team**
Students received the Sweepstakes trophy for the fifth year in a row. This competition is for seventh and eighth grade students designed to identify, challenge and reward excellence in creative writing.
- **Cub Community Program**
This program takes two fourth grade classes, two fifth grade classes, and two sixth grade classes and enhances the learning environment by promoting positive interaction between the three grade levels.
- **Toys for Tots and Helping Hands Project**
Students throughout the District as well as at Chamberlin and Dodge assisted needy children with donated items over the holidays.
- **Gifted Identification**
Students are identified in the areas of Superior Cognitive Ability, Specific Academic Ability, Creative Thinking Ability, and Visual-Performing Arts Ability. Unique programs are in place for these students. A self-contained, class exists at the fourth, fifth and sixth grade levels. Project Plus is a seminar program for grades seven and eight taught by a national expert in gifted education. Additional services with cluster groups by subject area was implemented for fourth and fifth grade.
- **Parent-to-Parent Support Group**
The parent mentorship program assists special education parents with the process of education for their children. Two parent mentors are hired through a grant.
- **Interactive Media Program**
A highly active class for the Interactive Media Program continues at the High School. This class has changed the meaning of “morning announcements”. Students cannot wait to see the creative, innovative energy that this addition has brought the school.
- **Entry Year Program**
The Twinsburg Entry Year Program is for teachers new to the district. It welcomes and supports teachers new to the profession.
- **Staff Development**
Summer staff development to name a few included reading workshops focused on closing the achievement gap, administrative workshops, continuous improvement plan work sessions, and new teacher orientation.

Plant and Educational Support

- **Facilities**

All school buildings are in excellent physical condition. A 2.75 mill Permanent Improvement levy supports the building program. The Twinsburg High School was opened in January 1999. It includes a Fitness Center that is run by the City of Twinsburg Parks and Recreation Department. When the High School was originally constructed an additional Pod shell was built to allow for future expansion. The School District has started the process of completing the interior of that vacant Pod.
- **Technology**

All buildings are wired, networked, and have Internet access. The School District has approximately 1,100 computers for student and staff use. Other technologies that support education are also available. All staff and students have e-mail access. The School District utilized State SchoolNet monies to enhance the technology.
- **Security**

The School District has implemented a School District-wide security plan to protect the students and the staff. All buildings have security equipment and procedures.
- **Planning**
 - **Continuous Improvement Plan** –The Board of Education’s approved Continuous Improvement Plan was developed with input from various stakeholders of the School District. In addition to the overall plan, each building developed its annual goals within the plan. It also includes a mechanism to monitor and update it annually.
 - **Enrollment Projections** – In 2004, Fanning, Howey, and Associates, Inc., completed enrollment projections for the School District. Enrollment projections are reviewed and updated as needed and are used to guide the School District’s planning in this time of growth.
 - **Facilities Planning** –The School District has worked with the Ohio School Facilities Commission in their Expedited Local Share Program to identify future facilities needs and repairs.

Financial Information

This is the third year the School District has prepared financial statements following GASB Statement No. 34 “Basic Financial Statements – Management’s Discussion and Analysis – State and Local Governments.” GASB Statement No. 34 creates basic financial statements for reporting on the School Districts financial activities as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparison – This statement presents a comparison of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, cash disbursements and encumbrances.

As determined by criteria established by GASB Statement No. 34, the School District does not report any activities that qualify as enterprise or business type activities. As part of this new reporting model, management is also responsible for preparing a discussion and analysis of the School District. This discussion follows the Independent Accountant's Report, providing an assessment of the School District's finances for fiscal year 2005 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain non-major funds of the School District.

Internal Controls

The management of the School District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Single Audit Act

As a recipient of federal financial assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to these programs. The internal control structure is subject to periodic evaluation by management of the School District and certain annual evaluations by the School District's independent auditors.

Budgetary Controls

The School District maintains its accounts, appropriations and other financial records in accordance with the procedures established and prescribed by the Ohio Revised Code. The objective of these budget controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education.

The level of budgetary control is established at the fund level for all funds and by object for the general fund. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to the succeeding years and need not be reappropriated.

The basis of accounting and the various funds utilized by the Twinsburg City School District are fully described in Note 2 of the basic financial statements.

As an additional safeguard, a blanket bond covers all employees, and a separate, higher limit bond covers certain individuals in policy-making roles.

Cash Management

The School District invests cash in accordance with the investment laws for public schools in the State of Ohio. The Treasurer of the School District is required to remain current on investment issues by annually attending the Center for Public Investment Management workshops provided by the State Treasurer. The fiscal officer has complied with this obligation. During the year, the School District invested in Certificates of Deposit, Star Ohio, Money Market Account, and an overnight “sweep” account that provides competitive rates for public entities. The Federal Deposit Insurance Corporation and/or collateral pledges of government securities protect all investments. The market value of the pooled collateral must be equal to at least 105 percent of public funds deposited.

Risk Management

As a political subdivision, the School District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for general liability, property, boiler and machinery coverage and vehicle fleet liability are purchased from insurance companies licensed to do business in the State of Ohio.

The School District for certificated staff participates in the Stark County Schools Council of Governments Health Benefit Plan, a shared risk pool to provide employee medical, prescription, dental, and vision benefits. The School District pays a monthly contribution that is placed in a common fund from which claim payments are made for all participating districts. The School District for classified staff operates and manages its medical, dental, and prescription drug benefits for employees on a self-insurance basis. A Third Party administers the program and an aggregate stop-loss insurance coverage is purchased as well so as to control the potential liabilities. Benefits are itemized in the plan booklet. Employee life insurance is purchased through a private company. Coverage and co-payments for all insurances are provided under negotiated agreements and/or board policy. All employees of the School District are covered by Ohio Workers' Compensation. The School District is part of a group-rating program through the Ohio School Boards Association as allowed under current law. The program has benefited the School District by lower premiums and by providing workplace training information and support.

Pension Plans

All School District employees are covered by either the State Teachers Retirement System of Ohio (STRS) or the School Employees Retirement System of Ohio (SERS). Membership is mandatory for virtually all employees and law dictates which system an employee is to become a member. Members of STRS are required to contribute 10% of salaries and wages to the system. This is matched by 14% by the School District. Members of SERS are required to contribute 10% of salary and wages and the School District provides a 14% match. For employees under SERS who earn less than \$27,400 working a defined full year of 120 days, the School District must pay 14% of the difference between the member's annual compensation and the minimum compensation level as a surcharge. Membership in either plan excludes employees from Social Security payments. Employees hired after July 1, 1987 must pay 1.45% for Medicaid and this amount is matched by 1.45% by the School District.

Other Information

Independent Audit

Provisions of the State statute require the School District's financial statements to be audited annually by the Ohio Auditor of State. This audit is also designed to meet the Federal Single Audit Act amendment of 1996. Charles E. Harris and Associates performed the audit for the year ended June 30, 2005. The goal of the independent audit is to provide reasonable assurance that the financial statements of the School District for the fiscal year ended June 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor's unqualified opinion rendered on the School District's basic financial statements, and their report on the combining and individual fund statements and schedules are included in the financial section of this CAFR.

Reporting Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its CAFR for the fiscal year ended June 30, 2004. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

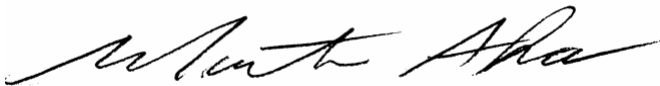
In order to be awarded this certificate, a government must publish an easily readable and efficiently organized report. The report must satisfy Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current report continues to conform to the Certificate of Achievement Program Requirements, and it is being submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgements

I wish to express my appreciation and thanks to the individuals who assisted with the preparation of this Comprehensive Annual Financial Report. It is with great pride that the Twinsburg City School District presents the 2005 Comprehensive Annual Financial Report to the citizens and taxpayers of the School District.

Finally, we wish to thank the Board of Education where the commitment to excellence begins.

Respectfully Submitted,



Martin Aho, M.B.A.
Treasurer



Stephen Marlow
Superintendent

Twinsburg City School District
Public Officials Roster
For the Fiscal Year Ended June 30, 2005

Board of Education

Mr. Stephen Shebeck	President
Mr. Joseph Nunney	Vice President
Ms. Kate Cain-Criswell	Member
Mr. William Buzulence	Member
Mr. David Andrews	Member

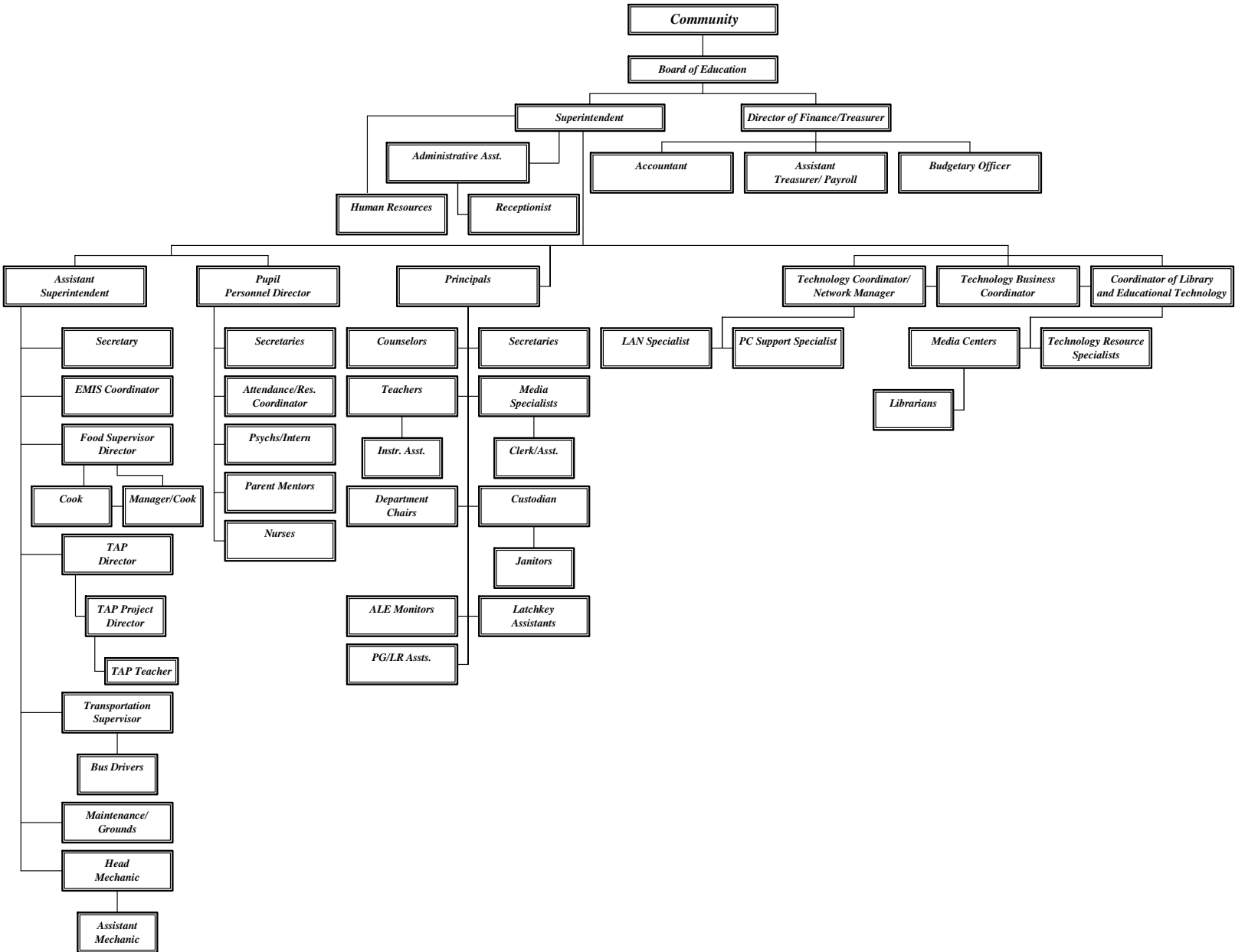
Treasurer

Mr. Martin Aho

Administration

Mr. Stephen Marlow	Superintendent
Ms. Judy Henning	Director of Pupil Personnel
Ms. Susan Buckbee	Director of Curriculum/Staff Development

*Twinsburg City School District
Organizational Chart*



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Twinsburg City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zielke

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

REPORT OF INDEPENDENT ACCOUNTANTS

**Board of Education
Twinsburg City School District
Twinsburg, Ohio**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Twinsburg City School District, Ohio, (the District), as of and for the year ended June 30, 2005, 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 an opinion on these basic financial statements based on our audit.

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

In our opinion, the 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 the Twinsburg City School District, Ohio, as of June 30, 2005, and the respective changes in financial position and cash flows and the respective budgetary comparison for the General Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 3 to the financial statements, the District implemented Governmental Accounting Standards Board (GASB) Technical Bulletin No. 2004-2 *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers*, GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 26, 2006 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, 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 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express not opinion on them.

Charles E. Harris & Associates

Charles E. Harris & Associates, Inc.
January 26, 2006

Twinsburg City School District

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

This discussion and analysis of Twinsburg City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2005 are as follows:

- General revenues accounted for \$41,051,982 in revenue or 93% of all revenues. Program specific revenues in the form of charges for services, operating and capital grants, contributions and interest accounted for \$3,078,392 or 7% of total revenues of \$44,130,374.
- The School District had \$39,580,531 in expenses related to governmental activities; program revenues offset \$3,078,392 of these expenses. \$41,051,982 of general revenues was available to provide for these programs resulting in an increase in net assets of \$4,549,843. The main reason for the current year increase in net assets is due to the interest and fiscal charges associated with the debt refunding in the prior fiscal year.
- Of the total governmental expenses of \$39,580,531, the amount related to instruction amounted to \$21,491,691 or 54.3% of this total.
- At the end of the fiscal year, the fund balance for the general fund is \$1,767,876, which is an increase from the prior year deficit balance of \$2,113,321.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Twinsburg City School 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 School District, presenting both an aggregate view of the School 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 present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While these statements contain information about a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2005?"

Twinsburg City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting, takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School 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 School District's current 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 School District's activities are considered to be all governmental activities.

Governmental Activities - Most of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and food service operations.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general and bond retirement debt service funds.

Governmental Funds Most of the School 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 statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

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

Twinsburg City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2005
 Unaudited

Table 1 provides a summary of the School District's net assets for 2005 compared to 2004.

Table 1
Net Assets

	<i>Governmental Activities</i>	
	<u>2005</u>	<u>2004</u>
<i>Assets</i>		
<i>Current and other assets</i>	\$ 53,597,816	\$ 45,106,036
<i>Capital assets, net of depreciation</i>	<u>44,867,444</u>	<u>46,167,809</u>
<i>Total assets</i>	<u>98,465,260</u>	<u>91,273,845</u>
<i>Liabilities</i>		
<i>Current and other liabilities</i>	38,599,335	36,568,820
<i>Long-term liabilities:</i>		
<i>Due within one year</i>	4,484,800	4,167,451
<i>Due in more than one year</i>	<u>38,572,754</u>	<u>38,279,046</u>
<i>Total liabilities</i>	<u>81,656,889</u>	<u>79,015,317</u>
<i>Net Assets</i>		
<i>Invested in capital assets, net of debt</i>	5,739,310	8,699,470
<i>Restricted</i>	9,845,214	5,014,917
<i>Unrestricted</i>	<u>1,223,847</u>	<u>(1,455,859)</u>
<i>Total net assets</i>	<u>\$ 16,808,371</u>	<u>\$ 12,258,528</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2005, the School District's assets exceeded liabilities by \$16,808,371.

Capital assets, net of related debt reported on the government-wide statements represents a large component of net assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the School 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 School District's net assets, \$9,845,214, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$1,555,934 is restricted for debt service payments, \$7,175,574 is restricted for capital projects, and \$1,094,641 is restricted for other purposes. Net assets restricted for other purposes primarily include amounts generated by individual school buildings to supplement co-curricular and extra-curricular programs.

Twinsburg City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 2 shows change in net assets for fiscal year 2005 as compared to 2004:

Table 2
Change in Net Assets

	<i>Governmental Activities</i>	
	<u>2005</u>	<u>2004</u>
Revenues		
<i>Program revenues:</i>		
<i>Charges for services</i>	\$ 1,508,106	\$ 1,385,946
<i>Operating grants, contributions and interest</i>	1,548,167	1,391,088
<i>Capital grants and contributions</i>	22,119	19,610
<i>General revenues:</i>		
<i>Property taxes</i>	34,738,237	31,150,496
<i>Grants and entitlements</i>	5,891,092	5,299,112
<i>Payments in lieu of taxes</i>	36,233	118,004
<i>Investment earnings</i>	315,863	107,146
<i>Miscellaneous</i>	70,557	98,302
<i>Total revenues</i>	<u>44,130,374</u>	<u>39,569,704</u>
Program Expenses		
<i>Instruction:</i>		
<i>Regular</i>	18,889,350	17,756,953
<i>Special</i>	2,358,481	2,450,839
<i>Vocational</i>	243,860	229,257
<i>Support services:</i>		
<i>Pupils</i>	2,817,449	2,692,062
<i>Instructional staff</i>	1,098,918	993,063
<i>Board of education</i>	336,239	233,491
<i>Administration</i>	2,498,448	2,554,777
<i>Fiscal</i>	847,489	641,556
<i>Business</i>	88,252	101,566
<i>Operation and maintenance of plant</i>	3,849,243	4,607,766
<i>Pupil transportation</i>	1,735,569	1,871,882
<i>Central</i>	874,937	1,005,290
<i>Operation on non-instructional services</i>	96,340	64,444
<i>Operation of food services</i>	1,226,028	1,185,271
<i>Extracurricular activities</i>	1,022,754	999,200
<i>Interest and fiscal charges</i>	1,597,174	4,612,660
<i>Total expenses</i>	<u>39,580,531</u>	<u>42,000,077</u>
<i>Increase (decrease) in net assets</i>	4,549,843	(2,430,373)
<i>Net assets beginning of year</i>	<u>12,258,528</u>	<u>14,688,901</u>
<i>Net assets end of year</i>	<u>\$ 16,808,371</u>	<u>\$ 12,258,528</u>

Twinsburg City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2005

Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with property taxes and State foundation revenues being the largest contributors. Property tax levies generated over \$34.7 million in 2005. General revenues from grants and entitlements, such as the school foundation program, generated over \$5.8 million. With the combination of taxes and intergovernmental funding 92.1% of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

A review of Table 2 reflects that the total cost of instructional services was \$21,491,691 or 54.3% of governmental program expenses. Instructional expenses include activities directly related to the teaching of pupils and the interaction between teacher and pupil. As compared to the prior year, these expenses increased \$1,054,642, or 5.2%. The School District incurred costs increases over several program functions for the hiring of additional staff and an increase of 3% in teacher salaries, per negotiated agreement.

Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching pupils. These expenses represent \$3,916,367 of the total governmental program expenses, or 9.9%. These expenses increased over the prior year in the amount of \$231,242, or 6.3%.

Board of Education, administration, fiscal and business classifications reflect expenses associated with establishing and administering school operation policies, financial operations and activities concerned with purchasing, receiving and maintaining goods and services for the School District. The total cost was \$3,770,428 or 9.5% of governmental program expenses. Expenses of these programs increased \$239,038, or 6.8%, as compared to fiscal year 2004, as explained previously.

Operation and maintenance of plant expenses refer to the care and upkeep of the buildings, grounds, equipment and the safety of the School District's operations. The total cost for the operation and maintenance services was \$3,849,243 or 9.7% of the governmental program expenses.

Pupil transportation expenses are expenses related to the transportation of students to and from school, as well as the service and maintenance of those vehicles. Total transportation cost was \$1,735,569 or 4.4% of the total governmental program expenditures. Expenses for providing this program decreased \$136,313, or 7.3% as compared to the prior year.

Overall, expenses for governmental activities decreased \$2,419,546 or 5.8% from fiscal year 2004 reported amounts. The most significant cause to this decrease was due to interest and fiscal charges associated with the debt refunding of the 1996 new high school general obligation bonds. This event will be further discussed later within the debt section of this analysis.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government 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 entitlements.

Twinsburg City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 3
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Program Expenses				
<i>Instruction:</i>				
Regular	\$ 18,889,350	\$ 17,756,953	\$ (18,453,753)	\$ (17,457,968)
Special	2,358,481	2,450,839	(1,693,876)	(1,971,029)
Vocational	243,860	229,257	(243,860)	(229,257)
Adult/continuing	-	-	3,056	6,152
<i>Support services:</i>				
Pupils	2,817,449	2,692,062	(2,546,476)	(2,313,928)
Instructional staff	1,098,918	993,063	(1,025,099)	(824,740)
Board of education	336,239	233,491	(336,239)	(233,491)
Administration	2,498,448	2,554,777	(2,481,904)	(2,530,588)
Fiscal	847,489	641,556	(847,489)	(641,556)
Business	88,252	101,566	(88,252)	(101,566)
Operation and maintenance of plant	3,849,243	4,607,766	(3,807,712)	(4,604,697)
Pupil transportation	1,735,569	1,871,882	(1,713,450)	(1,852,272)
Central	874,937	1,005,290	(874,937)	(1,005,290)
Operation of non-instructional services	96,340	64,444	(14,717)	28,767
Operation of food services	1,226,028	1,185,271	(83,286)	(107,398)
Extracurricular activities	1,022,754	999,200	(696,971)	(751,912)
Interest and fiscal charges	1,597,174	4,612,660	(1,597,174)	(4,612,660)
<i>Total</i>	<u>\$ 39,580,531</u>	<u>\$ 42,000,077</u>	<u>\$ (36,502,139)</u>	<u>\$ (39,203,433)</u>

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$44,391,725 and total expenditures were \$39,722,475. Fund balance of the general fund increased by \$3,881,197 as compared to the 2004 ending balance. Increases in payroll related expenditures were able to be offset by a reduction in other costs, as deemed necessary. For the bond retirement debt service fund, which is the only other major fund, fund balance decreased \$107,744, which was primarily caused from the recognition of a premium from the debt refunding transactions during fiscal year 2004. This premium will however, be deferred over the life of the bonds on accrual basis of accounting. This event will be further discussed later within the debt section of this analysis.

General Fund Budgeting Highlights

The School 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.

Twinsburg City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2005
 Unaudited

During fiscal year 2005, the School District amended its general fund budget as expenditure priorities changed according to student, building and operational needs. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue estimate was \$32,807,975, which was a \$1,598,908 increase from the original budget estimate of \$31,209,067. The most significant factor which caused this change was due to an increase in estimated tax receipts. This estimate is provided by the County Budget Commission, which changed the estimate based on additional information that became available during the fiscal year. Actual tax receipts received were still more than final budgeted amounts.

The original expenditure appropriation amount of \$34,902,376 was revised during the fiscal year to a final amount of \$34,541,155. The reduction of \$361,221 was necessary with the need to cut operating costs in order to conserve resources to help offset a budget deficit. These costs saving measures proved effective, as actual general fund expenditures (including encumbrances) plus other financing uses were less than the final appropriation amount authorized by the Board of Education. The actual expenditures fell below the final budgeted expenditure amount by 8.15%.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2005, the School District had \$44,867,444 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2005 balances compared to fiscal year 2004.

Table 4
Capital Assets, at Fiscal Year End
(Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2005</u>	<u>2004</u>
<i>Land</i>	\$ 1,147,310	\$ 1,147,310
<i>Land improvements</i>	1,273,551	1,268,594
<i>Buildings and improvements</i>	41,260,810	42,655,289
<i>Furniture, fixtures and equipment</i>	673,625	625,364
<i>Vehicles</i>	512,148	471,252
<i>Total capital assets</i>	<u>\$ 44,867,444</u>	<u>\$ 46,167,809</u>

The most significant purchases during the year were for three school buses used in the transportation of students and the replacement of a school building roof. The total carrying value capital assets decreased \$1,951,058 due to the recognition of current year depreciation expense. See Note 8 to the basic financial statements for detail on the School District's capital assets.

Twinsburg City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2005
 Unaudited

Debt

At June 30, 2005 the School District had \$39,468,324 in bonds (including unamortized bond premium and bond accretion) and notes outstanding with \$3,187,000 due within one year. The School District also had \$2,040,000 in tax anticipation notes outstanding with \$1,020,000 due within one year. During the year, the School District issued \$4 million in permanent improvement notes. Table 5 summarizes debt outstanding as of June 30:

Table 5
Outstanding Debt at Fiscal Year End

	<i>Governmental Activities 2005</i>	<i>Governmental Activities 2004</i>
<i>General obligation bonds</i>	\$ 34,344,324	\$ 36,655,125
<i>Long-term notes</i>	5,124,000	1,189,000
<i>Tax anticipation notes</i>	<u>2,040,000</u>	<u>3,060,000</u>
<i>Total outstanding</i>	<u><u>\$ 41,508,324</u></u>	<u><u>\$ 40,904,125</u></u>

At June 30, 2005, the School District's overall legal debt margin was \$40,926,869 with an unvoted debt margin of \$876,268. The School District bond rating was unchanged during the year. See Notes 15 and 16 to the basic financial statements for detail on the School District's long-term obligations.

Current Issues Affecting Financial Condition

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges. These challenges stem from issues that are at the local and State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system. Although the School District relies heavily on its property taxpayers to support its operations, the community support for the schools is quite strong. The School District will be able to continue providing the current education programs as a result of its citizenry passing a 4.65 mill levy, with collections beginning in January 2005.

A challenge facing the School District is the future of State funding. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Ohio General Assembly was directed to enact a school-funding mechanism that is to be thorough and efficient. The School District is unable to determine what effect, if any, this decision will have on future funding from the State. See Note 18 to the basic financial statements for more on this contingent matter.

Due to the unsettled issues in the school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In conclusion, the School District's system of budgeting and internal controls is well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

Twinsburg City School District

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions or need additional financial information, contact Martin Aho, Treasurer, at Twinsburg City School District, 11136 Ravenna Road, Twinsburg OH, 44087-1022.

Twinsburg City School District

Statement of Net Assets

June 30, 2005

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 15,957,907
Receivables:	
Accounts	24,445
Intergovernmental	64,709
Taxes	37,148,056
Accrued interest	9,560
Inventory held for resale	25,275
Materials and supplies inventory	27,674
Deferred charges	340,190
Capital assets:	
Land	1,147,310
Depreciable capital assets, net	43,720,134
Total capital assets	<u>44,867,444</u>
Total assets	<u>98,465,260</u>
 <u>Liabilities:</u>	
Accounts payable	171,187
Accrued wages	3,140,665
Intergovernmental payable	1,205,509
Matured compensated absences payable	270,160
Deferred revenue	33,489,505
Undistributed monies	5,764
Accrued interest payable	57,644
Claims payable	258,901
Long-term liabilities:	
Due within one year	4,484,800
Due in more than one year	38,572,754
Total liabilities	<u>81,656,889</u>
 <u>Net assets:</u>	
Invested in capital assets, net of related debt	5,739,310
Restricted for:	
Capital projects	7,175,574
Debt service	1,555,934
Permanent fund purpose - scholarships	
Expendable	9,065
Nonexpendable	10,000
Other purposes	1,094,641
Unrestricted	<u>1,223,847</u>
Total net assets	<u>\$ 16,808,371</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2005

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$ 18,889,350	\$ 23,695	\$ 411,902	\$ -	\$ (18,453,753)
Special	2,358,481	-	664,605	-	(1,693,876)
Vocational	243,860	-	-	-	(243,860)
Adult/continuing	-	2,517	539	-	3,056
Support services:					
Pupils	2,817,449	223,423	47,550	-	(2,546,476)
Instructional staff	1,098,918	-	73,819	-	(1,025,099)
Board of education	336,239	-	-	-	(336,239)
Administration	2,498,448	15,236	1,308	-	(2,481,904)
Fiscal	847,489	-	-	-	(847,489)
Business	88,252	-	-	-	(88,252)
Operation and maintenance of plant	3,849,243	37,922	3,609	-	(3,807,712)
Pupil transportation	1,735,569	-	-	22,119	(1,713,450)
Central	874,937	-	-	-	(874,937)
Operation of non-instructional services	96,340	-	81,623	-	(14,717)
Operation of food services	1,226,028	885,118	257,624	-	(83,286)
Extracurricular activities	1,022,754	320,195	5,588	-	(696,971)
Interest and fiscal charges	1,597,174	-	-	-	(1,597,174)
Total governmental activities	\$ 39,580,531	\$ 1,508,106	\$ 1,548,167	\$ 22,119	(36,502,139)

General Revenues:

Property taxes levied for:		
General purposes		28,225,106
Debt service		4,571,337
Capital outlay		1,941,794
Grants and entitlements not restricted to specific programs		5,891,092
Payment in lieu of taxes		36,233
Investment earnings		315,863
Miscellaneous		70,557
Total general revenues		41,051,982
Change in net assets		4,549,843
Net assets beginning of year		12,258,528
Net assets end of year		\$ 16,808,371

See accompanying notes to the basic financial statements.

Twinsburg City School District

Balance Sheet

Governmental Funds

June 30, 2005

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 6,028,562	\$ 1,326,809	\$ 8,303,720	\$ 15,659,091
Receivables:				
Taxes	30,853,375	4,325,475	1,969,206	37,148,056
Accounts	18,942	-	5,503	24,445
Intergovernmental	-	-	64,709	64,709
Interfund	82,501	-	27,501	110,002
Accrued interest	9,560	-	-	9,560
Inventory held for resale	-	-	25,275	25,275
Materials and supplies inventory	22,247	-	5,427	27,674
Equity in pooled cash and cash equivalents (restricted)	75,496	-	-	75,496
Total assets	\$ 37,090,683	\$ 5,652,284	\$ 10,401,341	\$ 53,144,308
<u>Liabilities:</u>				
Accounts payable	\$ 49,310	\$ -	\$ 121,877	\$ 171,187
Accrued wages	3,048,052	-	92,613	3,140,665
Interfund payable	-	-	110,002	110,002
Intergovernmental payable	1,203,063	-	2,446	1,205,509
Matured compensated absences payable	270,160	-	-	270,160
Deferred revenue	28,702,413	4,121,220	1,903,725	34,727,358
Undistributed monies	5,764	-	-	5,764
Accrued interest payable	4,045	-	-	4,045
Notes payable	2,040,000	-	-	2,040,000
Total liabilities	\$ 35,322,807	\$ 4,121,220	\$ 2,230,663	\$ 41,674,690
<u>Fund balances:</u>				
Reserved:				
Reserved for encumbrances	449,094	-	286,549	735,643
Reserved for textbooks and instructional materials	75,496	-	-	75,496
Unreserved, undesignated, reported in:				
General fund	1,243,286	-	-	1,243,286
Special revenue funds	-	-	940,370	940,370
Debt service fund	-	1,531,064	-	1,531,064
Capital projects funds	-	-	6,924,694	6,924,694
Permanent fund	-	-	19,065	19,065
Total fund balances	\$ 1,767,876	\$ 1,531,064	\$ 8,170,678	\$ 11,469,618
Total liabilities and fund balances	\$ 37,090,683	\$ 5,652,284	\$ 10,401,341	\$ 53,144,308

See accompanying notes to the basic financial statements.

Twinsburg City School District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2005

Total governmental funds balances		\$ 11,469,618
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		44,867,444
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	\$ 1,154,814	
Charges for services	18,778	
Intergovernmental	64,261	
Total	1,237,853	1,237,853
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.		(35,581)
Deferred charges are included in the governmental activities in the statement of net assets.		340,190
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.		(53,599)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (34,344,324)	
Energy conservation bonds	(1,124,000)	
Permanent improvement notes	(4,000,000)	
Compensated absences	(1,549,230)	
Total	(41,017,554)	(41,017,554)
Net assets of governmental activities		\$ 16,808,371

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes	\$ 29,555,768	\$ 3,444,445	\$ 1,957,498	\$ 34,957,711
Intergovernmental	5,407,842	291,927	1,764,876	7,464,645
Interest	315,863	-	4,865	320,728
Tuition and fees	8,536	-	293,679	302,215
Extracurricular activities	288	-	319,908	320,196
Gifts and donations	-	-	27,634	27,634
Charges for services	-	-	885,119	885,119
Rent	44,130	-	539	44,669
Payment in lieu of taxes	36,233	-	-	36,233
Miscellaneous	26,424	-	6,151	32,575
Total revenues	<u>35,395,084</u>	<u>3,736,372</u>	<u>5,260,269</u>	<u>44,391,725</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	17,071,300	-	274,911	17,346,211
Special	1,825,961	-	415,522	2,241,483
Vocational	232,772	-	-	232,772
Support services:				
Pupils	2,362,131	-	337,441	2,699,572
Instructional staff	568,736	-	298,598	867,334
Board of education	336,239	-	-	336,239
Administration	2,163,035	-	87,238	2,250,273
Fiscal	831,989	-	3,250	835,239
Business	86,201	-	-	86,201
Operation and maintenance of plant	2,989,308	-	632,471	3,621,779
Pupil transportation	1,555,616	-	1,180	1,556,796
Central	661,240	-	123,254	784,494
Operation of non-instructional services	-	-	96,340	96,340
Operation of food services	-	-	1,149,358	1,149,358
Extracurricular activities	606,701	-	300,340	907,041
Capital outlay	-	-	650,693	650,693
Debt service:				
Principal retirement	65,000	2,460,000	-	2,525,000
Interest and fiscal charges	151,534	1,384,116	-	1,535,650
Total expenditures	<u>31,507,763</u>	<u>3,844,116</u>	<u>4,370,596</u>	<u>39,722,475</u>
Excess of revenues over (under) expenditures	<u>3,887,321</u>	<u>(107,744)</u>	<u>889,673</u>	<u>4,669,250</u>
<u>Other financing sources (uses):</u>				
Proceeds from sale of notes	-	-	4,000,000	4,000,000
Transfers in	-	-	6,124	6,124
Transfers out	(6,124)	-	-	(6,124)
Total other financing sources (uses)	<u>(6,124)</u>	<u>-</u>	<u>4,006,124</u>	<u>4,000,000</u>
Net change in fund balances	3,881,197	(107,744)	4,895,797	8,669,250
Fund balances beginning of year, restated	(2,113,321)	1,638,808	3,274,881	2,800,368
Fund balances end of year	<u>\$ 1,767,876</u>	<u>\$ 1,531,064</u>	<u>\$ 8,170,678</u>	<u>\$ 11,469,618</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2005**

Net change in fund balances - total governmental funds	\$	8,669,250
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 capital assets is allocated over their estimated useful lives as depreciation expense.		
In the current period, these amounts are:		
Capital asset additions, net	\$	650,693
Depreciation expense		<u>(1,951,058)</u>
Excess of depreciation expense over net capital asset additions		(1,300,365)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:		
Property taxes	\$	(219,474)
Charges for services		578
Intergovernmental		(32,455)
Miscellaneous		<u>(10,000)</u>
Net change in deferred revenues during the year		(261,351)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		2,525,000
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences	\$	(6,858)
Bond accretion		(505,383)
Increase in accrued interest		<u>123,271</u>
Total reduced expenditures		(388,970)
The issuance of permanent improvement notes resulted in other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net assets as long-term assets and liabilities.		
Proceeds from sale of notes	\$	<u>(4,000,000)</u>
Net change caused by the issuance of permanent improvement notes		(4,000,000)
The amortization of issuance costs and bond premium is reflected as an expense in the statement of activities.		
Issuance cost	\$	(35,596)
Premium		<u>356,184</u>
Total additional expenses		320,588
The internal service fund used by management to charge the costs of medical, prescription drug, dental and vision claims to individual funds are not reported in the statement of activities.		
Governmental fund expenditures and related internal service fund revenues are eliminated		<u>(1,014,309)</u>
Change in net assets of governmental activities	\$	<u><u>4,549,843</u></u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 25,997,590	\$ 27,120,928	\$ 27,149,362	\$ 28,434
Intergovernmental	4,827,073	5,284,307	5,407,842	123,535
Interest	157,582	265,000	311,106	46,106
Tuition and fees	7,163	3,343	8,488	5,145
Extracurricular activities	-	-	288	288
Rent	42,977	40,897	44,130	3,233
Payment in lieu of taxes	124,155	40,000	36,233	(3,767)
Miscellaneous	52,527	53,500	24,205	(29,295)
Total revenues	31,209,067	32,807,975	32,981,654	173,679
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	18,279,518	18,396,341	16,851,111	1,545,230
Special	1,935,919	1,920,435	1,786,262	134,173
Vocational	242,399	242,399	231,669	10,730
Support services:				
Pupils	2,515,026	2,464,755	2,337,716	127,039
Instructional staff	649,023	620,443	568,886	51,557
Board of education	365,248	394,203	353,624	40,579
Administration	2,314,999	2,301,568	2,202,744	98,824
Fiscal	867,463	873,587	837,032	36,555
Business	100,388	106,788	94,400	12,388
Operation and maintenance of plant	4,430,780	3,930,376	3,408,782	521,594
Pupil transportation	1,570,204	1,667,517	1,653,276	14,241
Central	825,734	858,324	698,633	159,691
Extracurricular activities	690,275	649,019	610,128	38,891
Debt service:				
Principal retirement	65,000	65,000	65,000	-
Interest and fiscal charges	50,400	50,400	26,310	24,090
Total expenditures	34,902,376	34,541,155	31,725,573	2,815,582
Excess of revenues over (under) expenditures	(3,693,309)	(1,733,180)	1,256,081	2,989,261
<u>Other financing sources (uses):</u>				
Proceeds from the sale of capital assets	-	-	2,400	2,400
Refund of prior year expenditures	-	-	659	659
Advances in	237,407	210,000	210,002	2
Advances out	-	(55,097)	(55,097)	-
Transfers out	-	(6,124)	(6,124)	-
Total other financing sources (uses)	237,407	148,779	151,840	3,061
Net change in fund balance	(3,455,902)	(1,584,401)	1,407,921	2,992,322
Fund balances at beginning of year	3,766,910	3,766,910	3,766,910	-
Prior year encumbrances appropriated	446,434	446,434	446,434	-
Fund balances at end of year	\$ 757,442	\$ 2,628,943	\$ 5,621,265	\$ 2,992,322

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2005

	Self Insurance
<u>Assets:</u>	
Cash and cash equivalents:	
In segregated accounts	\$ 223,320
<u>Liabilities:</u>	
Claims payable	258,901
<u>Net assets:</u>	
Unrestricted	(35,581)
Total liabilities and net assets	\$ 223,320

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2005

	Self Insurance
<u>Operating revenues:</u>	
Charges for services	\$ 2,919,297
<u>Operating expenses:</u>	
Purchased services	308,191
Claims	3,593,379
Other	32,036
Total operating expenses	3,933,606
Change in net assets	(1,014,309)
Net assets beginning of year	978,728
Net assets end of year	\$ (35,581)

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2005

	Self Insurance
<u>Cash flows from operating activities:</u>	
Cash received for charges for services	\$ 2,919,297
Cash payments to suppliers for goods and services	(340,227)
Cash payments for claims	(3,995,145)
Net cash used for operating activities	<u>(1,416,075)</u>
Net decrease in cash and cash equivalents	(1,416,075)
Cash and cash equivalents at beginning of year	1,639,395
Cash and cash equivalents at end of year	<u>\$ 223,320</u>
<u>Reconciliation of operating loss to net cash used for operating activities:</u>	
Operating loss	<u>\$ (1,014,309)</u>
Adjustments to reconcile operating loss to net cash used for operating activities:	
Increase (decrease) in liabilities:	
Claims payable	(401,766)
Net cash used for operating activities	<u>\$ (1,416,075)</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2005

	Private Purpose Trust	
	Scholarships	Agency
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 18,499	\$ 209,149
<u>Liabilities:</u>		
Accounts payable	\$ -	\$ 330
Due to students	-	208,819
Total liabilities	-	\$ 209,149
<u>Net assets:</u>		
Held in trust for scholarships	\$ 18,499	

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2005

	<u>Scholarships</u>
<u>Additions:</u>	
Interest	\$ 443
Gifts and donations	<u>2,455</u>
Total additions	<u>2,898</u>
<u>Deductions:</u>	
Payments in accordance with trust agreements	<u>8,189</u>
Change in net assets	(5,291)
Net assets beginning of year	<u>23,790</u>
Net assets end of year	<u>\$ 18,499</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Twinsburg City School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's five instructional/support facilities staffed by 254 non-certificated employees and 284 certificated (including administrators) teaching and support personnel that provide services to 3,872 students and other community members.

Reporting Entity

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, preschool and student-related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organizations' governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organizations' resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2005.

The School District is associated with the Northeast Ohio Network for Educational Technology (NEOnet) and the Cuyahoga Valley Career Center. These organizations are presented in Note 17 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting entity for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, to its governmental activities and proprietary funds provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the School District's accounting policies.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

A. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. 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. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

B. Fund Accounting

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

Governmental Fund Types:

Governmental funds focus 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 School District has two major governmental funds:

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

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

Bond Retirement Fund: The bond retirement fund is a debt service fund and is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Proprietary Fund Type

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund: The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for revenue received from other funds and the settlement expenses for medical, surgical, prescription drug, and dental and vision claims of School District employees.

Fiduciary Fund Types

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 School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust, which account for scholarships. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's most significant agency fund reports resources that belong to the student bodies of the various schools.

C. Measurement Focus and Basis of Accounting

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

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

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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 the fund are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund activity.

The private purpose trust fund is reported using the economic resources measurement focus.

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 and the internal service, private purpose trust and agency funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenue - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. 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 School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange 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, investment earnings, tuition, grants and entitlements, and student fees.

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the fund financial statements as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants, Contributions and Interest" program revenue account.

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.

D. Budgets and Budgetary Accounting

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The primary level of budgetary control is at the object level for the general fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The amounts reported as the original budget revenue in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenue amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2005. The amounts reported as the original budgeted expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditure amounts represent the final appropriation amounts passed by the Board during the year.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

E. Cash and Investments

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents". During the fiscal year, investments were limited to overnight repurchase agreements and interest in Star Ohio, the State Treasurer's Investment Pool. All investments of the School District had a maturity of two years or less. These investments are stated at cost, which approximates market value (fair value). Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds; required by a grant agreement; or when approved by the Board of Education to be recorded in another fund. The Board of Education has passed a resolution to allow interest to also be recorded in other funds.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

For presentation on the basic financial statements, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed. There are no prepaid items reported as of year end.

G. Interfund Balances

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

H. Inventory

Within the basic financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used.

Inventories of the general fund consist of expendable supplies held for consumption. Inventories of the food service special revenue fund consist of donated food, purchased food and supplies held for resale.

I. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, and laws of other governments or by enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks or for the acquisition or construction of capital assets. Restricted assets may also include amounts set aside as a reserve or designated for budget stabilization, which is now optional as determined by the School District. The School District did not spend all restricted assets in accordance with specific restrictions during the fiscal year. See Note 19 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

J. Deferred Charges and Bond Premiums

In governmental fund types, bond premiums and issuance costs are recognized in the current period. On the statement of net assets, bond premiums and issuance costs are deferred and amortized over the term of the bonds using the bonds outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable, whereas issuance costs are recorded as deferred charges.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

K. Capital Assets

General capital assets are those assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The School District's policy is not to capitalize interest costs incurred as part of construction.

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

<u>Description</u>	<u>Estimated Lives</u>
<i>Land improvements</i>	<i>5 - 20 years</i>
<i>Buildings and improvements</i>	<i>20 - 50 years</i>
<i>Furniture, fixtures and equipment</i>	<i>3 - 20 years</i>
<i>Vehicles</i>	<i>10 - 20 years</i>

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments. The entire compensated absences liability is reported on the government-wide financial statements.

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

M. Accrued Liabilities and Long-term Obligations

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

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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. Bonds are recognized as a liability on the governmental fund financial statements when due.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net assets restricted for other purposes primarily include amounts generated by individual school buildings to supplement co-curricular and extra-curricular programs.

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

O. Interfund Transactions

Interfund transactions are reported as other financing sources/uses for governmental funds in the fund financial statements. All transfers between governmental funds have been eliminated within the governmental activities column of the statement of net assets.

P. Operating Revenues and Expenses

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

Q. Estimates

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

R. Fund Balance Reserves

The School District records reservations for portions of fund balances, which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates the portion of fund balances that are available for appropriation in future periods. Fund balance reserves are established for encumbrances and the purchase of textbooks and instructional materials.

Twinsburg City School District

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

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES

For fiscal year 2005, the School District has implemented GASB Statement No. 40, “Deposits and Investment Risk Disclosures”; GASB Technical Bulletin No. 2004-2, “Recognition of Pension and Other Postemployment Benefit Expenditures/Expense and Liabilities by Cost-Sharing Employers” and GASB Statement No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits and Other Than Pensions.

As a result of the implementation of the Technical Bulletin and GASB Statement No. 45, certain beginning fund balances were required to be restated. These restatements involve reporting pension and other postemployment benefit liabilities on the governmental fund financial statements where beforehand were exclusively reported on the government-wide financial statements.

Following the close of the previous fiscal year, guidance pertaining to a certain grant was made available to the School District. The guidance suggested reporting the grant activity in the general fund as opposed to a special revenue fund. As a result of this information, the unspent grant proceeds will be reported in the general fund and a restatement of fund balance is necessary.

The restatement of fund balance and capital assets is presented below:

	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<i>Fund balances at June 30, 2004</i>	\$ (1,771,509)	\$ 1,638,808	\$ 3,308,573	\$ 3,175,872
<i>Restatement of intergovernmental payable</i>	(375,504)	-	-	(375,504)
<i>Correction of prior year receipt</i>	33,692	-	(33,692)	-
<i>Restated fund balances at July 1, 2004</i>	<u>\$ (2,113,321)</u>	<u>\$ 1,638,808</u>	<u>\$ 3,274,881</u>	<u>\$ 2,800,368</u>

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above 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 Balances - Budget (Non-GAAP Basis) and Actual presentation for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance (GAAP basis).

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

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

Net Change in Fund Balance

	<u>General</u>
<i>GAAP Basis</i>	\$ 3,881,197
<i>Revenue Accruals</i>	(2,200,369)
<i>Expenditure Accruals</i>	209,886
<i>Encumbrances (Budget Basis)</i>	
<i>Outstanding at year end</i>	<u>(482,793)</u>
<i>Budget Basis</i>	<u>\$ 1,407,921</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School 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 School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board 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 invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations 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 other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in 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;
4. Bonds and other obligations of the State of Ohio;

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (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 (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the School 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 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.

Deposits:

For the fiscal year ended June 30, 2005, the School District reported \$75,496 in "Equity in pooled cash and cash equivalents (restricted)" on the balance sheet. This amount represents a reserve for textbooks and instructional materials (see Note 19).

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

The carrying value of the School District's deposits totaled \$3,277,382 and the bank balances of the deposits totaled \$3,458,350. Of the bank balance, \$3,258,350 was exposed to custodial credit risk. This amount was uninsured and collateral is held by the pledging financial institution's trust department, and not in the School District's name.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

Investments:

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

<u>Investment type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
Repurchase agreements	\$ 10,865,000	Daily	N/A ⁽¹⁾
STAROhio	2,043,173	N/A	AAAm ⁽²⁾
	<u>\$ 12,908,173</u>		

⁽¹⁾ Underlying securities are exempt.

⁽²⁾ Standard and Poor's rating

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2005.

All interest is legally required to be placed in the general fund, the food service, public support and auxiliary services special revenue funds, the endowment permanent fund and the scholarships private purpose trust fund. Interest revenue credited to the general fund during fiscal year 2005 amount to \$315,863, which includes \$116,547 assigned from other School District funds.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's \$10,865,000 investment in repurchase agreements is to be secured by the specific government securities upon which the repurchase agreements are based. These securities, held by the counterparty and not in the School District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The School District's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAROhio an AAAM rating. The School District's investment policy requires certain credit ratings for some investments as allowed by state law.

NOTE 6 - PROPERTY TAX

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located within the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed at 35% of true value and public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25% of true value for capital assets and 23% of true value for inventory.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternative payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The School District receives property taxes from Summit County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by year-end are available to finance the current fiscal year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property and public utility taxes, which became measurable as of year-end. Although total property tax collections for the next fiscal year are measurable, only a portion of the amount available as an advance at year-end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$2,169,740 in the general fund, \$204,255 in the bond retirement debt service fund and \$129,742 in the permanent improvement capital projects fund and is recognized as revenue on the fund financial statements. The School District receives payments in lieu of certain tax payments as a result of negotiated tax abatement agreements. On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

There were no new levies passed during the current fiscal year. The assessed values upon which the current fiscal year taxes were collected are:

<u>Property Category</u>	<u>2004</u> <u>Assessed Value</u>	<u>2003</u> <u>Assessed Value</u>
<u>Real Property</u>		
<i>Residential and agricultural</i>	\$ 475,979,920	\$ 456,766,720
<i>Commercial, industrial and minerals</i>	204,627,250	198,586,600
<i>Public utilities</i>	-	32,590
<u>Tangible Personal Property</u>		
<i>General</i>	180,390,229	190,605,189
<i>Public utilities</i>	15,270,700	15,165,980
<i>Total</i>	<u>\$ 876,268,099</u>	<u>\$ 861,157,079</u>

NOTE 7 - RECEIVABLES

Receivables at year-end consisted of taxes, accounts (tuition and excess costs), 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. Special revenue funds recorded intergovernmental receivables for state and federal grants and reimbursements in the amount of \$64,709.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 8 - CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Balance June 30, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2005</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,147,310	\$ -	\$ -	\$ 1,147,310
<i>Capital assets, being depreciated:</i>				
Land improvements	2,496,149	109,914	-	2,606,063
Buildings and improvements	58,859,127	248,593	-	59,107,720
Furniture, fixtures and equipment	1,523,772	130,237	-	1,654,009
Vehicles	2,242,642	161,949	-	2,404,591
Total capital assets, being depreciated	65,121,690	650,693	-	65,772,383
<i>Less: Accumulated depreciation</i>				
Land improvements	(1,227,555)	(104,957)	-	(1,332,512)
Buildings and improvements	(16,203,838)	(1,643,072)	-	(17,846,910)
Furniture, fixtures and equipment	(898,408)	(81,976)	-	(980,384)
Vehicles	(1,771,390)	(121,053)	-	(1,892,443)
Total accumulated depreciation	(20,101,191)	(1,951,058)	-	(22,052,249)
Total capital assets being depreciated, net	45,020,499	(1,300,365)	-	43,720,134
Governmental activities capital assets, net	\$ 46,167,809	\$ (1,300,365)	\$ -	\$ 44,867,444

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	<u>Amount</u>
Regular	\$ 1,059,231
Special	25,193
<i>Support services:</i>	
Instructional staff	210,593
Administration	161,213
Operation and maintenance of plant	137,497
Pupil transportation	110,932
Central	82,346
Operation of food services	55,246
Extracurricular activities	108,807
	<u>\$ 1,951,058</u>

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2005 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<i>General fund</i>	\$ 82,501	\$ -
<i>Nonmajor governmental funds</i>	<u>27,501</u>	<u>110,002</u>
<i>Totals</i>	<u>\$ 110,002</u>	<u>\$ 110,002</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2005, all interfund loans outstanding are anticipated to be repaid in fiscal year 2005.

NOTE 10 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2005, consisted of the following:

	<u>Transfer Out:</u>
	<u>General Fund</u>
<u>Transfer In:</u>	
<i>Nonmajor funds</i>	\$ 6,124

During the year, the general fund transferred \$1,287, \$672 and \$4,165 to the Title VI-B, Title V and Improving Teacher Quality grant funds, respectively. Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

As of June 30, 2005, several funds had deficit fund balances. These deficits were caused by the application of GAAP; namely in the reporting of various liabilities attributable to the fiscal year. These deficit balances will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The following funds had deficit balances:

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

	<u>Amount</u>
<u>Nonmajor special revenue funds:</u>	
Alternative schools	\$ 6,585
Miscellaneous state grants	333
Title VI-B	16,419
Drug free school grant	881
Self insurance internal service fund	35,581

B. Compliance

Contrary to the Ohio Revised Code (ORC) 5705.41, two funds of the School District reported final expenditures, plus outstanding encumbrances, in excess of appropriations at the legal level of control. To prevent future violations, the School District has implemented procedures, which increase the monitoring of expenditures and obligations as compared to appropriations. The funds reporting these violations are as follows:

<u>Fund</u>	<u>Amount</u>
<u>Nonmajor special revenue funds:</u>	
SchoolNet professional development	\$ 429
Self insurance internal service fund	60,899

NOTE 12 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District has established a self-insurance fund (an internal service fund) to account for and finance its employee health benefits plan. Under this program, the self-insurance fund provides coverage for up to an annual maximum of \$1,000,000 for each health benefits claim, capped at \$3,000,000 annually for all claims. The School District purchases commercial insurance for claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial coverage, nor have there been any significant reductions in coverage in any of the past three fiscal years.

All funds of the School District participate in the program and make payments to the self-insurance fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). The School District's independent third-party administrator has actuarially determined that \$258,901 is a good and sufficient provision for all un-matured claim obligations (including both reported but unpaid claims and incurred but not reported claims, as well as an allowance for claim settlement expenses on the estimated unpaid claims) as of June 30, 2005.

The claims liability of \$258,901 reported in the fund at June 30, 2005 is based on the provisions of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability for the current and prior fiscal years are as follows:

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2004	\$ 629,627	3,319,078	(3,288,038)	\$ 660,667
2005	\$ 660,667	3,593,379	(3,995,145)	\$ 258,901

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

NOTE 13 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, annual cost-of-living adjustments, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57% of annual covered salary was the portion used to fund pension obligations. For the fiscal year 2004, 9.09% was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board.

The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2005, 2004, and 2003 were \$616,080, \$531,142, and \$427,692, respectively; 40% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$370,032, representing the unpaid contribution for fiscal year 2005, is recorded as an intergovernmental payable.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, disability, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers - Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371, by calling (614) 227 - 4090, or by visiting the STRS Ohio Web site at www.strsoh.org.

Twinsburg City School District
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New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor.

The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan.

DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001.

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 became disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

The School District's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$2,312,461, \$2,089,171, and \$2,089,660, respectively; 78% has been contributed for fiscal year 2005 and 100% for the fiscal years 2004 and 2003. \$510,702, representing the unpaid contribution for fiscal year 2005, is recorded as an intergovernmental payable. Contributions to the DC and Combined plans for fiscal year 2005 were \$8,536 made by the School District and \$8,129 made by the plan members.

NOTE 14 - POST-EMPLOYMENT BENEFITS

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Benefit provisions and the obligations to contribute are established by the STRS based on authority granted by State statute. Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. Health care benefits are financed on a pay-as-you-go basis.

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$177,882 during the 2005 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$3.1 billion at June 30, 2004 (the latest information available). For the year ended June 30, 2004, the net health care costs paid by the STRS were \$268,739,000 and eligible benefit recipients totaled 111,853.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Effective January 1, 2005, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced 50% for those who apply. For this fiscal year, employer contributions to fund health care benefits were 3.43% of covered payroll, a decrease of 1.48% from fiscal year 2004.

In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay has been established at \$27,400. However, the surcharge is capped at 2% of each employer's SERS salaries. The surcharge, added to the unallocated portion of the 14% contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$282,029, which includes a surcharge of \$82,109 during the 2005 fiscal year.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2004 (the latest information available), were \$223,443,805 and the target level was \$335.2 million. At June 30, 2004, the SERS's net assets available for payment of health care benefits were \$300.8 million, at cost. The number of participants receiving health care benefits was approximately 62,000.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

NOTE 15 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

The changes in long-term obligations of the School District during the fiscal year were as follows:

	<i>Balance July 1</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance June 30</i>	<i>Due within one year</i>
<u>Governmental Long-term Obligations</u>					
<u>General Obligation Bonds</u>					
<i>2002 Various Purpose</i>					
<i>Improvement Refunding, 3.00%, maturing December 1, 2011</i>	\$ 5,024,978	\$ -	\$ (660,000)	\$ 4,364,978	\$ 675,000
<i>2004 School Facilities Refunding</i>					
<i>Bonds, 2.0-5.0%, maturing December 1, 2021</i>	27,809,925	-	(1,800,000)	26,009,925	1,445,000
<i>Accretion on Capital</i>					
<i>Appreciation Bonds</i>	59,999	505,383	-	565,382	-
<i>Unamortized premium</i>	3,760,223	-	(356,184)	3,404,039	-
<i>Total bonds</i>	<u>36,655,125</u>	<u>505,383</u>	<u>(2,816,184)</u>	<u>34,344,324</u>	<u>2,120,000</u>
<u>Long-term Notes</u>					
<i>2003 OASBO Energy</i>					
<i>Conservation, 5.00%, maturing December 1, 2017</i>	1,189,000	-	(65,000)	1,124,000	67,000
<i>2005 Permanent Improvement</i>					
<i>3.15-3.75%, maturing December 1, 2008</i>	-	4,000,000	-	4,000,000	1,000,000
<i>Total notes</i>	<u>1,189,000</u>	<u>4,000,000</u>	<u>(65,000)</u>	<u>5,124,000</u>	<u>1,067,000</u>
<u>Other Long-term Obligations</u>					
<i>Long-term compensated absences</i>	<u>1,542,372</u>	<u>428,376</u>	<u>(421,518)</u>	<u>1,549,230</u>	<u>277,800</u>
<i>Total governmental long-term obligations</i>	<u>\$ 39,386,497</u>	<u>\$ 4,933,759</u>	<u>\$ (3,302,702)</u>	<u>\$ 41,017,554</u>	<u>\$ 3,464,800</u>

General Obligation Bonds: General obligation bonds are direct obligations of the School District for which its full faith and credit are pledged for repayment. General obligation bonds are to be repaid from voted and unvoted general property taxes. Property tax monies will be received in and the debt will be repaid from the bond retirement debt service fund.

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2005

On April 13, 2004, the School District issued \$27.8 million in general obligation bonds which include serial and capital appreciation bonds with interest rates varying between 2.0-5.0% to refund \$27.8 million of outstanding School Improvement Bonds with an average interest rate of 5.8%. The final amount of the 2004 capital appreciation bonds was \$2,124,925. The net proceeds of the refunding bonds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the portion of the bonds refunded. As a result, the bonds are considered to be defeased and the liability is not reported by the School District.

Long-term Notes: Long-term notes are direct obligations of the School District for which its full faith and credit are pledged for repayment. Long-term notes are to be repaid from voted and unvoted general property taxes. Property tax monies will be received in and the debt will be repaid from the capital improvements capital project fund (2003 OASBO note) and the general fund (2004 OASBO note).

In April 2005, the School District issued \$4,000,000 in Permanent Improvement notes with interest rates varying between 3.15-3.75% for the purpose of remodeling, renovating, furnishing, equipping, and otherwise improving School District buildings, sites and grounds. Property tax monies will be received in and the debt will be repaid from the capital improvements capital projects fund.

Compensated absences: Sick leave benefits will be paid from the fund from which the person is paid. In prior years this fund has primarily been the general fund.

Principal and interest requirements to amortize all bonds and notes outstanding at June 30, 2005 are as follows:

<u>Fiscal Year</u>	<u>2003 Various Improvement Refunding</u>		<u>2004 OASBO Note</u>		<u>2005 Permanent Improvement Note</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 675,000	\$ 130,499	\$ 67,000	\$ 48,405	\$ 1,000,000	\$ 124,250
2007	386,131	424,749	69,000	46,122	1,000,000	91,000
2008	343,847	467,032	72,000	43,539	1,000,000	55,500
2009	695,000	103,505	75,000	40,592	1,000,000	18,750
2010	725,000	72,717	78,000	37,373	-	-
2011-2015	1,540,000	60,268	445,000	129,411	-	-
2016-2019	-	-	318,000	23,392	-	-
Total	\$ 4,364,978	\$ 1,258,770	\$ 1,124,000	\$ 368,834	\$ 4,000,000	\$ 289,500

<u>Fiscal Year</u>	<u>2004 School Facilities Refunding Bonds</u>			
	<u>Serial</u>		<u>Capital Appreciation</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 1,445,000	\$ 1,005,170	\$ -	\$ -
2007	1,475,000	975,970	-	-
2008	-	961,220	706,583	798,418
2009	-	961,220	573,842	931,159
2010	-	961,220	466,023	1,038,977
2011-2015	6,440,000	4,241,886	378,477	1,126,523
2016-2020	9,895,000	2,195,594	-	-
2021-2022	4,630,000	198,687	-	-
Total	\$ 23,885,000	\$ 11,500,967	\$ 2,124,925	\$ 3,895,077

Bonds maturing in fiscal year 2008-2011 are capital appreciation bonds with an approximate yield of 2.32% - 3.44%.

NOTE 16 - TAX ANTICIPATION NOTES

The changes in tax anticipation notes of the School District during the fiscal year were as follows:

<u>Tax Anticipation Notes</u>	<i>Balance</i> <u>July 1</u>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <u>June 30</u>	<i>Due within</i> <u>one year</u>
2001 General fund, 4.90% maturing December 1, 2006	\$ 3,060,000	\$ -	\$ (1,020,000)	\$ 2,040,000	\$ 1,020,000

Principal and interest requirements to amortize tax anticipation notes outstanding at June 30, 2005 are as follows:

<i>Fiscal</i> <u>Year</u>	<u>Tax Anticipation Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 1,020,000	\$ 76,347	\$ 1,096,347
2007	1,020,000	25,449	1,045,449
<i>Total</i>	<u>\$ 2,040,000</u>	<u>\$ 101,796</u>	<u>\$ 2,141,796</u>

The outstanding tax anticipation notes are obligations of the general fund.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

The Northeast Ohio Network for Educational Technology (NEOnet) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEOnet is a jointly governed organization among seventeen school districts. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The School District does not retain an ongoing financial interest or an ongoing financial responsibility in NEOnet. Payments to NEOnet are made from the general fund. During the current fiscal year, the School District contributed \$33,049 to NEOnet.

Cuyahoga Valley Career Center is a vocational school district which 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 school accepts non-tuition students from the School District as a member school; however, it is considered a separate political subdivision and is not considered to be part of the School District.

NOTE 18 - CONTINGENCIES

The School District is party to legal proceedings. However, the School District’s management is of the opinion that the ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2005.

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

The Supreme Court relinquished jurisdiction over the case and directed “... the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...”.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

NOTE 19 - STATUTORY RESERVES

The School District is required by State statute to annually set-aside monies for the purchase of textbooks and other instructional materials, and for capital improvements. The amounts set-aside may be reduced by offset credits, which are monies received and restricted for the same specific purpose. Although the School District had qualifying disbursements during the year that reduced the set-aside amounts below zero, these extra amounts may not be presented as being carried forward to the next fiscal year for the capital maintenance reserve. Amounts not spent by year-end or reduced by offset credits must be held in cash at year-end and carried forward to be used for the same purposes in future years.

During the fiscal year ended June 30, 2005, the reserve activity was as follows:

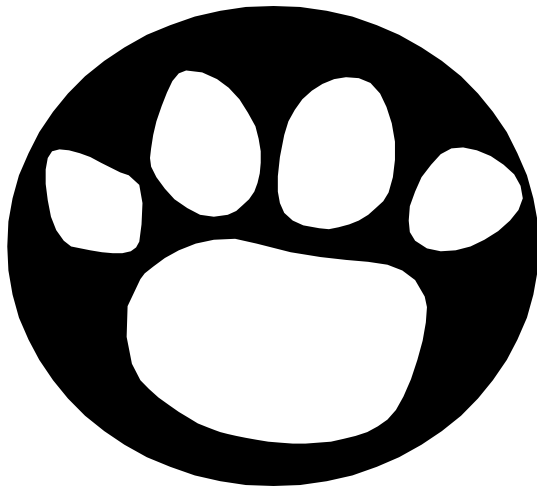
	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>	<i>Total</i>
<i>Set-aside cash balance as of June 30, 2004</i>	\$ 62,288	\$ -	\$ 62,288
<i>Current year set-aside requirement</i>	582,954	582,954	1,165,908
<i>Qualifying disbursements</i>	<u>(569,746)</u>	<u>(1,281,698)</u>	<u>(1,851,444)</u>
<i>Total</i>	<u>\$ 75,496</u>	<u>\$ (698,744)</u>	<u>\$ (623,248)</u>
<i>Balance carried forward to future years</i>	<u>\$ 75,496</u>		<u>\$ 75,496</u>

NOTE 20 - ENDOWMENT

In a prior year the School District accepted an endowment gift of \$10,000, as allowed by ORC 3313.36. These funds are to be held for the purpose of earning interest, of which fifty percent is to be awarded as a scholarship each year. If no scholarship is awarded in any year, the allotted amount may be added to the amount to be granted to one or more scholarships the following year, and so on. The scholarship awarded shall be to a graduate of the School District, which is to be used toward a college or university education as an elementary education major. The recipients shall be determined by a committee of three persons selected from the teaching staff of the School District's high school by the Superintendent of the School District. As of June 30, 2005, the endowment gift has accumulated \$9,065 in investment earnings and is reported as expendable "Restricted for permanent fund purposes-scholarships". The initial \$10,000 endowment gift is reported as nonexpendable "Restricted for permanent fund purposes-scholarships".

NOTE 21 – REQUIRED SUPPLEMENTARY INFORMATION (RSI) IS OMITTED

For the fiscal year ended, the School District was required to implement GASB Technical Bulletin No. 2004-2. In addition to the implementation of this guidance, the School District simultaneously implemented GASB Statement No. 45, as recommended by the GASB. This Statement requires employers to present as required supplementary information (RSI) schedules of funding progress and employer contributions for the plan as a whole if a plan financial report, prepared in accordance with GASB Statement No. 43 is not issued and made publicly available and the plan is not included in the financial report of a public employee retirement system or another entity. SERS and STRS have not issued a financial report in accordance with the statement and have not conducted a valuation of their plans, as they were not required to implement the statement as of the date of this report. Therefore, RSI is unavailable to the School District and it does not follow these notes to the financial statements.



Combining Statements and Individual Fund Schedules

Combining Statements and Individual Fund Schedules

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. A description of the School District's nonmajor special revenue funds follows:

Food Service

To account for all revenues and expenditures related to the provision of food services, including breakfast and lunch, for the School District students and staff.

Uniform School Supplies

To account for the purchase and sale of school supplies as adopted by the Board of Education for resale to students of the School District.

Adult Education

To account for all revenues and expenditures related to the provision of credit and non-credit classes to the general public.

Miscellaneous Local Grants

To account for funds received from private organizations that are restricted for specific purposes.

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

District Managed Student Activity

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

Auxiliary Services

To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the School District as provided by state law.

Teacher Development

To account for state revenues used to assist teachers in gaining new skills and becoming familiar with new teaching methodologies.

Management Information Systems

To account for state funds provided to assist the School District in implementing a staff, student, and financial reporting system as mandated by the Omnibus Education Reform Act of 1989.

Entry Year Programs

To account for state funds provided to assist the School District in implementing new programs as provided by state law.

Disadvantaged Pupil Impact Aid (DPIA)

To account for state funds which provide instructional programs and materials for disadvantaged students.

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site.

SchoolNet Professional Development

To account for a limited number of professional development subsidy grants.

Ohio Reads

To account for improvements in reading outcomes, especially on the fourth grade reading proficiency test and for volunteer coordinators in public school buildings, for background checks for volunteers, to evaluate the Ohio Reads Program, and for operating expenses associated with administering the program.

Summer Intervention

To account for summer intervention services designed to satisfy criteria defined in division (E) of the Ohio Revised Code Section 3313.608.

Alternative Schools

To account for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually taunt or disruptive, or those on probation or on parole from a Department of Youth Services' facility.

Miscellaneous State Grants

To account for monies received from state agencies which are not classified elsewhere.

Title VI-B

To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title III

To account for federal funds received to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Title I

To account for federal funds for services provided to meet special educational needs of educationally deprived children.

Title V

To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement.

Drug Free School Grant

To account for federal funds for the establishment, operation and improvement programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

EHA Preschool Grant

To account for federal funds used for the improvement and expansion of services for handicapped children ages three through five years.

Improving Teacher Quality

To account for monies to hire additional classroom teachers in grades one through three, so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

To account for federal revenues received through state agencies from the federal government or directly from the federal governments which are not classified elsewhere.

Major Debt Service Fund

The debt service fund is used to account for the accumulation of resources and the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment. It is also used to account for the accumulation of resources and the payment of general obligation notes payable, as required by Ohio Law.

Nonmajor Capital Projects Funds

Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The capital projects funds are:

Permanent Improvement

To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

Building

To account for the receipts and expenditures related to all special bond funds in the School District.

Replacement

A fund provided to account for monies used in the rebuilding, restoration or improvement of property which has been totally or partially destroyed due to any cause. Such property may have become unfit for use necessitating its demolition in whole or in part, and may require repair or restoration before it can again be used.

SchoolNet

To account for monies received that are used to help the School District obtain computers and related educational technology equipment and/or the necessary infrastructure for educational technology.

Nonmajor Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Endowment

To account for money, securities or lands which have been set aside as an investment for public school purposes. The income from such a fund may be expended, but the principal must remain intact.

Twinsburg City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 1,238,366	\$ 7,046,289	\$ 19,065	\$ 8,303,720
Receivables:				
Taxes	-	1,969,206	-	1,969,206
Accounts	5,503	-	-	5,503
Intergovernmental	64,709	-	-	64,709
Interfund receivable	-	27,501	-	27,501
Inventory held for resale	25,275	-	-	25,275
Materials and supplies inventory	5,427	-	-	5,427
Total assets	<u>\$ 1,339,280</u>	<u>\$ 9,042,996</u>	<u>\$ 19,065</u>	<u>\$ 10,401,341</u>
<u>Liabilities:</u>				
Accounts payable	\$ 40,011	\$ 81,866	\$ -	\$ 121,877
Accrued wages	92,613	-	-	92,613
Interfund payable	110,002	-	-	110,002
Intergovernmental payable	2,446	-	-	2,446
Deferred revenue	64,261	1,839,464	-	1,903,725
Total liabilities	<u>309,333</u>	<u>1,921,330</u>	<u>-</u>	<u>2,230,663</u>
<u>Fund balances:</u>				
Reserved for encumbrances	89,577	196,972	-	286,549
Unreserved, undesignated, Reported in:				
Special revenue funds	940,370	-	-	940,370
Capital projects funds	-	6,924,694	-	6,924,694
Permanent funds	-	-	19,065	19,065
Total fund balances	<u>1,029,947</u>	<u>7,121,666</u>	<u>19,065</u>	<u>8,170,678</u>
Total liabilities and fund balances	<u>\$ 1,339,280</u>	<u>\$ 9,042,996</u>	<u>\$ 19,065</u>	<u>\$ 10,401,341</u>

Twinsburg City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2005

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Taxes	\$ -	\$ 1,957,498	\$ -	\$ 1,957,498
Intergovernmental	1,519,416	245,460	-	1,764,876
Interest	4,493	-	372	4,865
Tuition and fees	293,679	-	-	293,679
Extracurricular activities	319,908	-	-	319,908
Gifts and donations	27,634	-	-	27,634
Charges for services	885,119	-	-	885,119
Rent	539	-	-	539
Miscellaneous	6,151	-	-	6,151
Total revenues	<u>3,056,939</u>	<u>2,202,958</u>	<u>372</u>	<u>5,260,269</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	273,911	-	1,000	274,911
Special	415,522	-	-	415,522
Support services:				
Pupils	304,891	32,550	-	337,441
Instructional staff	298,598	-	-	298,598
Administration	87,238	-	-	87,238
Fiscal	3,250	-	-	3,250
Operation and maintenance of plant	29,088	603,383	-	632,471
Pupil transportation	1,180	-	-	1,180
Central	-	123,254	-	123,254
Operation of non-instructional services	96,340	-	-	96,340
Operation of food services	1,149,358	-	-	1,149,358
Extracurricular activities	300,340	-	-	300,340
Capital outlay	-	650,693	-	650,693
Total expenditures	<u>2,959,716</u>	<u>1,409,880</u>	<u>1,000</u>	<u>4,370,596</u>
Excess of revenues over (under) expenditures	<u>97,223</u>	<u>793,078</u>	<u>(628)</u>	<u>889,673</u>
<u>Other financing sources (uses):</u>				
Proceeds from the sale of notes	-	4,000,000	-	4,000,000
Transfers in	6,124	-	-	6,124
Total other financing sources (uses)	<u>6,124</u>	<u>4,000,000</u>	<u>-</u>	<u>4,006,124</u>
Net change in fund balance	103,347	4,793,078	(628)	4,895,797
Fund balances at beginning of year	926,600	2,328,588	19,693	3,274,881
Fund balances at end of year	<u>\$ 1,029,947</u>	<u>\$ 7,121,666</u>	<u>\$ 19,065</u>	<u>\$ 8,170,678</u>

Twinsburg City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	Food Service	Uniform School Supplies	Adult Education	Miscellaneous Local Grants	Public School Support
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 95,242	\$ 11,319	\$ 51,863	\$ 13,301	\$ 813,537
Receivables:					
Accounts	-	-	57	-	-
Intergovernmental	-	-	-	-	-
Inventory held for resale	25,275	-	-	-	-
Materials and supplies inventory	5,427	-	-	-	-
Total assets	<u>\$ 125,944</u>	<u>\$ 11,319</u>	<u>\$ 51,920</u>	<u>\$ 13,301</u>	<u>\$ 813,537</u>
<u>Liabilities:</u>					
Accounts payable	\$ 835	\$ -	\$ -	\$ -	\$ 2,165
Accrued wages	64,984	-	-	-	27,149
Interfund payable	-	-	-	-	27,501
Intergovernmental payable	2,052	-	-	-	394
Deferred revenue	-	-	-	-	-
Total liabilities	<u>67,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,209</u>
<u>Fund balances:</u>					
Reserved for encumbrances	2,301	1,868	-	1,300	21,169
Unreserved, undesignated, Reported in special revenue funds	<u>55,772</u>	<u>9,451</u>	<u>51,920</u>	<u>12,001</u>	<u>735,159</u>
Total fund balances	<u>58,073</u>	<u>11,319</u>	<u>51,920</u>	<u>13,301</u>	<u>756,328</u>
Total liabilities and fund balances	<u>\$ 125,944</u>	<u>\$ 11,319</u>	<u>\$ 51,920</u>	<u>\$ 13,301</u>	<u>\$ 813,537</u>

District Managed Student Activity	Auxiliary Services	Teacher Development	Management Information Systems	Entry Year Programs	Disadvantaged Pupil Impact Aid	Data Comm- unications	SchoolNet Professional Development
\$ 110,144	\$ 28,789	\$ 2,589	\$ 13,326	\$ -	\$ 4,754	\$ -	\$ -
5,446	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 115,590</u>	<u>\$ 28,789</u>	<u>\$ 2,589</u>	<u>\$ 13,326</u>	<u>\$ -</u>	<u>\$ 4,754</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,606	\$ 10,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	480	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>7,606</u>	<u>10,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480</u>	<u>-</u>	<u>-</u>
16,581	18,686	-	-	-	-	-	-
<u>91,403</u>	<u>69</u>	<u>2,589</u>	<u>13,326</u>	<u>-</u>	<u>4,274</u>	<u>-</u>	<u>-</u>
<u>107,984</u>	<u>18,755</u>	<u>2,589</u>	<u>13,326</u>	<u>-</u>	<u>4,274</u>	<u>-</u>	<u>-</u>
<u>\$ 115,590</u>	<u>\$ 28,789</u>	<u>\$ 2,589</u>	<u>\$ 13,326</u>	<u>\$ -</u>	<u>\$ 4,754</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Twinsburg City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

	Ohio Reads	Summer Intervention	Alternative Schools	Miscellaneous State Grants	Title VI-B
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 813	\$ 4,237	\$ 1,000	\$ 689	\$ 74,920
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	201	-	-	-	40,547
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ 1,014</u>	<u>\$ 4,237</u>	<u>\$ 1,000</u>	<u>\$ 689</u>	<u>\$ 115,467</u>
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 19,371
Accrued wages	-	-	-	-	-
Interfund payable	-	-	7,585	1,022	71,968
Intergovernmental payable	-	-	-	-	-
Deferred revenue	-	-	-	-	40,547
Total liabilities	<u>-</u>	<u>-</u>	<u>7,585</u>	<u>1,022</u>	<u>131,886</u>
<u>Fund balances:</u>					
Reserved for encumbrances	-	475	462	-	25,469
Unreserved, undesignated, Reported in special revenue funds	<u>1,014</u>	<u>3,762</u>	<u>(7,047)</u>	<u>(333)</u>	<u>(41,888)</u>
Total fund balances	<u>1,014</u>	<u>4,237</u>	<u>(6,585)</u>	<u>(333)</u>	<u>(16,419)</u>
Total liabilities and fund balances	<u>\$ 1,014</u>	<u>\$ 4,237</u>	<u>\$ 1,000</u>	<u>\$ 689</u>	<u>\$ 115,467</u>

Title III	Title I	Title V	Drug Free School Grant	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 76	\$ 3,174	\$ 1,365	\$ 32	\$ -	\$ 7,063	\$ 133	\$ 1,238,366
-	-	-	-	-	-	-	5,503
-	10,185	-	247	-	13,529	-	64,709
-	-	-	-	-	-	-	25,275
-	-	-	-	-	-	-	5,427
<u>\$ 76</u>	<u>\$ 13,359</u>	<u>\$ 1,365</u>	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 20,592</u>	<u>\$ 133</u>	<u>\$ 1,339,280</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,011
-	-	-	-	-	-	-	92,613
-	-	766	1,160	-	-	-	110,002
-	-	-	-	-	-	-	2,446
-	10,185	-	-	-	13,529	-	64,261
-	10,185	766	1,160	-	13,529	-	309,333
-	680	453	-	-	-	133	89,577
76	2,494	146	(881)	-	7,063	-	940,370
76	3,174	599	(881)	-	7,063	133	1,029,947
<u>\$ 76</u>	<u>\$ 13,359</u>	<u>\$ 1,365</u>	<u>\$ 279</u>	<u>\$ -</u>	<u>\$ 20,592</u>	<u>\$ 133</u>	<u>\$ 1,339,280</u>

Twinsburg City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005

	Food Service	Uniform School Supplies	Adult Education	Miscellaneous Local Grants	Public School Support
<u>Revenues:</u>					
Intergovernmental	\$ 255,390	\$ -	\$ 532	\$ -	\$ -
Interest	2,234	-	-	-	1,308
Tuition and fees	-	11,876	2,517	-	279,286
Extracurricular activities	-	-	-	-	60,928
Gifts and donations	-	-	-	23,500	4,134
Charges for services	885,119	-	-	-	-
Rent	-	-	539	-	-
Miscellaneous	-	-	-	4,698	1,453
Total revenues	<u>1,142,743</u>	<u>11,876</u>	<u>3,588</u>	<u>28,198</u>	<u>347,109</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	14,053	-	20,353	4,295
Special	-	-	-	7,345	-
Support services:					
Pupils	-	-	-	-	181,505
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	14,581
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	28,955
Pupil transportation	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	150
Operation of food services	1,149,358	-	-	-	-
Extracurricular activities	-	-	-	-	70,545
Total expenditures	<u>1,149,358</u>	<u>14,053</u>	<u>-</u>	<u>27,698</u>	<u>300,031</u>
Excess of revenues over (under) expenditures	<u>(6,615)</u>	<u>(2,177)</u>	<u>3,588</u>	<u>500</u>	<u>47,078</u>
<u>Other financing sources (uses):</u>					
Transfers in	-	-	-	-	-
Net change in fund balance	(6,615)	(2,177)	3,588	500	47,078
Fund balances (deficit) at beginning of year	64,688	13,496	48,332	12,801	709,250
Fund balances (deficit) at end of year	<u>\$ 58,073</u>	<u>\$ 11,319</u>	<u>\$ 51,920</u>	<u>\$ 13,301</u>	<u>\$ 756,328</u>

District Managed Student Activity	Auxiliary Services	Teacher Development	Management Information Systems	Entry Year Programs	Disadvantaged Pupil Impact Aid	Data Comm- unications	SchoolNet Professional Development
\$ -	\$ 80,672	\$ -	\$ 13,129	\$ 9,900	\$ 25,273	\$ 15,000	\$ 4,140
-	951	-	-	-	-	-	-
-	-	-	-	-	-	-	-
258,980	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
258,980	81,623	-	13,129	9,900	25,273	15,000	4,140
-	-	-	-	7,900	26,059	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	15,000	-
-	-	-	17,771	2,000	-	-	8,569
-	-	-	-	-	-	-	-
-	3,250	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	94,640	-	-	-	-	-	-
-	-	-	-	-	-	-	-
229,795	-	-	-	-	-	-	-
229,795	97,890	-	17,771	9,900	26,059	15,000	8,569
29,185	(16,267)	-	(4,642)	-	(786)	-	(4,429)
-	-	-	-	-	-	-	-
29,185	(16,267)	-	(4,642)	-	(786)	-	(4,429)
78,799	35,022	2,589	17,968	-	5,060	-	4,429
\$ 107,984	\$ 18,755	\$ 2,589	\$ 13,326	\$ -	\$ 4,274	\$ -	\$ -

(Continued)

Twinsburg City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2005

	Ohio Reads	Summer Intervention	Alternative Schools	Miscellaneous State Grants	Title VI-B
<u>Revenues:</u>					
Intergovernmental	\$ 11,755	\$ 61,648	\$ 55,776	\$ 27,984	\$ 654,340
Interest	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Customer services	-	-	-	-	-
Rent	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>11,755</u>	<u>61,648</u>	<u>55,776</u>	<u>27,984</u>	<u>654,340</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	10,741	55,818	48,740	-	-
Special	-	-	4,192	-	253,296
Support services:					
Pupils	-	-	-	-	108,386
Instructional staff	-	8,252	2,462	33,126	184,108
Administration	-	-	-	-	72,257
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	133	-
Pupil transportation	-	-	1,180	-	-
Operation of non-instructional services	-	-	-	-	651
Operation of food services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>10,741</u>	<u>64,070</u>	<u>56,574</u>	<u>33,259</u>	<u>618,698</u>
Excess of revenues over (under) expenditures	<u>1,014</u>	<u>(2,422)</u>	<u>(798)</u>	<u>(5,275)</u>	<u>35,642</u>
<u>Other financing sources (uses):</u>					
Transfers in	-	-	-	-	1,287
Net change in fund balance	1,014	(2,422)	(798)	(5,275)	36,929
Fund balances (deficit) at beginning of year	-	6,659	(5,787)	4,942	(53,348)
Fund balances (deficit) at end of year	<u>\$ 1,014</u>	<u>\$ 4,237</u>	<u>\$ (6,585)</u>	<u>\$ (333)</u>	<u>\$ (16,419)</u>

Title III	Title I	Title V	Drug Free School Grant	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 13,397	\$ 122,751	\$ 17,069	\$ 12,462	\$ 28,535	\$ 100,866	\$ 8,797	\$ 1,519,416
-	-	-	-	-	-	-	4,493
-	-	-	-	-	-	-	293,679
-	-	-	-	-	-	-	319,908
-	-	-	-	-	-	-	27,634
-	-	-	-	-	-	-	885,119
-	-	-	-	-	-	-	539
-	-	-	-	-	-	-	6,151
<u>13,397</u>	<u>122,751</u>	<u>17,069</u>	<u>12,462</u>	<u>28,535</u>	<u>100,866</u>	<u>8,797</u>	<u>3,056,939</u>
-	-	-	6,276	-	76,259	3,417	273,911
13,321	116,970	18,369	-	-	-	2,029	415,522
-	-	-	-	-	-	-	304,891
-	8,300	-	8,073	25,935	-	2	298,598
-	400	-	-	-	-	-	87,238
-	-	-	-	-	-	-	3,250
-	-	-	-	-	-	-	29,088
-	-	-	-	-	-	-	1,180
-	-	279	-	-	620	-	96,340
-	-	-	-	-	-	-	1,149,358
-	-	-	-	-	-	-	300,340
<u>13,321</u>	<u>125,670</u>	<u>18,648</u>	<u>14,349</u>	<u>25,935</u>	<u>76,879</u>	<u>5,448</u>	<u>2,959,716</u>
<u>76</u>	<u>(2,919)</u>	<u>(1,579)</u>	<u>(1,887)</u>	<u>2,600</u>	<u>23,987</u>	<u>3,349</u>	<u>97,223</u>
-	-	672	-	-	4,165	-	6,124
76	(2,919)	(907)	(1,887)	2,600	28,152	3,349	103,347
-	6,093	1,506	1,006	(2,600)	(21,089)	(3,216)	926,600
<u>\$ 76</u>	<u>\$ 3,174</u>	<u>\$ 599</u>	<u>\$ (881)</u>	<u>\$ -</u>	<u>\$ 7,063</u>	<u>\$ 133</u>	<u>\$ 1,029,947</u>

Twinsburg City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2005

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Replacement</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 3,083,468	\$ 3,845,840	\$ 116,981	\$ -	\$ 7,046,289
Receivables:					
Taxes	1,969,206	-	-	-	1,969,206
Interfund receivable	27,501	-	-	-	27,501
Total assets	<u>\$ 5,080,175</u>	<u>\$ 3,845,840</u>	<u>\$ 116,981</u>	<u>\$ -</u>	<u>\$ 9,042,996</u>
<u>Liabilities:</u>					
Accounts payable	\$ 76,882	\$ 4,984	\$ -	\$ -	\$ 81,866
Deferred revenue	1,839,464	-	-	-	1,839,464
Total liabilities	<u>1,916,346</u>	<u>4,984</u>	<u>-</u>	<u>-</u>	<u>1,921,330</u>
<u>Fund balances:</u>					
Reserved for encumbrances	165,812	31,160	-	-	196,972
Unreserved, undesignated, Reported in capital projects funds	2,998,017	3,809,696	116,981	-	6,924,694
Total fund balances	<u>3,163,829</u>	<u>3,840,856</u>	<u>116,981</u>	<u>-</u>	<u>7,121,666</u>
Total liabilities and fund balances	<u>\$ 5,080,175</u>	<u>\$ 3,845,840</u>	<u>\$ 116,981</u>	<u>\$ -</u>	<u>\$ 9,042,996</u>

Twinsburg City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2005

	Permanent Improvement	Building	Replacement	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>					
Taxes	\$ 1,957,498	\$ -	\$ -	\$ -	\$ 1,957,498
Intergovernmental	190,791	-	22,119	32,550	245,460
Total revenues	<u>2,148,289</u>	<u>-</u>	<u>22,119</u>	<u>32,550</u>	<u>2,202,958</u>
<u>Expenditures:</u>					
Current:					
Support services:					
Pupils	-	-	-	32,550	32,550
Operation and maintenance of plant	581,914	21,469	-	-	603,383
Central	123,254	-	-	-	123,254
Capital outlay	513,018	137,675	-	-	650,693
Total expenditures	<u>1,218,186</u>	<u>159,144</u>	<u>-</u>	<u>32,550</u>	<u>1,409,880</u>
Excess of revenues over (under) expenditures	<u>930,103</u>	<u>(159,144)</u>	<u>22,119</u>	<u>-</u>	<u>793,078</u>
<u>Other financing sources (uses):</u>					
Proceeds from the sale of notes	<u>-</u>	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>4,000,000</u>
Net change in fund balance	930,103	3,840,856	22,119	-	4,793,078
Fund balances at beginning of year	<u>2,233,726</u>	<u>-</u>	<u>94,862</u>	<u>-</u>	<u>2,328,588</u>
Fund balances at end of the year	<u>\$ 3,163,829</u>	<u>\$ 3,840,856</u>	<u>\$ 116,981</u>	<u>\$ -</u>	<u>\$ 7,121,666</u>

**Individual Fund Schedules of Revenues, Expenditures and Changes
in Fund Balance – Budget (Non-GAAP Basis) and Actual
Governmental Funds – Major and Nonmajor**

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP) and Actual
For the Fiscal Year Ended June 30, 2005

General Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 27,120,928	\$ 27,149,362	\$ 28,434
Intergovernmental	5,284,307	5,407,842	123,535
Interest	265,000	311,106	46,106
Tuition and fees	3,343	8,488	5,145
Extracurricular activities	-	288	288
Rent	40,897	44,130	3,233
Payments in lieu of taxes	40,000	36,233	(3,767)
Miscellaneous	53,500	24,205	(29,295)
Total revenues	<u>32,807,975</u>	<u>32,981,654</u>	<u>173,679</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	11,693,154	11,033,060	660,094
Fringe benefits	5,894,922	4,997,766	897,156
Purchased services	213,234	265,450	(52,216)
Materials and supplies	513,669	483,929	29,740
Capital outlay	350	304	46
Other	81,012	70,602	10,410
Total regular	<u>18,396,341</u>	<u>16,851,111</u>	<u>1,545,230</u>
Special:			
Salaries and wages	1,578,766	1,462,996	115,770
Fringe benefits	286,609	270,860	15,749
Purchased services	51,185	49,529	1,656
Materials and supplies	3,875	2,877	998
Total special	<u>1,920,435</u>	<u>1,786,262</u>	<u>134,173</u>
Vocational:			
Salaries and wages	213,042	203,507	9,535
Fringe benefits	29,357	28,162	1,195
Total vocational	<u>242,399</u>	<u>231,669</u>	<u>10,730</u>
Total instruction	<u>20,559,175</u>	<u>18,869,042</u>	<u>1,690,133</u>
Support services:			
Pupils:			
Salaries and wages	1,861,574	1,774,443	87,131
Fringe benefits	405,940	374,246	31,694
Purchased services	182,366	177,710	4,656
Materials and supplies	14,675	11,207	3,468
Other	200	110	90
Total pupils	<u>2,464,755</u>	<u>2,337,716</u>	<u>127,039</u>
Instructional staff:			
Salaries and wages	426,082	392,603	33,479
Fringe benefits	78,181	72,358	5,823
Purchased services	55,036	51,697	3,339
Materials and supplies	60,910	51,994	8,916
Other	234	234	-
Total instructional staff	<u>620,443</u>	<u>568,886</u>	<u>51,557</u>

(Continued)

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP) and Actual
For the Fiscal Year Ended June 30, 2005

General Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Board of education:			
Salaries and wages	18,135	13,685	4,450
Fringe benefits	33,406	31,033	2,373
Purchased services	257,890	235,996	21,894
Materials and supplies	2,767	2,287	480
Other	82,005	70,623	11,382
Total board of education	<u>394,203</u>	<u>353,624</u>	<u>40,579</u>
Administration:			
Salaries and wages	1,665,396	1,628,750	36,646
Fringe benefits	514,872	471,955	42,917
Purchased services	77,092	61,000	16,092
Materials and supplies	40,408	37,589	2,819
Other	3,800	3,450	350
Total administration	<u>2,301,568</u>	<u>2,202,744</u>	<u>98,824</u>
Fiscal:			
Salaries and wages	209,333	214,560	(5,227)
Fringe benefits	72,806	60,260	12,546
Purchased services	36,319	33,846	2,473
Materials and supplies	7,262	4,746	2,516
Other	547,867	523,620	24,247
Total fiscal	<u>873,587</u>	<u>837,032</u>	<u>36,555</u>
Business:			
Salaries and wages	37,618	34,598	3,020
Fringe benefits	13,925	11,358	2,567
Purchased services	8,300	8,168	132
Materials and supplies	46,945	40,276	6,669
Total business	<u>106,788</u>	<u>94,400</u>	<u>12,388</u>
Operation and maintenance of plant:			
Salaries and wages	1,443,434	1,358,171	85,263
Fringe benefits	266,065	247,730	18,335
Purchased services	2,067,157	1,663,099	404,058
Materials and supplies	153,720	139,782	13,938
Total operation and maintenance of plant	<u>3,930,376</u>	<u>3,408,782</u>	<u>521,594</u>
Pupil transportation:			
Salaries and wages	1,152,958	1,161,092	(8,134)
Fringe benefits	258,008	238,031	19,977
Purchased services	31,154	31,138	16
Materials and supplies	225,397	223,015	2,382
Total pupil transportation	<u>1,667,517</u>	<u>1,653,276</u>	<u>14,241</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP) and Actual
For the Fiscal Year Ended June 30, 2005

	General Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Central:			
Salaries and wages	204,522	186,477	18,045
Fringe benefits	33,882	32,440	1,442
Purchased services	552,041	434,813	117,228
Materials and supplies	67,879	44,903	22,976
Total central	858,324	698,633	159,691
Total support services	13,217,561	12,155,093	1,062,468
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	450,357	418,698	31,659
Materials and supplies	1,000	776	224
Other	540	540	-
Total academic and subject oriented activities	451,897	420,014	31,883
Sports oriented activities:			
Salaries and wages	130,630	124,608	6,022
Fringe benefits	18,581	17,806	775
Purchased services	18,292	18,292	-
Materials and supplies	28,269	28,058	211
Total sports oriented activities	195,772	188,764	7,008
School and public service co-curricular activities:			
Purchased services	1,350	1,350	-
Total extracurricular activities	649,019	610,128	38,891
Debt service:			
Principal retirement	65,000	65,000	-
Interest and fiscal charges	50,400	26,310	24,090
Total debt service	115,400	91,310	24,090
Total expenditures	34,541,155	31,725,573	2,815,582
Excess of revenues over (under) expenditures	(1,733,180)	1,256,081	2,989,261
<u>Other financing sources (uses):</u>			
Proceeds from sale of capital assets	-	2,400	2,400
Refund of prior year expenditures		659	659
Advances in	210,000	210,002	2
Advances out	(55,097)	(55,097)	-
Transfers out	(6,124)	(6,124)	-
Total other financing sources (uses)	148,779	151,840	3,061
Net change in fund balance	(1,584,401)	1,407,921	2,992,322
Fund balance at beginning of year	3,766,910	3,766,910	-
Prior year encumbrances appropriated	446,434	446,434	-
Fund balance at end of year	\$ 2,628,943	\$ 5,621,265	\$ 2,992,322

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Food Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 201,279	\$ 226,828	\$ 25,549
Interest	2,007	2,234	227
Charges for services	876,109	885,119	9,010
Total revenues	<u>1,079,395</u>	<u>1,114,181</u>	<u>34,786</u>
<u>Expenditures:</u>			
Current:			
Operation of food services	<u>1,165,900</u>	<u>1,107,812</u>	<u>58,088</u>
Net change in fund balance	(86,505)	6,369	92,874
Fund balance at beginning of year	60,434	60,434	-
Prior year encumbrances appropriated	26,139	26,139	-
Fund balance at end of year	<u>\$ 68</u>	<u>\$ 92,942</u>	<u>\$ 92,874</u>

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 10,820	\$ 11,876	\$ 1,056
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	23,899	15,923	7,976
Operation of non-instructional services	160	-	160
Total expenditures	<u>24,059</u>	<u>15,923</u>	<u>8,136</u>
Net change in fund balance	(13,239)	(4,047)	9,192
Fund balance at beginning of year	11,867	11,867	-
Prior year encumbrances appropriated	1,631	1,631	-
Fund balance at end of year	<u>\$ 259</u>	<u>\$ 9,451</u>	<u>\$ 9,192</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Adult Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,000	\$ 532	\$ (468)
Rent	480	482	2
Tuition and fees	2,500	2,517	17
Total revenues	<u>3,980</u>	<u>3,531</u>	<u>(449)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Adult/continuing	20,000	-	20,000
Net change in fund balance	(16,020)	3,531	19,551
Fund balance at beginning of year	48,333	48,333	-
Fund balance at end of year	<u>\$ 32,313</u>	<u>\$ 51,864</u>	<u>\$ 19,551</u>

Miscellaneous Local Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 22,500	\$ 23,500	\$ 1,000
Miscellaneous	4,698	4,698	-
Total revenues	<u>27,198</u>	<u>28,198</u>	<u>1,000</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	22,669	21,622	1,047
Special	6,901	7,376	(475)
Vocational	1	-	1
Total expenditures	<u>29,571</u>	<u>28,998</u>	<u>573</u>
Net change in fund balance	(2,373)	(800)	1,573
Fund balance at beginning of year	12,718	12,718	-
Prior year encumbrances appropriated	83	83	-
Fund balance at end of year	<u>\$ 10,428</u>	<u>\$ 12,001</u>	<u>\$ 1,573</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 1,140	\$ 1,308	\$ 168
Tuition and fees	275,070	279,286	4,216
Extracurricular activities	56,520	60,928	4,408
Gifts and donations	4,130	4,134	4
Miscellaneous	1,140	1,453	313
Total revenues	<u>338,000</u>	<u>347,109</u>	<u>9,109</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	12,010	4,295	7,715
Special	335	-	335
Support services:			
Pupils	240,766	190,195	50,571
Instructional staff	4,872	-	4,872
Administration	21,090	12,732	8,358
Operation and maintenance of plant	49,736	41,181	8,555
Operation of non-instructional services	228	150	78
Extracurricular activities	157,207	77,395	79,812
Total expenditures	<u>486,244</u>	<u>325,948</u>	<u>160,296</u>
Net change in fund balance	(148,244)	21,161	169,405
Fund balance at beginning of year	747,118	747,118	-
Prior year encumbrances appropriated	22,225	22,225	-
Fund balance at end of year	<u>\$ 621,099</u>	<u>\$ 790,504</u>	<u>\$ 169,405</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

District Managed Student Activity Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 240,000	\$ 253,534	\$ 13,534
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,200	-	1,200
Extracurricular activities	318,800	248,923	69,877
Total expenditures	320,000	248,923	71,077
Net change in fund balance	(80,000)	4,611	84,611
Fund balance at beginning of year	73,601	73,601	-
Prior year encumbrances appropriated	8,267	8,267	-
Fund balance at end of year	\$ 1,868	\$ 86,479	\$ 84,611

Auxiliary Services Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 80,672	\$ 80,672	\$ -
Interest	882	951	69
Total revenues	81,554	81,623	69
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal	3,250	3,250	-
Operation of non-instructional services	118,341	118,340	1
Total expenditures	121,591	121,590	1
Net change in fund balance	(40,037)	(39,967)	70
Fund balance at beginning of year	26	26	-
Prior year encumbrances appropriated	40,011	40,011	-
Fund balance at end of year	\$ -	\$ 70	\$ 70

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Teacher Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	2,589	-	2,589
Net change in fund balance	(2,589)	-	2,589
Fund balance at beginning of year	2,589	2,589	-
Fund balance at end of year	\$ -	\$ 2,589	\$ 2,589

Management Information Systems Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 13,129	\$ 13,129	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	17,800	17,770	30
Net change in fund balance	(4,671)	(4,641)	30
Fund balance at beginning of year	17,968	17,968	-
Fund balance at end of year	\$ 13,297	\$ 13,327	\$ 30

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Entry Year Programs Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 9,900	\$ 9,900	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	7,900	7,900	-
Support services:			
Instructional staff	2,000	2,000	-
Total expenditures	9,900	9,900	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

Disadvantaged Pupil Impact Aid Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 24,220	\$ 25,273	\$ 1,053
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	25,588	25,579	9
Net change in fund balance	(1,368)	(306)	1,062
Fund balance at beginning of year	5,060	5,060	-
Fund balance at end of year	\$ 3,692	\$ 4,754	\$ 1,062

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Data Communications Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 15,000	\$ 15,000	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	15,000	15,000	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

SchoolNet Professional Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 4,140	\$ 4,140	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	8,140	8,569	(429)
Net change in fund balance	(4,000)	(4,429)	(429)
Fund balance at beginning of year	4,429	4,429	-
Fund balance at end of year	\$ 429	\$ -	\$ (429)

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Ohio Reads Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 12,000	\$ 11,554	\$ (446)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	11,500	10,741	759
Net change in fund balance	500	813	313
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 500</u>	<u>\$ 813</u>	<u>\$ 313</u>

Summer Intervention Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 110,827	\$ 110,828	\$ 1
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	55,818	55,818	-
Support services:			
Instructional staff	8,726	8,726	-
Total expenditures	64,544	64,544	-
Excess of revenues over (under) expenditures	46,283	46,284	1
<u>Other financing sources (uses):</u>			
Advances out	-	(44,432)	(44,432)
Net change in fund balance	46,283	1,852	(44,431)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	1,911	1,911	-
Fund balance at end of year	<u>\$ 48,194</u>	<u>\$ 3,763</u>	<u>\$ (44,431)</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Alternative Schools Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 64,388	\$ 64,139	\$ (249)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	59,344	59,345	(1)
Special	5,130	4,654	476
Support services:			
Instructional staff	2,605	2,462	143
Pupil transportation	1,100	1,180	(80)
Total expenditures	68,179	67,641	538
Excess of revenues over (under) expenditures	(3,791)	(3,502)	289
<u>Other financing sources (uses):</u>			
Advances in	7,585	7,585	-
Net change in fund balance	3,794	4,083	289
Fund balance (deficit) at beginning of year	(3,544)	(3,544)	-
Fund balance at end of year	\$ 250	\$ 539	\$ 289

Miscellaneous State Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 27,984	\$ 27,984	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	33,815	33,126	689
Operation and maintenance of plant	133	133	-
Total expenditures	33,948	33,259	689
Excess of revenues over (under) expenditures	(5,964)	(5,275)	689
<u>Other financing sources (uses):</u>			
Advances in	1,022	1,022	-
Net change in fund balance	(4,942)	(4,253)	689
Fund balance at beginning of year	4,942	4,942	-
Fund balance at end of year	\$ -	\$ 689	\$ 689

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Title VI-B Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 775,282	\$ 775,283	\$ 1
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	305,793	305,803	(10)
Support services:			
Pupils	115,609	115,608	1
Instructional staff	215,414	215,405	9
Administration	74,167	74,167	-
Operation of non-instructional services	1,843	1,843	-
Total expenditures	712,826	712,826	-
Excess of revenues over (under) expenditures	62,456	62,457	1
<u>Other financing sources (uses):</u>			
Advances in	44,564	44,564	-
Advances out	(91,287)	(91,287)	-
Transfers in	-	1,287	1,287
Total other financing sources (uses)	(46,723)	(45,436)	1,287
Net change in fund balance	15,733	17,021	1,288
Fund balance at beginning of year	2,641	2,641	-
Prior year encumbrances appropriated	10,419	10,419	-
Fund balance at end of year	\$ 28,793	\$ 30,081	\$ 1,288

Title III Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 18,608	\$ 18,608	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	13,321	13,321	-
Excess of revenues over (under) expenditures	5,287	5,287	-
<u>Other financing sources (uses):</u>			
Advances out	-	(5,211)	(5,211)
Net change in fund balance	5,287	76	(5,211)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 5,287	\$ 76	\$ (5,211)

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 165,603	\$ 165,603	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	116,969	116,969	-
Support services:			
Instructional staff	8,300	8,300	-
Administration	400	400	-
Operation of non-instructional services	680	680	-
Total expenditures	126,349	126,349	-
Excess of revenues over (under) expenditures	39,254	39,254	-
<u>Other financing sources (uses):</u>			
Advances out	-	(30,244)	(30,244)
Net change in fund balance	39,254	9,010	(30,244)
Fund balance (deficit) at beginning of year	(6,515)	(6,515)	-
Fund balance at end of year	\$ 32,739	\$ 2,495	\$ (30,244)

Title V Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 20,302	\$ 20,303	\$ 1
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	18,607	18,368	239
Operation of non-instructional services	732	732	-
Total expenditures	19,339	19,100	239
Excess of revenues over (under) expenditures	963	1,203	240
<u>Other financing sources (uses):</u>			
Advances in	766	766	-
Transfers in	672	672	-
Total other financing sources (uses)	1,438	1,438	-
Net change in fund balance	2,401	2,641	240
Fund balance (deficit) at beginning of year	(1,728)	(1,728)	-
Fund balance at end of year	\$ 673	\$ 913	\$ 240

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Drug Free School Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 17,445	\$ 17,444	\$ (1)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,698	6,666	32
Support services:			
Instructional staff	8,073	8,073	-
Total expenditures	14,771	14,739	32
Excess of revenues over (under) expenditures	2,674	2,705	31
<u>Other financing sources (uses):</u>			
Advances in	1,160	1,160	-
Advances out	-	(6,296)	(6,296)
Total other financing sources (uses)	1,160	(5,136)	(6,296)
Net change in fund balance	3,834	(2,431)	(6,265)
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	2,462	2,462	-
Fund balance at end of year	\$ 6,296	\$ 31	\$ (6,265)

EHA Preschool Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 31,467	\$ 31,467	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	25,935	25,935	-
Excess of revenues over (under) expenditures	5,532	5,532	-
<u>Other financing sources (uses):</u>			
Advances out	-	(5,532)	(5,532)
Net change in fund balance	5,532	-	(5,532)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 5,532	\$ -	\$ (5,532)

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Improving Teacher Quality Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 123,341	\$ 123,340	\$ (1)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	93,418	93,418	-
Operation of non-instructional services	620	620	-
Total expenditures	94,038	94,038	-
Excess of revenues over (under) expenditures	29,303	29,302	(1)
<u>Other financing sources (uses):</u>			
Advances out	-	(22,000)	(22,000)
Transfers in	4,165	4,165	-
Total other financing sources (uses)	4,165	(17,835)	(22,000)
Net change in fund balance	33,468	11,467	(22,001)
Fund balance (deficit) at beginning of year	(4,404)	(4,404)	-
Fund balance at end of year	\$ 29,064	\$ 7,063	\$ (22,001)

Miscellaneous Federal Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 8,797	\$ 8,797	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,417	3,417	-
Special	2,029	2,029	-
Support services:			
Instructional staff	2	2	-
Operation of non-instructional services	133	133	-
Total expenditures	5,581	5,581	-
Excess of revenues over (under) expenditures	3,216	3,216	-
<u>Other financing sources (uses):</u>			
Advances out	-	(5,000)	(5,000)
Net change in fund balance	3,216	(1,784)	(5,000)
Fund balance at beginning of year	1,785	1,785	-
Fund balance at end of year	\$ 5,001	\$ 1	\$ (5,000)

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Bond Retirement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 4,471,697	\$ 4,479,030	\$ 7,333
Intergovernmental	281,679	291,927	10,248
Total revenues	<u>4,753,376</u>	<u>4,770,957</u>	<u>17,581</u>
<u>Expenditures:</u>			
Debt service:			
Principal retirement	3,480,062	3,479,999	63
Interest and fiscal charges	1,511,375	1,511,361	14
Total expenditures	<u>4,991,437</u>	<u>4,991,360</u>	<u>77</u>
Net change in fund balance	(238,061)	(220,403)	17,658
Fund balance at beginning of year	1,547,212	1,547,212	-
Fund balance at end of year	<u>\$ 1,309,151</u>	<u>\$ 1,326,809</u>	<u>\$ 17,658</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Permanent Improvement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,885,155	\$ 1,887,970	\$ 2,815
Intergovernmental	184,615	190,791	6,176
Total revenues	<u>2,069,770</u>	<u>2,078,761</u>	<u>8,991</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	9,000	-	9,000
Support services:			
Administration	2,500	-	2,500
Operation and maintenance of plant	57,500	34,620	22,880
Central	172,799	154,475	18,324
Capital outlay	2,034,911	1,155,578	879,333
Total expenditures	<u>2,276,710</u>	<u>1,344,673</u>	<u>932,037</u>
Net change in fund balance	(206,940)	734,088	941,028
Fund balance at beginning of year	1,866,062	1,866,062	-
Prior year encumbrances appropriated	297,211	297,211	-
Fund balance at end of year	<u>\$ 1,956,333</u>	<u>\$ 2,897,361</u>	<u>\$ 941,028</u>

Building Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Capital outlay	4,000,000	190,304	3,809,696
Excess of revenues over (under) expenditures	<u>(4,000,000)</u>	<u>(190,304)</u>	<u>3,809,696</u>
<u>Other financing sources (uses):</u>			
Proceeds from the sale of notes	4,000,000	4,000,000	-
Net change in fund balance	-	3,809,696	3,809,696
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,809,696</u>	<u>\$ 3,809,696</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Replacement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 22,119	\$ 22,119	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	22,119	22,119	-
Fund balance at beginning of year	94,862	94,862	-
Fund balance at end of year	<u>\$ 116,981</u>	<u>\$ 116,981</u>	<u>\$ -</u>

SchoolNet Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 32,550	\$ 32,550	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	32,550	32,550	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Endowment Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 150	\$ 372	\$ 222
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,000	1,000	-
Net change in fund balance	(850)	(628)	222
Fund balance at beginning of year	19,693	19,693	-
Fund balance at end of year	<u>\$ 18,843</u>	<u>\$ 19,065</u>	<u>\$ 222</u>

Internal Service Fund

**Individual Fund Schedule of Revenues, Expenses and Changes in
Fund Balance – Budget (Non-GAAP Basis) and Actual
Employee Benefits Self-Insurance Fund**

Fiduciary Funds

**Individual Fund Schedule of Revenues, Expenses and Changes in
Fund Balance – Budget (Non-GAAP Basis) and Actual
Scholarships Private Purpose Trust Fund**

**Statement of Changes in Assets and Liabilities
Student Managed Activity - Agency Fund**

Twinsburg City School District
Schedule of Revenues, Expenses
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Employee Benefits Self Insurance Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Charges for services	\$ 3,000,000	\$ 2,919,297	\$ (80,703)
<u>Expenses:</u>			
Fringe benefits	4,228,999	4,303,336	(74,337)
Other	45,474	32,036	13,438
Total expenses	4,274,473	4,335,372	(60,899)
Net change in fund balance	(1,274,473)	(1,416,075)	(141,602)
Fund balance at beginning of year	1,459,651	1,459,651	-
Prior year encumbrances appropriated	179,744	179,744	-
Fund balance at end of year	\$ 364,922	\$ 223,320	\$ (141,602)

Twinsburg City School District
Schedule of Revenues, Expenses
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2005

Scholarships Private Purpose Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 125	\$ 443	\$ 318
Gifts and donations	850	2,455	1,605
Total revenues	<u>975</u>	<u>2,898</u>	<u>1,923</u>
<u>Expenses:</u>			
Current:			
Payments in accordance with trust agreements	<u>8,700</u>	<u>8,689</u>	<u>11</u>
Net change in fund balance	(7,725)	(5,791)	1,934
Fund balance at beginning of year	<u>23,790</u>	<u>23,790</u>	<u>-</u>
Fund balance at end of year	<u>\$ 16,065</u>	<u>\$ 17,999</u>	<u>\$ 1,934</u>

Twinsburg City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2005

	Beginning Balance <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2005</u>
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 194,449	\$ 291,108	\$ 276,408	\$ 209,149
<u>Liabilities:</u>				
Accounts payable	\$ 383	\$ 330	\$ 383	\$ 330
Due to students	194,066	15,083	330	208,819
Total liabilities	<u>\$ 194,449</u>	<u>\$ 15,413</u>	<u>\$ 713</u>	<u>\$ 209,149</u>

STATISTICAL SECTION

Twinsburg City School District

**Revenues by Source and Expenses by Function - Governmental Activities
Last Three Fiscal Years (1)**

	Fiscal Year Ended June 30, 2005	Fiscal Year Ended June 30, 2004	Fiscal Year Ended June 30, 2003
Revenues:			
Program revenues:			
Charges for services	\$ 1,508,106	\$ 1,385,946	\$ 1,350,988
Operating grants, contributions and interest	1,548,167	1,410,698	1,287,903
Capital grants and contributions	22,119	-	60,214
General revenues:			
Property taxes levied for general purposes	28,225,106	26,589,045	27,949,889
Property taxes levied for debt service	4,571,337	2,724,649	3,656,916
Property taxes levied for capital outlay	1,941,794	1,836,802	1,269,752
Grants and entitlements	5,891,092	5,299,112	5,132,142
Payments in lieu of taxes	36,233	118,004	166,822
Investment earnings	315,863	107,146	144,319
Miscellaneous	70,557	98,302	144,850
Total revenues	\$ 44,130,374	\$ 39,569,704	\$ 41,163,795
Expenses:			
Current:			
Instruction:			
Regular	\$ 18,889,350	\$ 17,756,953	\$ 18,081,544
Special	2,358,481	2,450,839	2,066,144
Vocational	243,860	229,257	232,941
Adult/continuing	-	-	1,838
Support services:			
Pupils	2,817,449	2,692,062	2,068,969
Instructional staff	1,098,918	993,063	1,041,935
Board of education	336,239	233,491	457,425
Administration	2,498,448	2,554,777	1,891,545
Fiscal	847,489	641,556	743,385
Business	88,252	101,566	91,832
Operation and maintenance of plant	3,849,243	4,607,766	4,481,000
Pupil transportation	1,735,569	1,871,882	1,368,493
Central	874,937	1,005,290	1,126,835
Operation of non-instructional services	96,340	64,444	88,192
Operation of food services	1,226,028	1,185,271	1,130,591
Extracurricular activities	1,022,754	999,200	877,680
Interest and fiscal charges	1,597,174	4,612,660	2,218,043
Total expenses	\$ 39,580,531	\$ 42,000,077	\$ 37,968,392

Source: Fiscal years 2003 - 2005 School District basic financial statements.

(1) Accrual basis will be reported for the last ten years when there are enough years of information available.

Twinsburg City School District

**General Governmental Revenues by Source and Expenditures by Function
Last Ten Fiscal Years**

	Fiscal Year Ended June 30, 2005	Fiscal Year Ended June 30, 2004	Fiscal Year Ended June 30, 2003	Fiscal Year Ended June 30, 2002
<u>Revenues:</u>				
Taxes	\$ 34,957,711	\$ 31,096,530	\$ 32,491,572	\$ 28,622,414
Intergovernmental	7,464,645	6,714,708	6,410,071	6,271,015
Interest	320,728	108,457	147,646	256,155
Tuition and fees	302,215	288,670	319,907	377,348
Extracurricular activities	320,196	247,290	194,839	180,725
Gifts and donations	27,634	8,686	20,356	23,369
Charges for services	885,119	836,247	827,242	-
Classroom materials and fees	-	-	-	-
Rent	44,669	49,416	59,369	28,149
Payments in lieu of taxes	36,233	118,004	166,822	-
Miscellaneous	32,575	50,270	92,196	945
Total revenues	\$ 44,391,725	\$ 39,518,278	\$ 40,730,020	\$ 35,760,120
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	17,346,211	16,826,822	\$ 18,111,286	\$ 13,573,715
Special	2,241,483	2,454,219	2,055,824	2,411,199
Vocational	232,772	229,247	230,600	284,297
Adult/continuing	-	-	1,838	-
Support services:				
Pupils	2,699,572	2,706,200	2,041,733	2,536,467
Instructional staff	867,334	777,053	819,000	802,519
Board of education	336,239	233,304	457,425	283,451
Administration	2,250,273	2,422,533	1,726,800	2,376,594
Fiscal	835,239	643,321	730,101	723,148
Business	86,201	101,072	90,936	92,647
Operation and maintenance of plant	3,621,779	4,482,957	4,354,068	3,752,609
Pupil transportation	1,556,796	1,634,833	1,212,289	1,455,400
Central	784,494	935,714	1,055,057	763,603
Facilities services	-	-	-	-
Operation of non-instructional services	96,340	64,444	1,118,727	164,118
Operation of food services	1,149,358	1,133,653		
Extracurricular activities	907,041	888,048	770,495	836,974
Capital outlay	650,693	357,360	589,840	279,393
Intergovernmental	-	-	-	-
Debt service:				
Principal retirement	2,525,000	1,906,000	1,427,403	793,238
Interest and fiscal charges	1,535,650	1,257,143	-	-
Bond issuance costs	-	413,907	2,223,883	2,213,939
Total expenditures	\$ 39,722,475	\$ 39,467,830	\$ 39,017,305	\$ 33,343,311

Source: School District financial records.

Note: For 1996-2002, General Government includes all governmental fund types and expendable trust fund; for 2003-2005, General Government includes general, debt service, special revenue, capital projects and permanent funds.

Fiscal Year Ended June 30, 2001	Fiscal Year Ended June 30, 2000	Fiscal Year Ended June 30, 1999	Fiscal Year Ended June 30, 1998	Fiscal Year Ended June 30, 1997	Fiscal Year Ended June 30, 1996
\$ 25,812,191	\$ 23,174,378	\$ 22,829,905	\$ 19,853,354	\$ 20,147,463	\$ 17,265,127
5,183,675	4,967,105	3,491,946	3,778,447	3,566,918	3,504,846
303,569	456,746	1,224,511	1,880,939	1,988,848	1,115,980
314,416	271,306	313,123	171,092	105,214	90,681
170,001	177,581	-	-	-	-
15,679	-	-	-	-	-
-	-	-	-	-	-
-	8,143	-	-	-	-
22,501	-	-	-	-	-
-	-	-	-	-	-
123,540	58,938	4,512,266	8,534,109	193,186	177,581
<u>\$ 31,945,572</u>	<u>\$ 29,114,197</u>	<u>\$ 32,371,751</u>	<u>\$ 34,217,941</u>	<u>\$ 26,001,629</u>	<u>\$ 22,154,215</u>
\$ 12,488,526	\$ 13,760,176	\$ 11,676,127	\$ 10,450,974	\$ 10,312,191	\$ 10,103,907
2,424,283	1,597,536	1,466,402	1,299,922	1,314,811	1,202,683
259,299	174,720	160,178	153,256	195,118	199,273
-	-	-	-	-	-
2,179,979	1,983,363	1,482,624	1,192,310	1,095,649	857,555
879,597	791,163	679,688	749,128	750,335	363,545
307,806	226,552	201,369	212,944	222,754	118,818
2,381,560	1,779,481	1,350,659	1,263,003	1,110,386	975,412
740,602	632,154	548,905	510,336	499,521	403,381
178,165	312,308	254,397	484,360	58,041	62,186
3,737,020	3,360,100	2,743,723	2,026,154	1,899,601	1,667,472
1,552,209	1,140,728	1,090,476	844,767	958,037	954,021
405,884	647,406	397,591	75,508	78,820	16,685
-	-	23,278,547	22,808,504	4,887,071	1,455,485
102,322	38,584	27,337	30,193	26,606	86,518
983,279	765,105	628,591	565,595	520,351	488,808
1,152,299	3,756,798	-	112,000	32,000	-
-	-	-	-	-	16,040
1,178,333	1,129,276	1,145,689	801,198	723,802	33,356,636
-	-	-	-	-	-
2,410,542	2,351,063	2,397,343	2,454,065	2,691,332	1,683,186
<u>\$ 33,361,705</u>	<u>\$ 34,446,513</u>	<u>\$ 49,529,646</u>	<u>\$ 46,034,217</u>	<u>\$ 27,376,426</u>	<u>\$ 54,011,611</u>

Twinsburg City School District

Property Tax Levies and Collections Real, Public Utility Tax and Tangible Personal Property (1)

Last Ten Calendar Years

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a Percent of Total Levy	Delinquent Taxes Receivable
2004	\$ 34,714,937	\$ 2,244,531	\$ 36,959,468	\$ 33,193,112	95.62%	\$ 974,659	\$ 34,167,771	92.45%	\$ 2,791,697
2003	34,320,816	2,870,837	37,191,653	32,832,242	95.66%	1,257,675	34,089,917	91.66%	3,101,736
2002	34,213,432	2,926,340	37,139,772	32,866,359	96.06%	1,524,802	34,391,161	92.60%	2,748,611
2001	28,987,869	2,308,642	31,296,511	27,609,474	95.24%	1,112,101	28,721,575	91.77%	2,574,936
2000	27,727,775	1,215,150	28,942,925	26,535,765	95.70%	864,875	27,400,640	94.67%	1,542,285
1999	24,362,596	1,473,855	25,836,451	23,453,016	96.27%	1,189,018	24,642,034	95.38%	1,194,417
1998	21,780,553	1,367,641	23,148,194	21,156,380	97.13%	872,986	22,029,366	95.17%	1,118,828
1997	21,029,837	1,001,771	22,031,608	20,578,752	97.86%	642,807	21,221,559	96.32%	810,049
1996	20,782,077	955,975	21,738,052	20,209,821	97.25%	663,532	20,873,353	96.02%	864,699
1995	17,184,461	1,119,054	18,303,515	16,683,056	97.08%	675,628	17,358,684	94.84%	944,831

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Source: Summit County Fiscal Officer.

Note: Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Fiscal Officer.

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.

(2) Represents collection year. 2005 information cannot be presented because all collections have not been made by June 30.

(3) This amount cannot be calculated based on other information in this statistical table because of retroactive additions and reductions which are brought on in one lump sum.

Twinsburg City School District

Assessed Valuation and Estimated Actual Value of Taxable Property

Last Ten Collection Years

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2005	\$ 680,607,170	\$ 1,944,591,914	\$ 15,270,700	\$ 17,353,068	\$ 180,390,229	\$ 721,560,916	\$ 876,268,099	\$ 2,683,505,897
2004	655,385,910	1,872,531,171	15,165,980	17,234,068	190,605,189	762,420,756	861,157,079	2,652,185,995
2003	650,257,450	1,857,878,429	15,280,500	17,364,205	202,151,778	808,607,112	867,689,728	2,683,849,746
2002	577,513,530	1,650,038,657	14,926,790	16,962,261	204,899,609	819,598,436	797,339,929	2,486,599,354
2001	553,640,790	1,581,830,829	18,901,470	21,478,943	178,844,595	715,378,380	751,386,855	2,318,688,152
2000	522,265,240	1,492,186,400	21,027,890	23,895,330	167,490,019	669,960,076	710,783,149	2,186,041,806
1999	453,662,100	1,296,177,429	20,839,740	23,681,523	167,490,019	669,960,076	641,991,859	1,989,819,028
1998	423,238,050	1,209,251,571	21,194,540	24,084,705	149,854,308	599,417,232	594,286,898	1,832,753,508
1997	391,092,570	1,117,407,343	21,471,170	24,399,057	142,326,467	569,305,868	554,890,207	1,711,112,268
1996	329,355,630	941,016,086	21,616,300	24,563,977	134,815,855	539,263,420	485,787,785	1,504,843,483

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Source: Summit County Fiscal Officer.

Note: Data is presented on a calendar year basis because that is the manner in which the information is maintained by the County Fiscal Officer.

- (1) Real estate value is assessed at 35% of appraised market value.
- (2) Public utility real property is assessed at 35% of true value; public utility tangible personal property is currently assessed at varying percentages of true value.
- (3) Tangible personal property is assessed at 25% of true value for capital assets and 24% of true value for inventory.

Twinsburg City School District

Property Tax Rates - Direct and Overlapping Governments

Last Ten Collection Years

Collection Year		City, Township, or Village	Twinsburg CSD	Cuyahoga Valley JVSD	Twinsburg Library	County of Summit	Metro Parks	Total
2005	Macedonia City	8.70	63.33	2.00	1.00	12.22	0.85	88.10
	Twinsburg Twp	12.86	63.33	2.00	1.00	12.22	0.85	92.26
	Twinsburg City	1.82	63.33	2.00	1.00	12.22	-	80.37
	Reminderville Village	5.20	63.33	2.00	1.00	12.22	0.85	84.60
2004	Macedonia City	8.70	58.35	2.00	1.00	12.22	0.85	83.12
	Twinsburg Twp	12.86	58.35	2.00	1.00	12.22	0.85	87.28
	Twinsburg City	2.22	58.35	2.00	1.00	12.22	-	75.79
	Reminderville Village	5.20	58.35	2.00	1.00	12.22	0.85	79.62
2003	Macedonia City	8.70	58.02	2.00	1.00	12.22	0.85	82.79
	Twinsburg Twp	13.61	58.02	2.00	1.00	12.22	-	86.85
	Twinsburg City	1.81	58.02	2.00	1.00	12.22	-	75.05
	Reminderville Village	5.20	58.02	2.00	1.00	12.22	-	78.44
2002	Macedonia City	8.70	59.32	2.00	1.70	12.22	0.85	84.79
	Twinsburg Twp	13.61	59.32	2.00	1.70	12.22	-	88.85
	Twinsburg City	1.35	59.32	2.00	1.70	12.22	-	76.59
	Reminderville Village	5.20	59.32	2.00	1.70	12.22	-	80.44
2001	Macedonia City	8.70	53.17	2.00	1.00	12.22	0.85	77.94
	Twinsburg Twp	13.61	53.17	2.00	1.00	12.22	-	82.00
	Twinsburg City	0.60	53.17	2.00	1.00	12.22	-	68.99
	Reminderville Village	5.20	53.17	2.00	1.00	12.22	-	73.59
2000	Macedonia City	8.70	54.77	2.00	1.00	11.42	0.85	78.74
	Twinsburg Twp	13.61	54.77	2.00	1.00	11.42	-	82.80
	Twinsburg City	2.28	54.77	2.00	1.00	11.42	-	71.47
	Reminderville Village	5.20	54.77	2.00	1.00	11.42	-	74.39
1999	Macedonia City	8.70	52.37	2.00	1.00	11.42	0.85	76.34
	Twinsburg Twp	13.61	52.37	2.00	1.00	11.42	-	80.40
	Twinsburg City	0.60	52.37	2.00	1.00	11.42	-	67.39
	Reminderville Village	5.20	52.37	2.00	1.00	11.42	-	71.99
1998	Macedonia City	8.70	53.37	2.00	1.00	10.80	0.85	76.72
	Twinsburg Twp	13.61	53.37	2.00	1.00	10.80	-	80.78
	Twinsburg City	0.60	53.37	2.00	1.00	10.80	-	67.77
	Reminderville Village	7.30	53.37	2.00	1.00	10.80	-	74.47
1997	Macedonia City	8.70	54.02	2.00	0.30	10.54	0.85	76.41
	Twinsburg Twp	13.61	54.02	2.00	0.30	10.54	-	80.47
	Twinsburg City	0.60	54.02	2.00	0.30	10.54	-	67.46
	Reminderville Village	7.30	54.02	2.00	0.30	10.54	-	74.16
1996	Macedonia City	9.10	56.65	2.00	0.30	13.14	0.85	82.04
	Twinsburg Twp	13.61	56.65	2.00	0.30	13.14	-	85.70
	Twinsburg City	5.50	56.65	2.00	0.30	13.14	-	77.59
	Reminderville Village	7.30	56.65	2.00	0.30	13.14	-	79.39

Source: Summit County Fiscal Officer.

Note: Data is presented on a collection year basis (not fiscal year) because that is the manner in which the information is maintained by the County Fiscal Officer. Property tax rates are per \$1,000 of assessed valuation.

Twinsburg City School District

Computation of Legal Debt Margin

June 30, 2005

Assessed Valuation (2004)		<u>\$ 876,268,099</u>
Bonded Debt Limit - 9% of Assessed Value (1)		78,864,129
Outstanding debt:		
School Facilities Refunding Bonds	29,979,346	
Various Purpose Improvement Refunding Bonds	4,364,978	
Various Purpose Notes	5,124,000	
Less: Amount available in bond retirement fund	<u>(1,531,064)</u>	
Total outstanding debt	<u>\$ 37,937,260</u>	
Amount of debt applicable to debt limit		<u>37,937,260</u>
Voted Debt Margin		<u>\$ 40,926,869</u>
Bonded Debt Limit - .10% of Assessed Value (1)		876,268
Outstanding debt:		
School Facilities Refunding Bonds	29,979,346	
Various Purpose Improvement Refunding Bonds	4,364,978	
Various Purpose Notes	5,124,000	
Less: Amount available in bond retirement fund	<u>(1,531,064)</u>	
Total outstanding debt	<u>\$ 37,937,260</u>	
Less exemptions:		
School Facilities Refunding Bonds	29,979,346	
Various Purpose Improvement Refunding Bonds	4,364,978	
Various Purpose Notes	5,124,000	
Less: Amount available in bond retirement fund	<u>(1,531,064)</u>	
Total exemptions	<u>\$ 37,937,260</u>	
Amount of debt applicable to debt limit		-
Unvoted Debt Margin		<u>\$ 876,268</u>

Source: Summit County Fiscal Officer and School District financial records.

(1) Ohio Bond Law sets a limit of 9% of assessed value for voted debt and 1/10 of 1% for unvoted debt. All School District debt subject to the limitation is voted.

Twinsburg City School District

**Ratio of Net General Obligation Bonded Debt to
Assessed Value and Net General Obligation Bonded Debt Per Capita
Last Ten Fiscal Years**

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Population (1)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2005	\$ 37,937,260	\$ 876,268,099	30,730	4.33%	1,234.53
2004	36,145,318	861,157,079	30,730	4.20%	1,176.22
2003	38,638,406	867,689,728	30,730	4.45%	1,257.35
2002	40,376,839	797,339,929	30,730	5.06%	1,313.92
2001	42,591,869	751,386,855	30,730	5.67%	1,386.00
2000	40,055,503	710,783,149	30,730	5.64%	1,303.47
1999	39,015,572	641,991,859	21,174	6.08%	1,842.62
1998	39,367,299	594,286,898	21,174	6.62%	1,859.23
1997	39,969,607	554,890,207	21,174	7.20%	1,887.67
1996	41,003,754	485,787,785	21,174	8.44%	1,936.51

Source: Summit County Fiscal Officer, School District financial records.

(1) Population data for 1996 through 1999 was assumed to be the same as the 1990 census and 2001 through 2005 was assumed to be the same as the 2000 census as interim data was not available.

Twinsburg City School District

**Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total Governmental Expenditures
Last Ten Fiscal Years**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures (Percentages)</u>
2005	\$ 2,525,000	\$ 1,535,650	\$ 4,060,650	\$ 39,722,475	10.22%
2004	1,906,000	1,257,143	3,163,143	39,467,830	8.01%
2003	1,425,000	1,932,130	3,357,130	39,017,305	8.60%
2002	765,000	2,150,281	2,915,281	33,343,311	8.74%
2001	1,145,000	2,304,456	3,449,456	33,361,705	10.34%
2000	1,090,000	2,341,035	3,431,035	34,446,513	9.96%
1999	1,120,000	2,383,756	3,503,756	49,529,646	7.07%
1998	780,000	2,438,437	3,218,437	46,034,217	6.99%
1997	690,000	2,658,119	3,348,119	27,376,426	12.23%
1996	625,000	1,652,663	2,277,663	54,011,611	4.22%

Source: School District financial records.

Twinsburg City School District
Demographic Statistics

<u>Selected Population Characteristic</u>	<u>2000</u>	<u>1990</u>
<u>Gender</u>		
Male	14,894	10,331
Female	15,836	10,843
<u>Age Distribution</u>		
Under 5 years	2,304	1,715
5 to 20 years	6,614	4,887
21 to 24 years	1,138	947
25 to 44 years	10,353	7,799
45 to 54 years	4,538	2,391
55 to 64 years	2,649	1,753
65 to 74 years	1,798	1,127
75 years and older	1,336	555
Percent of population under 20	29.02%	31.18%
Percent of population 65 and older	10.20%	7.94%
<u>Race</u>		
White	26,321	19,048
Black	3,262	1,895
Other	1,147	231

Source: U.S. Bureau of the Census.

Data used for City of Macedonia, Twinsburg Township, City of Reminderville and Twinsburg City.

Twinsburg City School District
Property Values, Bank Deposits and Construction
Last Ten Calendar Years

Year	Total Assessed Values	Certified Bank Deposits (in thousands)	Value of New Construction
2004	\$ 876,268,099	\$ 7,362,747	\$ 11,550,360
2003	861,157,079	7,827,789	16,878,780
2002	867,689,728	8,097,304	20,096,500
2001	797,339,929	7,870,201	30,361,790
2000	751,386,855	7,920,486	39,316,042
1999	710,783,149	7,133,568	27,687,480
1998	641,991,859	4,486,230	26,256,340
1997	594,286,898	4,421,560	20,739,330
1996	554,890,207	4,342,660	21,137,250
1995	485,787,785	4,267,009	21,965,600

Source: Summit County Fiscal Officer, Federal Reserve Bank of Cleveland and the City of Twinsburg.

Data is presented on a calendar year basis because that is the manner in which the data is maintained.

Twinsburg City School District
Principal Taxpayers

Top Taxpayers	Assessed Valuations					Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility	Total	Percent of Total	Real Property	Tangible Personal	Public Utility	Total
Daimler Chrysler Corp.	\$ 10,675,660	\$ 66,933,840	\$ -	\$ 77,609,500	8.86%	\$ 30,501,886	\$ 267,735,360	\$ -	\$ 298,237,246
Rockwell International	-	9,390,380	-	9,390,380	1.07%	-	37,561,520	-	37,561,520
Coca Cola Bottling Company	2,924,610	5,917,270	-	8,841,880	1.01%	8,356,029	23,669,080	-	32,025,109
Deer Run Apts. Ltd.	8,031,240	-	-	8,031,240	0.92%	22,946,400	-	-	22,946,400
Ohio Edison Co.	-	-	7,467,250	7,467,250	0.85%	-	-	8,485,511	8,485,511
Pioneer-Standard Electronics, Inc.	-	5,802,303	-	5,802,303	0.66%	-	23,209,212	-	23,209,212
Alltel Corporation	-	4,768,210	-	4,768,210	0.54%	-	19,072,840	-	19,072,840
Pepsi Cola Bottlers	-	4,347,540	-	4,347,540	0.50%	-	17,390,160	-	17,390,160
RSV Twinsburg Hotel LTD	3,943,620	-	-	3,943,620	0.45%	11,267,486	-	-	11,267,486
Western Reserve	-	-	3,739,360	3,739,360	0.43%	-	-	4,249,273	4,249,273
Total Top Ten Taxpayers	\$ 25,575,130	\$ 97,159,543	\$ 11,206,610	\$ 133,941,283	15.29%	\$ 73,071,801	\$ 388,638,172	\$ 12,734,784	\$ 474,444,757
Total All Assessed Valuations	\$ 680,607,170	\$ 180,390,229	\$ 15,270,700	\$ 876,268,099	100.00%				

104 Sources: Summit County Fiscal Officer

Twinsburg City School District
Computation of Direct and Overlapping Bonded Debt
June 30, 2005

Jurisdiction	Assessed Valuation	Net General Tax Supported Debt (1)	Percent Overlapping	Amount Applicable Twinsburg City School District
Direct:				
Twinsburg City School District	\$ 876,268,099	<u>\$ 37,937,260</u>	100.00%	<u>\$ 37,937,260</u>
Overlapping:				
City of Twinsburg	674,600,457	18,017,146	100.00%	18,017,146
Twinsburg Township	146,811,032	-	100.00%	-
City of Macedonia	406,086,823	11,185,100	1.01%	112,970
Reminderville Village	57,518,320	-	88.20%	-
Twinsburg Library	876,268,099	-	100.00%	-
Metro Transit	11,878,208,387	1,680,000	7.22%	121,296
Cuyahoga Valley JVSD (2)	2,597,615,640	-	14.72%	-
Summit County	11,878,208,387	<u>182,655,097</u>	7.22%	<u>13,187,698</u>
Total overlapping:		<u>213,537,343</u>		<u>31,439,110</u>
Total direct and overlapping debt:		<u><u>\$ 251,474,603</u></u>		<u><u>\$ 69,376,370</u></u>

Sources: Summit County Fiscal Officer.
(1) All debt reported as of December 31, 2004, except for Twinsburg City School District which is reported as of June 30, 2005.
(2) Cuyahoga Valley JVSD; Summit County Valuation ONLY.

Twinsburg City School District

Miscellaneous Statistics

Last Ten Fiscal Years

	<u>Fiscal Year Ended June 30, 2005</u>	<u>Fiscal Year Ended June 30, 2004</u>	<u>Fiscal Year Ended June 30, 2003</u>	<u>Fiscal Year Ended June 30, 2002</u>
Fall Enrollment	3,872	3,953	3,807	3,754
<u>Demographic Data:</u>				
Average Income	\$ 42,515	42,100	41,907	41,610
Property Valuation/Pupil	\$ 216,309	218,904	226,204	228,630
<u>Fiscal Data:</u>				
Effective Mills	31.36	26.99	26.56	28.89
Average Teacher Salary	\$ 52,394	50,868	49,291	45,699
<u>Staff Data:</u>				
Percent of Teachers With No Degree	2.60%	-	-	-
Percent of Teachers With Bachelor Degree	97.40%	100.00	100.00	51.00
Percent of Teachers With Masters Degree	52.00%	52.00	52.00	49.00
Average Teacher Experience (yrs.)	11.50	11.00	10.00	10.00
<u>Output:</u>				
Pupil Attendance Rate	95.80%	96.10	95.82	95.70
Staff Attendance Rate	94.50%	94.50	94.00	94.70
Graduation Rate	95.90%	95.50	95.50	93.20

Sources: Ohio Department of Education, School District Records and School District Report Card.

<u>Fiscal Year Ended June 30, 2001</u>	<u>Fiscal Year Ended June 30, 2000</u>	<u>Fiscal Year Ended June 30, 1999</u>	<u>Fiscal Year Ended June 30, 1998</u>	<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>
3,710	3,675	3,371	3,143	2,980	2,827
41,657	43,187	42,407	42,407	39,950	38,066
191,138	176,701	174,090	174,163	161,260	156,657
28.94	22.15	24.10	29.04	22.35	26.00
46,125	47,463	43,938	42,870	41,448	41,134
-	-	-	-	-	-
51.22	57.00	56.90	59.49	63.47	63.26
48.78	43.00	43.10	40.51	36.53	36.74
10.28	12.00	12.00	12.20	11.90	13.90
95.90	95.90	95.20	95.66	95.29	95.17
96.40	96.70	96.20	95.91	95.80	95.14
89.50	91.60	92.10	75.60	63.79	61.87

Twinsburg City School District

Directory of School Facilities

June 30, 2005

<u>FACILITY</u>	<u>ADDRESS</u>	<u>PRINCIPAL</u>	<u>GRADES</u>
Twinsburg High School	10084 Ravenna Road Twinsburg, OH 44087	Mr. Michael Swank	9-12
R.B. Chamberlin Middle School	10270 Ravenna Road Twinsburg, OH 44087	Mr. Michael Lenzo	7-8
Dodge Intermediate School	10225 Ravenna Road Twinsburg, OH 44087	Mrs. Barbara Werstler	4-6
Bissell Elementary	1811 Glenwood Drive Twinsburg, OH 44087	Ms. Belinda Scott	2-3
Wilcox Elementary	9198 Darrow Road Twinsburg, OH 44087	Mrs. Judith Latin	PreK-1

Source: Twinsburg City School District records.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT 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
APRIL 17, 2006**