

***TWINSBURG CITY SCHOOL DISTRICT***

***SUMMIT COUNTY***

**Audit Report**

**For the Year Ended June 30, 2007**

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





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *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, 2006 through June 30, 2007. 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.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 8, 2008

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**TWINSBURG CITY SCHOOL DISTRICT**  
**SUMMIT COUNTY**  
**Audit Report**  
**For the Year Ended June 30, 2007**

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***Charles E. Harris & Associates, Inc.***  
***Certified Public Accountants***

**Rockefeller Building**  
**614 West Superior Avenue #1242**  
**Cleveland, OH 44113-1306**  
**Office Phone - (216) 575-1630**  
**Fax - (216) 436-2411**

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

**Twinsburg City School District**  
**Summit County**  
**11136 Ravenna Road**  
**Twinsburg, Ohio 44087**

**To the Board of Education:**

**We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Twinsburg City School District, Summit County (the District) as of and for the year ended June 30, 2007, and have issued our report thereon dated December 28, 2007. 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 opinions on the financial statements of the Twinsburg City School District that collectively comprise the basic financial statements. 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.***  
**December 28, 2007**

**TWINSBURG CITY SCHOOL DISTRICT**  
**SUMMIT COUNTY**  
**Schedule of Federal Awards Expenditures**  
**For the Year Ended June 30, 2007**

Federal Grantor/Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
<b><u>U.S. Department of Agriculture</u></b>				
<b>Passed Through the Ohio Department of Agriculture</b>				
Food Distribution	N/A	10.550	\$ 118,045	\$ 118,045
National School Lunch Program	050047-LLP4-2006	10.555	<u>210,243</u>	<u>210,243</u>
<b>Total U.S. Department of Agriculture</b>			328,288	328,288
<b><u>U.S. Department of Education</u></b>				
<b>Passed Through the Ohio Department of Education</b>				
<b>Special Education Cluster:</b>				
Preschool Disabilities	050070-PGS1-2006	84.173	2,151	477
Preschool Disabilities	050070-PGS1-2007	84.173	23,505	27,510
Title VI-B Access Grant	050070-6BSD-2006	84.027	89,164	66,504
Title VI-B Access Grant	050070-6BSD-2007	84.027	540,667	672,880
Title VI-B Access Grant	050070-6BSD-2006	84.027	31,048	28,928
Title VI-B Access Grant	050070-6BSD-2006	84.027	<u>20,674</u>	<u>4,781</u>
<b>Total Title VI-B Special Education Cluster</b>			707,209	801,080
Title I - FY 06	050070-C1S1-2006	84.010	15,200	11,886
Title I - FY 07	050070-C1S1-2007	84.010	<u>92,395</u>	<u>108,749</u>
<b>Total Title I</b>			107,595	120,635
Title II-A Improving Teacher Quality	050047-TRS1-2006	84.367	10,524	10,940
Title II-A Improving Teacher Quality	050047-TRS1-2007	84.367	<u>86,991</u>	<u>99,515</u>
<b>Total Title II-A Improving Teacher Quality</b>			97,515	110,455
Title II-D Technology	050070-TJS1-2006	84.318	40	175
Title II-D Technology	050070-TJS1-2007	84.318	<u>889</u>	<u>1,239</u>
<b>Total Title II-D Technology</b>			929	1,414
Title VI Innovative Education	050070-C2S1-2006	84.298	57	57
Title VI Innovative Education	050070-C2S1-2007	84.298	<u>3,643</u>	<u>5,201</u>
<b>Total Title VI Innovative Education</b>			3,700	5,258
Safe and Drug Free Program	050070-DRS1-2006	84.186	-	12
Safe and Drug Free Program	050070-DRS1-2007	84.186	<u>2,045</u>	<u>2,990</u>
<b>Total Safe and Drug Free Program</b>			2,045	3,002
Title III LEP	050070-T3S1-2007	84.365	<u>5,058</u>	<u>15,676</u>
<b>Total U.S. Department of Education</b>			<u>924,051</u>	<u>1,057,520</u>
<b>Total Federal Awards Expenditures</b>			<u>\$ 1,252,339</u>	<u>\$ 1,385,808</u>

See accompanying Notes to the Schedule of Federal Awards Expenditures

**TWINSBURG CITY SCHOOL DISTRICT**  
**Summit County**  
**Notes to the Schedule of Federal Awards Expenditures**  
**For the Year Ended June 30, 2007**

**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, 2007, the District had immaterial food commodities in inventory recorded in the Food Service Fund.

*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

Rockefeller Building  
614 West Superior Avenue #1242  
Cleveland, OH 44113-1306  
Office Phone - (216) 575-1630  
Fax - (216) 436-2411

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Twinsburg City School District  
Summit County  
11136 Ravenna Road  
Twinsburg, Ohio 44087

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Twinsburg City School District, Summit County (the District) as of and for the year ended June 30, 2007, and have issued our report thereon dated December 28, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

### 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, 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*.

We noted certain matters that we have reported to management of the District in a separate letter dated December 28, 2007.

This report is intended for the information and use of management, the audit committee, the Board of Education and 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.***  
December 28, 2007

*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

Rockefeller Building  
614 West Superior Avenue #1242  
Cleveland, OH 44113-1306  
Office Phone - (216) 575-1630  
Fax - (216) 436-2411

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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

Twinsburg City School District  
Summit County  
11136 Ravenna Road  
Twinsburg, Ohio 44087

To the Board of Education:

Compliance

We have audited the compliance of the Twinsburg City School District, Summit County (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 for the year ended June 30, 2007. The District's major federal program 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 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 for the year ended June 30, 2007.

## 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, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

This report is intended for the information and use of management, the Board of Education, the audit committee, 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.***  
December 28, 2007

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

**TWINSBURG CITY SCHOOL DISTRICT  
SUMMIT COUNTY  
June 30, 2007**

**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 weaknesses reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(ii)	<i>Were there any other significant deficiencies 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 weaknesses reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other significant deficiencies 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 CFDA 84.027 and 84.173
(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**  
**SUMMIT COUNTY**  
**June 30, 2007**

**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  
JUNE 30, 2007**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

The prior audit report, for the year ending June 30, 2006, reported no material citations or recommendations.

# Comprehensive Annual Financial Report

**Twinsburg City Schools  
Twinsburg, Ohio**



**Fiscal Year Ending June 30, 2007**



# *Twinsburg City School District*

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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2007

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, 2007**

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**Twinsburg City School District**  
**Comprehensive Annual Financial Report**  
**For the fiscal year ended June 30, 2007**

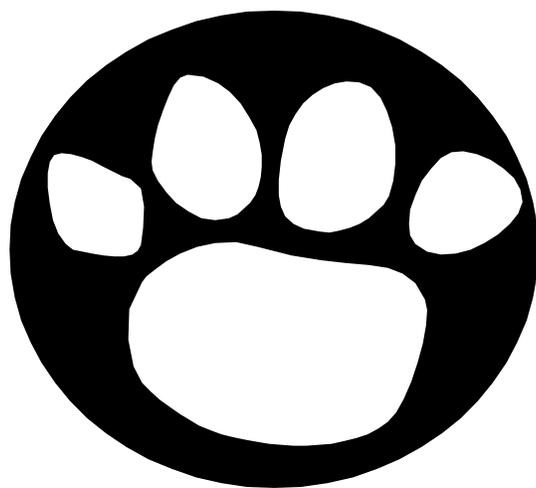
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 Comprehensive Annual Financial Report  
 For the fiscal year ended June 30, 2007**

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## INTRODUCTORY SECTION





# Twinsburg City School District

11136 Ravenna Road • Twinsburg, Ohio 44087-1022

Phone: (330) 486-2000

Fax: (330) 425-7216

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

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

December 30, 2007

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

The Comprehensive Annual Financial Report (CAFR) of the Twinsburg City School District, (the School District) for the fiscal year ended June 30, 2007, 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 2006-2007 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.

## ***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 2007, there were 4,284 students attending the five schools in the School District. 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 75%. Enrollment projections indicate continued growth over the next ten years. Projections indicate the district student population is anticipated to grow in excess of 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 law.

The Superintendent is the Chief Executive Officer of the School District and is directly responsible to the Board for all operations within the School District. In January 2005, Stephen Marlow was hired as Superintendent to replace the retiring Jim Jones. Mr. Marlow has served the School District as Middle School Principal and Assistant Superintendent prior to accepting the position as Superintendent. Mr. Marlow is a long time resident of the City of Twinsburg.

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 fourteen 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 Treasurer's 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 economic downturn, 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. The two entrances to Interstate 480 are in very close proximity to Interstate 271 and Interstate 80 (Ohio Turnpike). The easy access to interstate highways has enabled the growth of an industrial park. Located within this park is a Chrysler LLC stamping plant. This plant is one of the largest employers in Summit County employing approximately 1,700 people. The long-term viability of this plant is a concern in light of the economic difficulties experienced by the US auto industry.

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 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. For 2006 the Library surpassed the circulation milestone of one million items distributed.

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 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**

During these uncertain economic times the administration and Board of Education endeavor to hold down expenditures and continue to examine areas to make future resource reallocations. Our goal is to create dynamic curriculum and learning environments that challenge all students' creative, analytical and critical thinking abilities and skills beyond standardized requirements. Our focus on student achievement has garnered Twinsburg School District an Excellent rating from the Ohio Department of Education for two consecutive years.

The litigation now referred to as the “DeRolph Case”, began in 1991 ultimately found the State’s method of funding school districts to be unconstitutional. Subsequently the Ohio Supreme Court relinquished jurisdiction over the case and directed the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient. To date they have not satisfied the Supreme Court’s ruling.

The Ohio Legislature enacted in 1976, House Bill 920, severely limiting schools in their funding initiatives. This law prohibits school districts from realizing additional revenue from previously voted millage due to reappraisal of property values due to inflation.

House Bill 95 passed in June 2003 and House Bill 66 passed in June 2005 further erodes a school district’s ability to collect certain property taxes by eliminating the taxes on tangible personal property. These funding changes will force the District to seek voter-approved levies more frequently than it has historically. The School District is currently unable to determine what effects these decisions and laws will have on future State funding and financial operations.

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

### **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 2007 as required. This document is updated regularly and serves as a financial roadmap for the School District. The forecast is designed to provide the administration, board of education and the public a general indication of a probable future financial position of the School District based on information currently available to the School District. The forecast is a critical planning document for the School District. It is a necessary tool focusing management’s attention on future financial needs while facilitating strategic planning and discussion.

### **Major Initiatives and Accomplishments**

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.

#### **Instruction**

##### ➤ Local Report Card

The District met 96.6%, or 29 out of 30, performance indicators on the 2006-2007 State of Ohio Local Report Card. The District’s performance index score once again exceeded 100, indicating that a large percentage of our students scored in the accelerated and advanced ranges on the Ohio Achievement and Graduation Tests. This year’s administration of the Ohio Graduation Test revealed our students passing at high rates in all five areas.

- **Excellent Rating**  
The School District maintained its “Excellent” performance rating for the 2<sup>nd</sup> year in a row and the 4<sup>th</sup> time in the past six years. A critical component of the Local Report Card is Annual Yearly Progress (AYP). Sustained focus will be given to our student groups in order that our School District continues to meet federally required AYP for the State Report Card. Every Student Group in our District has met AYP for the 2006-2007 report.
- **Curriculum**  
In the 2006-2007 school year the District continued professional development to ensure coherent and rigorous implementation of the Graded Courses of Study for all content areas. Curriculum leaders and teachers have continued to work hard on refining curriculum maps and develop quality formative assessments. The adopted curriculum aligns closely with the current Ohio Content Standards. This has required some retooling of our faculty's skills in teaching new content and pedagogy. Professional development will be provided to support teachers’ use of the data to improve instruction.
- **Programs**  
Many programs support student learning such as Power of the Pen, Reading Wall of Fame at Wilcox Primary, Vocal/Orchestra/Band Music Programs, Cub Community Program, Mini-PANDA, Interactive Media Program, and RBC Honor Corps and Leadership Council. In addition many athletic opportunities exist for student athletes. Programs have been designed to facilitate parental involvement in the schools. These include Family Focus Night and Parent Workshops, Grandparent and Veteran Days, and Parent-to-Parent Support Group to name a few.

## **Plant and Educational Support**

- **Facilities**  
All school buildings are in excellent physical condition. A Permanent Improvement levy supports the building maintenance program. Twinsburg High School was opened in January 1999. Attached to it is a Fitness Center operated by the City of Twinsburg Parks and Recreation Department. When the High School was constructed, an additional “Pod” shell was constructed to allow for future expansion. The School District completed the interior of the L-Pod in time for the start of the 2006-2007 school year. Additionally, the artificial-grass surface installed at our athletic stadium has been positively received by the athletes and community alike.
- **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 Board of Education members 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 student population growth.
- Strategic Planning –The District is working with Santa Rita Collaborative to develop a District-wide Strategic Plan. Many stakeholders from the District and Community are being engaged to assist in the identification and assessment of the District’s future needs and direction.

***Financial Information***

This is the fifth 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 2007 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 re-appropriated.

The basis of accounting and the various funds utilized by the Twinsburg City School District are fully described in Note 1 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 in accordance with Revised Code Section 135.18.

### **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 and administrators participate 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 has an agreement with Medical Mutual of Ohio to provide fully insured health care coverage. The classified staff will be joining the certified staff in the Stark County Plan in 2008. All employees of the School District are covered by Ohio Workers' Compensation Program. The School District has lowered 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 currently earn less than \$35,800, the School District must pay 14% of the difference between the member's annual compensation and the minimum compensation level as a surcharge or a pro-rated amount for less than a full years work. 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 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, 2007. 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, 2007, 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 Comprehensive Annual Financial Report.

### **Auditor of State's Award**

Auditor of State, Mary Taylor's office on October 17, 2007 presented Twinsburg City School District officials with the "Making Your Tax Dollars Count" award for the fiscal year 2005 audit. Fewer than five percent of all Ohio government agencies are eligible for this award. Certain criteria must be met to receive the "Making Your Tax Dollars Count" award. Standards are the entity must complete and submit a Comprehensive Annual Financial Review, there must be no findings, or issues, present in their most recent audit report, and there must be no other financial concerns involving the entity.

"I'm pleased to recognize Twinsburg City School District's commitment to properly account for the tax dollars they spend," said Taylor. "The community should be proud of their commitment to financial accountability."

### **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, 2006. 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 deepest appreciation and thanks to the individuals who assisted with the preparation of this Comprehensive Annual Financial Report. Its preparation and publication would not have been possible without the cooperation and efforts of the entire staff in the Treasurer's Department. It is with great pride that the Twinsburg City School District presents the 2007 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, 2007**

Board of Education

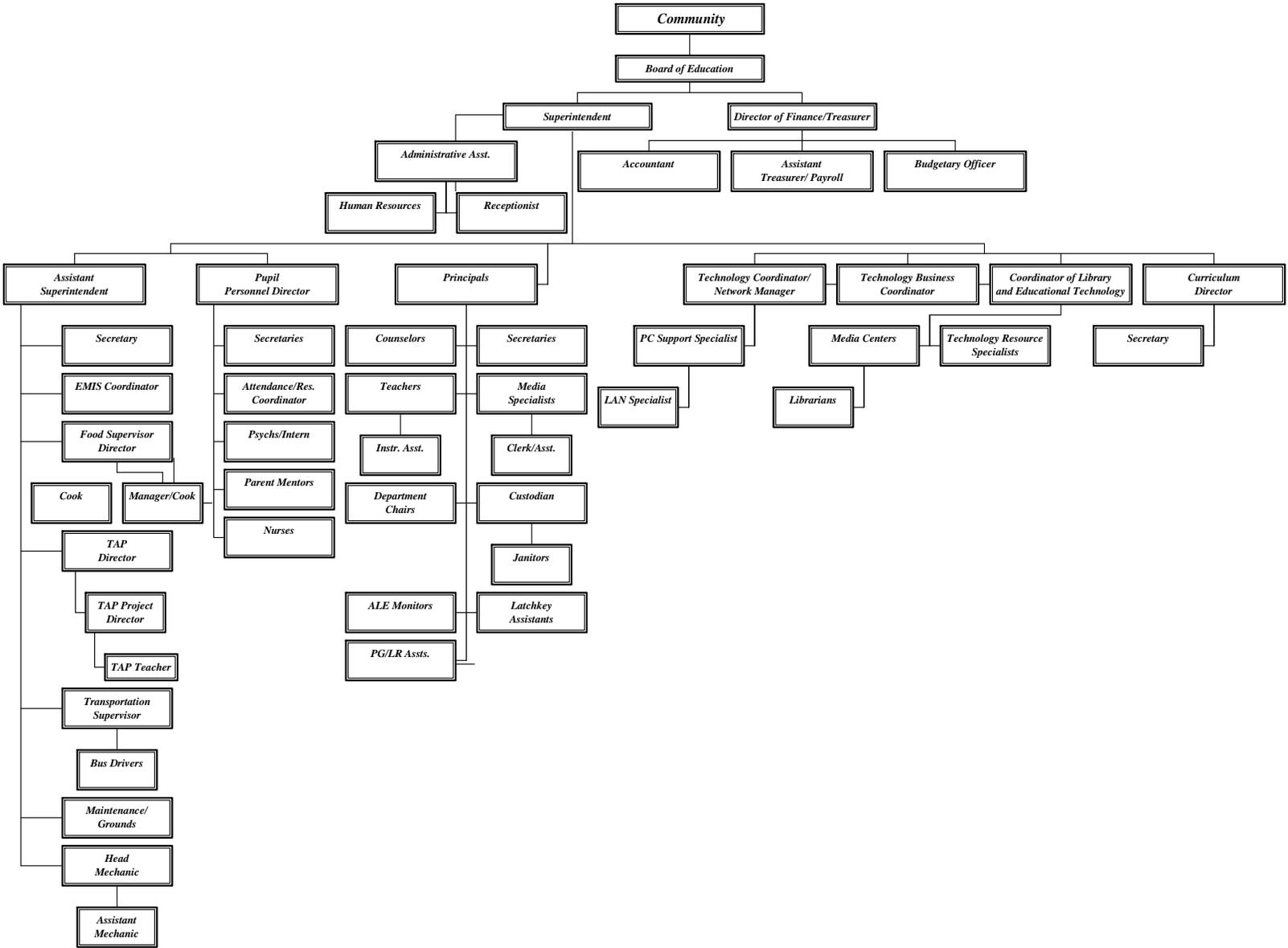
Ms. Kate Cain-Criswell	President
Mr. David Andrews	Vice President
Mr. William Buzulence	Member
Mr. Joseph Nunney	Member
Mr. Stephen Shebeck	Member

Treasurer

Mr. Martin Aho

Administration

Mr. Stephen Marlow	Superintendent
Mr. Michael Lenzo	Assistant to the Superintendent
Ms. Judy Henning	Director of Pupil Personnel
Ms. Susan Buckbee	Director of Curriculum/Staff Development



# 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, 2006

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.

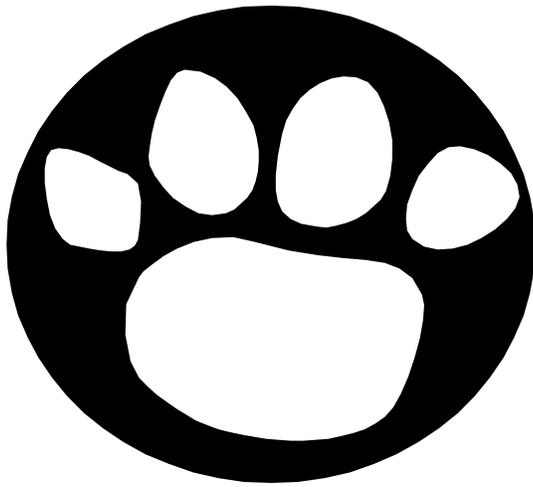


*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director



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## FINANCIAL SECTION



Rockefeller Building  
614 West Superior Avenue #1242  
Cleveland, OH 44113-1306  
Office Phone - (216) 575-1630  
Fax - (216) 436-2411

*Charles E. Harris & Associates, Inc.*  
*Certified Public Accountants*

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Twinsburg City School District  
Summit County  
11136 Ravenna Road  
Twinsburg, Ohio 44087

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Twinsburg City School District, Summit County (the District), as of and for the year ended June 30, 2007, 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 District as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, and the budgetary comparison for the General Fund for the year ended in conformity with accounting principles generally accepted in the United States of America.

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 December 28, 2007 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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* and should be read in conjunction with this report in considering 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, budgetary schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining, individual nonmajor fund financial statements and budgetary schedules 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 no opinion on them.

A handwritten signature in black ink that reads "Charles E. Harris". The signature is written in a cursive, slightly slanted style.

*Charles E. Harris & Associates, Inc.*  
December 28, 2007

## ***Twinsburg City School District***

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2007

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, 2007. 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 2007 are as follows:

- General revenues accounted for \$44,401,603 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 \$3,507,874 or 7% of total revenues of \$47,909,477.
- The School District had \$43,242,939 in expenses related to governmental activities; program revenues offset \$3,507,874 of these expenses. \$44,401,603 of general revenues was available to provide for these programs resulting in an increase in net assets of \$4,666,538. The main reason for the current year increase in net assets is due to an increase in property taxes received during the current fiscal year.
- Of the total governmental expenses of \$43,242,939, the amount related to instruction amounted to \$23,059,389 or 53.3% of this total.
- At the end of the fiscal year, the fund balance for the general fund is \$15,810,439, which is an increase from the prior year balance of \$10,253,220.

### **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 2007?"

**Twinsburg City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
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, 2007  
 Unaudited

Table 1 provides a summary of the School District's net assets for 2007 compared to 2006.

*Table 1*  
*Net Assets*

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
<b>Assets</b>		
<i>Current and other assets</i>	\$ 57,410,994	\$ 42,434,779
<i>Capital assets, net of depreciation</i>	<u>44,530,907</u>	<u>45,312,779</u>
<i>Total assets</i>	<u>101,941,901</u>	<u>87,747,558</u>
<b>Liabilities</b>		
<i>Current and other liabilities</i>	34,447,354	21,527,630
<i>Long-term liabilities:</i>		
<i>Due within one year</i>	2,492,376	4,304,257
<i>Due in more than one year</i>	<u>33,682,009</u>	<u>35,262,047</u>
<i>Total liabilities</i>	<u>70,621,739</u>	<u>61,093,934</u>
<b>Net Assets</b>		
<i>Invested in capital assets, net of debt</i>	10,544,221	8,833,951
<i>Restricted</i>	5,806,671	8,092,240
<i>Unrestricted</i>	<u>14,969,270</u>	<u>9,727,433</u>
<i>Total net assets</i>	<u>\$ 31,320,162</u>	<u>\$ 26,653,624</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2007, the School District's assets exceeded liabilities by \$31,320,162.

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, \$5,806,671, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$1,975,458 is restricted for debt service payments, \$2,565,410 is restricted for capital projects, and \$1,248,093 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, 2007  
Unaudited

Table 2 shows change in net assets for fiscal year 2007 as compared to 2006:

*Table 2*  
Change in Net Assets

	<i>Governmental Activities</i>	
	<u>2007</u>	<u>2006</u>
<b>Revenues</b>		
<i>Program revenues:</i>		
<i>Charges for services</i>	\$ 1,892,354	\$ 1,702,724
<i>Operating grants, contributions and interest</i>	1,615,520	1,681,731
<i>Capital grants and contributions</i>	-	20,634
<i>General revenues:</i>		
<i>Property taxes</i>	32,710,312	40,684,008
<i>Grants and entitlements</i>	10,219,989	6,478,610
<i>Payments in lieu of taxes</i>	77,803	113,531
<i>Investment earnings</i>	1,348,505	862,930
<i>Miscellaneous</i>	44,994	78,238
<i>Total revenues</i>	<u>47,909,477</u>	<u>51,622,406</u>
<b>Program Expenses</b>		
<i>Instruction:</i>		
<i>Regular</i>	19,972,785	18,811,120
<i>Special</i>	2,762,997	2,654,746
<i>Vocational</i>	254,634	242,618
<i>Other</i>	68,973	70,292
<i>Support services:</i>		
<i>Pupils</i>	2,920,267	2,872,792
<i>Instructional staff</i>	916,284	1,014,004
<i>Board of education</i>	284,542	300,089
<i>Administration</i>	2,746,732	2,590,753
<i>Fiscal</i>	996,254	879,079
<i>Business</i>	119,632	82,509
<i>Operation and maintenance of plant</i>	4,710,038	4,807,732
<i>Pupil transportation</i>	2,102,712	2,066,262
<i>Central</i>	971,967	1,130,148
<i>Operation on non-instructional services</i>	76,297	73,261
<i>Operation of food services</i>	1,231,117	1,247,386
<i>Extracurricular activities</i>	1,050,443	1,054,860
<i>Interest and fiscal charges</i>	2,057,265	1,879,502
<i>Total expenses</i>	<u>43,242,939</u>	<u>41,777,153</u>
<i>Increase (decrease) in net assets</i>	4,666,538	9,845,253
<i>Net assets beginning of year</i>	<u>26,653,624</u>	<u>16,808,371</u>
<i>Net assets end of year</i>	<u>\$ 31,320,162</u>	<u>\$ 26,653,624</u>

**Twinsburg City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
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 \$32.7 million in 2007. General revenues from grants and entitlements, such as the school foundation program, generated over \$10.2 million. With the combination of taxes and intergovernmental funding 90% 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 \$23,059,389 or 53.3% 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 \$1,280,613, or 5.9%. The School District incurred costs increases over several program functions for the hiring of additional staff.

Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching pupils. These expenses represent \$3,836,551 of the total governmental program expenses, or 8.9%. These expenses decreased over the prior year in the amount of \$50,245, or 1.3%.

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 \$4,147,160 or 9.6% of governmental program expenses. Expenses of these programs increased \$294,730, or 7.6%, as compared to fiscal year 2006, 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 \$4,710,038 or 10.9% 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 \$2,102,712 or 4.9% of the total governmental program expenditures. Expenses for providing this program increased \$36,450, or 1.8% as compared to the prior year.

Overall, expenses for governmental activities increased \$1,465,786 or 3.5% from fiscal year 2006 reported amounts. The most significant cause to this increase was due to interest and fiscal charges associated with the debt refunding of the 1996 new high school general obligation bonds and the increases in costs associated with the hiring of additional staff members. The debt refunding is 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, 2007  
Unaudited

*Table 3*  
*Governmental Activities*

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Program Expenses</b>				
<i>Instruction:</i>				
Regular	\$ 19,972,785	\$ 18,811,120	\$ (19,594,582)	\$ (18,561,419)
Special	2,762,997	2,654,746	(2,236,344)	(2,076,003)
Vocational	254,634	242,618	(254,634)	(242,618)
Adult/continuing	-	-	6,688	6,050
Other	68,973	70,292	11,577	7,831
<i>Support services:</i>				
Pupils	2,920,267	2,872,792	(2,479,306)	(2,480,539)
Instructional staff	916,284	1,014,004	(757,416)	(759,555)
Board of education	284,542	300,089	(284,542)	(300,089)
Administration	2,746,732	2,590,753	(2,620,299)	(2,505,689)
Fiscal	996,254	879,079	(996,254)	(879,079)
Business	119,632	82,509	(89,026)	(82,509)
Operation and maintenance of plant	4,710,038	4,807,732	(4,611,368)	(4,790,047)
Pupil transportation	2,102,712	2,066,262	(2,102,712)	(2,044,662)
Central	971,967	1,130,148	(971,967)	(1,130,148)
Operation of non-instructional services	76,297	73,261	999	10,615
Operation of food services	1,231,117	1,247,386	8,566	10,089
Extracurricular activities	1,050,443	1,054,860	(707,180)	(674,790)
Interest and fiscal charges	2,057,265	1,879,502	(2,057,265)	(1,879,502)
<b>Total</b>	<b>\$ 43,242,939</b>	<b>\$ 41,777,153</b>	<b>\$ (39,735,065)</b>	<b>\$ (38,372,064)</b>

**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 \$48,133,097 and total expenditures were \$44,802,082. Fund balance of the general fund increased by \$5,557,219 as compared to the 2006 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 \$43,729, which was primarily due to the decrease in property taxes received as compared to fiscal year 2006.

**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  
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During fiscal year 2007, 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 \$40,272,491, which was a \$1 decrease from the original budget estimate of \$40,272,492. 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 \$38,461,437 was revised during the fiscal year to a final amount of \$36,480,923. The reduction of \$1,980,514 was necessary with the need to cut operating costs in order to conserve resources to help offset a budget deficit. These cost 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 3.4%.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2007, the School District had \$44,530,907 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2007 balances compared to fiscal year 2006.

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

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
<i>Land</i>	\$ 1,147,310	\$ 1,147,310
<i>Land improvements</i>	2,036,889	2,101,418
<i>Buildings and improvements</i>	40,174,021	40,715,905
<i>Furniture, fixtures and equipment</i>	717,587	777,603
<i>Vehicles</i>	455,100	570,543
<i>Total capital assets</i>	<u>\$ 44,530,907</u>	<u>\$ 45,312,779</u>

The most significant purchases during the year were for the renovation of the Tiger stadium and bus garage. The School District also purchased a POD for the high school. The total carrying value capital assets decreased \$781,872 due to the recognition of current year depreciation expense. See Note 6 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, 2007  
 Unaudited

**Debt**

At June 30, 2007 the School District had \$34,087,005 in bonds (including unamortized bond premium and bond accretion) and notes outstanding with \$2,122,430 due within one year. The School District paid off its \$1,020,000 in tax anticipation notes. Table 5 summarizes debt outstanding as of June 30:

*Table 5  
 Outstanding Debt at Fiscal Year End*

	<i>Governmental Activities 2007</i>	<i>Governmental Activities 2006</i>
<i>General obligation bonds</i>	\$ 31,099,005	\$ 32,510,312
<i>Long-term notes</i>	2,988,000	4,057,000
<i>Tax anticipation notes</i>	-	1,020,000
<i>Capital leases</i>	<u>172,653</u>	<u>218,097</u>
<i>Total outstanding</i>	<u>\$ 34,259,658</u>	<u>\$ 37,805,409</u>

At June 30, 2007, the School District's overall legal debt margin was \$47,039,306 with an unvoted debt margin of \$878,122. The School District bond rating was unchanged during the year. See Notes 13, 14, and 15 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.

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, 2007  
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, 2007**

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 23,208,626
Cash and cash equivalents:	
In segregated accounts	400,794
Receivables:	
Accounts	363,855
Intergovernmental	314,473
Taxes	32,785,176
Accrued interest	9,244
Inventory held for resale	32,203
Materials and supplies inventory	23,651
Deferred charges	272,972
Capital assets:	
Land	1,147,310
Depreciable capital assets, net	43,383,597
Total assets	<u>101,941,901</u>
<u>Liabilities:</u>	
Accounts payable	40,129
Accrued wages	3,508,036
Intergovernmental payable	1,488,157
Matured compensated absences payable	79,590
Deferred revenue	29,170,522
Undistributed monies	5,764
Accrued interest payable	155,156
Long-term liabilities:	
Due within one year	2,492,376
Due in more than one year	33,682,009
Total liabilities	<u>70,621,739</u>
<u>Net assets:</u>	
Invested in capital assets, net of related debt	10,544,221
Restricted for:	
Capital projects	2,565,410
Debt service	1,975,458
Permanent fund purpose - scholarships	
Expendable	7,710
Nonexpendable	10,000
Other purposes	1,248,093
Unrestricted	14,969,270
Total net assets	<u>\$ 31,320,162</u>

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2007**

	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
<b>Governmental Activities:</b>					
Instruction:					
Regular	\$ 19,972,785	\$ 243,624	\$ 134,579	\$ -	\$ (19,594,582)
Special	2,762,997	11,092	515,561	-	(2,236,344)
Vocational	254,634	-	-	-	(254,634)
Adult/continuing	-	6,688	-	-	6,688
Other	68,973	-	80,550	-	11,577
Support services:					
Pupils	2,920,267	228,765	212,196	-	(2,479,306)
Instructional staff	916,284	-	158,868	-	(757,416)
Board of education	284,542	-	-	-	(284,542)
Administration	2,746,732	12,400	114,033	-	(2,620,299)
Fiscal	996,254	-	-	-	(996,254)
Business	119,632	30,606	-	-	(89,026)
Operation and maintenance of plant	4,710,038	98,670	-	-	(4,611,368)
Pupil transportation	2,102,712	-	-	-	(2,102,712)
Central	971,967	-	-	-	(971,967)
Operation of non-instructional services	76,297	-	77,296	-	999
Operation of food services	1,231,117	947,394	292,289	-	8,566
Extracurricular activities	1,050,443	313,115	30,148	-	(707,180)
Interest and fiscal charges	2,057,265	-	-	-	(2,057,265)
<b>Total governmental activities</b>	<b>\$ 43,242,939</b>	<b>\$ 1,892,354</b>	<b>\$ 1,615,520</b>	<b>\$ -</b>	<b>(39,735,065)</b>

General Revenues:

Property taxes levied for:

General purposes	28,464,999
Debt service	3,800,882
Capital outlay	444,431
Grants and entitlements not restricted to specific programs	10,219,989
Payment in lieu of taxes	77,803
Investment earnings	1,348,505
Miscellaneous	44,994
<b>Total general revenues</b>	<b>44,401,603</b>

Change in net assets 4,666,538

Net assets beginning of year 26,653,624

Net assets end of year \$ 31,320,162

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2007**

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 17,542,747	\$ 1,920,353	\$ 3,745,526	\$ 23,208,626
Receivables:				
Taxes	29,395,723	2,575,241	814,212	32,785,176
Accounts	331,564	15,603	16,688	363,855
Intergovernmental	-	-	314,473	314,473
Interfund	257,849	-	27,501	285,350
Accrued interest	9,244	-	-	9,244
Inventory held for resale	-	-	32,203	32,203
Materials and supplies inventory	17,498	-	6,153	23,651
Total assets	<u>\$ 47,554,625</u>	<u>\$ 4,511,197</u>	<u>\$ 4,956,756</u>	<u>\$ 57,022,578</u>
<u>Liabilities:</u>				
Accounts payable	\$ 26,712	\$ -	\$ 13,417	\$ 40,129
Accrued wages	3,311,614	-	196,422	3,508,036
Interfund payable	-	-	285,350	285,350
Intergovernmental payable	1,485,578	-	2,579	1,488,157
Matured compensated absences payable	79,590	-	-	79,590
Deferred revenue	26,830,828	2,415,847	640,934	29,887,609
Undistributed monies	5,764	-	-	5,764
Accrued interest payable	4,100	-	-	4,100
Total liabilities	<u>31,744,186</u>	<u>2,415,847</u>	<u>1,138,702</u>	<u>35,298,735</u>
<u>Fund balances:</u>				
Reserved:				
Reserved for encumbrances	438,531	-	564,043	1,002,574
Unreserved, undesignated, reported in:				
General fund	15,371,908	-	-	15,371,908
Special revenue funds	-	-	1,194,503	1,194,503
Debt service fund	-	2,095,350	-	2,095,350
Capital projects funds	-	-	2,041,798	2,041,798
Permanent fund	-	-	17,710	17,710
Total fund balances	<u>15,810,439</u>	<u>2,095,350</u>	<u>3,818,054</u>	<u>21,723,843</u>
Total liabilities and fund balances	<u>\$ 47,554,625</u>	<u>\$ 4,511,197</u>	<u>\$ 4,956,756</u>	<u>\$ 57,022,578</u>

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, 2007**

Total governmental funds balances		\$ 21,723,843
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.		44,530,907
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes		717,087
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.		400,794
Deferred charges are included in the governmental activities in the statement of net assets.		272,972
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.		(151,056)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (31,099,005)	
Energy conservation bonds	(988,000)	
Permanent improvement notes	(2,000,000)	
Compensated absences	(1,914,727)	
Capital leases	(172,653)	
Total	<u>(36,174,385)</u>	<u>(36,174,385)</u>
Net assets of governmental activities		<u>\$ 31,320,162</u>

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, 2007**

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 29,681,045	\$ 2,784,008	\$ 448,677	\$ 32,913,730
Intergovernmental	9,118,585	766,556	1,899,274	11,784,415
Interest	1,324,496	-	42,345	1,366,841
Tuition and fees	222,825	-	321,028	543,853
Extracurricular activities	150	-	312,020	312,170
Gifts and donations	-	-	14,500	14,500
Charges for services	-	-	947,393	947,393
Rent	86,225	-	19,133	105,358
Payment in lieu of taxes	77,803	-	-	77,803
Miscellaneous	44,994	-	22,040	67,034
Total revenues	40,556,123	3,550,564	4,026,410	48,133,097
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	18,679,444	-	142,519	18,821,963
Special	2,206,745	-	522,642	2,729,387
Vocational	250,714	-	-	250,714
Other	1,244	-	67,729	68,973
<b>Support services:</b>				
Pupils	2,485,050	-	426,248	2,911,298
Instructional staff	554,518	-	161,111	715,629
Board of education	284,542	-	-	284,542
Administration	2,433,220	-	128,098	2,561,318
Fiscal	946,710	41,443	3,100	991,253
Business	118,697	-	-	118,697
Operation and maintenance of plant	3,563,802	-	923,494	4,487,296
Pupil transportation	1,973,752	-	-	1,973,752
Central	675,463	-	198,940	874,403
Operation of non-instructional services	-	-	76,297	76,297
Operation of food services	-	-	1,180,463	1,180,463
Extracurricular activities	628,446	-	312,330	940,776
Capital outlay	-	-	1,265,914	1,265,914
<b>Debt service:</b>				
Principal retirement	114,444	2,861,131	-	2,975,575
Interest and fiscal charges	82,113	1,491,719	-	1,573,832
Total expenditures	34,998,904	4,394,293	5,408,885	44,802,082
Excess of revenues over (under) expenditures	5,557,219	(843,729)	(1,382,475)	3,331,015
<b>Other financing sources (uses):</b>				
Transfers in	-	800,000	-	800,000
Transfers out	-	-	(800,000)	(800,000)
Total other financing sources (uses)	-	800,000	(800,000)	-
Net change in fund balances	5,557,219	(43,729)	(2,182,475)	3,331,015
Fund balances beginning of year	10,253,220	2,139,079	6,000,529	18,392,828
Fund balances end of year	\$ 15,810,439	\$ 2,095,350	\$ 3,818,054	\$ 21,723,843

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, 2007**

Net change in fund balances - total governmental funds		\$	3,331,015
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	\$	1,265,914	
Depreciation expense		<u>(2,047,786)</u>	
Excess of depreciation expense over net capital asset additions			(781,872)
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	\$	(203,419)	
Intergovernmental		<u>(20,201)</u>	
Net change in deferred revenues during the year			(223,620)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.			2,975,575
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	\$	(153,832)	
Bond accretion		<u>(766,248)</u>	
Total reduced expenditures			(920,080)
The amortization of issuance costs and bond premium is reflected as an expense in the statement of activities.			
Issuance cost	\$	(33,609)	
Premium		<u>316,424</u>	
Total additional expenses			282,815
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>2,705</u>
Change in net assets of governmental activities		\$	<u><u>4,666,538</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, 2007**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 30,611,220	\$ 30,611,938	\$ 30,586,297	\$ (25,641)
Intergovernmental	9,137,551	9,137,551	9,118,585	(18,966)
Interest	380,221	380,221	1,315,252	935,031
Tuition and fees	79,500	79,500	222,825	143,325
Extracurricular activities	-	-	150	150
Rent	40,000	40,000	86,225	46,225
Payment in lieu of taxes	-	-	77,803	77,803
Miscellaneous	24,000	23,281	45,082	21,801
Total revenues	40,272,492	40,272,491	41,452,219	1,179,728
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	19,520,348	18,986,288	18,659,148	327,140
Special	2,428,881	2,238,041	2,161,406	76,635
Vocational	254,487	254,487	248,296	6,191
Other	3,000	3,150	1,096	2,054
Support services:				
Pupils	2,850,811	2,664,538	2,509,235	155,303
Instructional staff	628,967	609,470	557,027	52,443
Board of education	391,378	391,378	333,930	57,448
Administration	2,695,436	2,563,660	2,422,137	141,523
Fiscal	1,002,000	1,010,400	963,931	46,469
Business	158,502	118,106	103,570	14,536
Operation and maintenance of plant	4,694,855	4,008,015	3,793,555	214,460
Pupil transportation	2,188,175	2,058,156	1,993,348	64,808
Central	781,079	777,279	743,913	33,366
Extracurricular activities	721,373	655,810	632,272	23,538
Debt service:				
Principal retirement	69,000	69,000	69,000	-
Interest and fiscal charges	73,145	73,145	47,246	25,899
Total expenditures	38,461,437	36,480,923	35,239,110	1,241,813
Excess of revenues over (under) expenditures	1,811,055	3,791,568	6,213,109	2,421,541
<u>Other financing sources (uses):</u>				
Refund of prior year expenditures	56	56	-	(56)
Advances in	-	-	113,934	113,934
Advances out	-	(165,000)	(221,328)	(56,328)
Total other financing sources (uses)	56	(164,944)	(107,394)	57,550
Net change in fund balance	1,811,111	3,626,624	6,105,715	2,479,091
Fund balances at beginning of year	10,676,488	10,676,488	10,676,488	-
Prior year encumbrances appropriated	289,923	289,923	289,923	-
Fund balances at end of year	\$ 12,777,522	\$ 14,593,035	\$ 17,072,126	\$ 2,479,091

See accompanying notes to the basic financial statements.

***Twinsburg City School District***  
**Statement of Fund Net Assets**  
**Internal Service Fund**  
**June 30, 2007**

	<u>Self Insurance</u>
<u>Assets:</u>	
Cash and cash equivalents:	
In segregated accounts	<u>\$          400,794</u>
<u>Net assets:</u>	
Unrestricted	<u>                  400,794</u>
Total liabilities and net assets	<u>\$          400,794</u>

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, 2007**

	Self Insurance
<u>Operating revenues:</u>	
Charges for services	\$ 4,561
<u>Operating expenses:</u>	
Claims	1,856
Change in net assets	2,705
Net assets beginning of year	398,089
Net assets end of year	\$ 400,794

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, 2007**

	Self Insurance
<u>Cash flows from operating activities:</u>	
Cash received for charges for services	\$ 4,561
Cash payments to suppliers for goods and services	(1,856)
Net cash provided by (used for) operating activities	<u>2,705</u>
Net increase (decrease) in cash and cash equivalents	2,705
Cash and cash equivalents at beginning of year	398,089
Cash and cash equivalents at end of year	<u>\$ 400,794</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>	
Operating income (loss)	<u>\$ 2,705</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Increase (decrease) in liabilities:	
Total adjustments	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ 2,705</u>

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2007**

	Private Purpose Trust	
	Scholarships	Agency
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 16,445	\$ 178,853
<u>Liabilities:</u>		
Accounts payable	\$ -	\$ 22
Due to students	-	178,831
Total liabilities	-	\$ 178,853
<u>Net assets:</u>		
Held in trust for scholarships	\$ 16,445	

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, 2007**

	<u>Scholarships</u>
<u>Additions:</u>	
Interest	<u>\$ 906</u>
 <u>Deductions:</u>	
Payments in accordance with trust agreements	<u>2,000</u>
 Change in net assets	 (1,094)
 Net assets beginning of year	 <u>17,539</u>
Net assets end of year	<u><u>\$ 16,445</u></u>

See accompanying notes to the basic financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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A. Description of the School District

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 185 non-certificated employees and 292 certificated (including administrators) teaching and support personnel that provide services to 4,181 students and other community members.

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.

B. 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, 2007.

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 16 to the basic financial statements.

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

C. 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.

D. 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, 2007

*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.

### E. 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, 2007

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, 2007, but which were levied to finance fiscal year 2008 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, 2007

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.

F. 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 2007. 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.

G. 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, 2007

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.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2007, 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.

**I. 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.

**J. 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.

**K. 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 spent all restricted assets in accordance with specific restrictions during the fiscal year. See Note 18 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

**L. 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, 2007

M. 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>

N. 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.

O. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, 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.

P. 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.

Q. 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.

R. 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.

S. Estimates

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

T. 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.

**NOTE 2 - BUDGETARY BASIS OF ACCOUNTING**

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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).

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>
GAAP Basis	\$ 5,557,219
Revenue Accruals	1,010,030
Expenditure Accruals	9,556
Encumbrances (Budget Basis)	
Outstanding at year end	(471,090)
Budget Basis	<u>\$ 6,105,715</u>

**NOTE 3 - DEPOSITS AND INVESTMENTS**

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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.

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

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;
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.

**Twinsburg City School District**  
 Notes to the Basic Financial Statements  
 For the Fiscal Year Ended June 30, 2007

Deposits:

For the fiscal year ended June 30, 2007, the School District did not report “Equity in pooled cash and cash equivalents (restricted)” on the balance sheet. This amount would represent a reserve (see Note 18).

*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 \$12,179,056 and the bank balances of the deposits totaled \$12,741,067. Of the bank balance, \$12,541,067 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.

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>
<i>Repurchase agreements</i>	\$ 9,385,000	<i>Daily</i>	<i>N/A</i> <sup>(1)</sup>
<i>STAROhio</i>	<u>2,240,662</u>	<i>N/A</i>	<i>AAAm</i> <sup>(2)</sup>
	<u>\$ 11,625,662</u>		

<sup>(1)</sup> *Underlying securities are exempt.*

<sup>(2)</sup> *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, 2007.

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 2007 amount to \$1,324,496, which includes \$188,584 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 \$9,385,000 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 4 - PROPERTY TAX**

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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. In prior years, tangible personal property was assessed at 25% of true value for capital assets and 23% of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75% and 12.5% for 2007. This will be reduced to 6.25% for 2008 and zero for 2009.

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.

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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 \$2,564,895 in the general fund, \$159,394 in the bond retirement debt service fund and \$173,278 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.

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>2006 Assessed Value</u>	<u>2005 Assessed Value</u>
<u>Real Property</u>		
<i>Residential and agricultural</i>	\$ 550,288,570	\$ 530,347,920
<i>Commercial, industrial and minerals</i>	219,121,380	215,240,090
<u>Tangible Personal Property</u>		
<i>General</i>	94,310,155	140,072,213
<i>Public utilities</i>	<u>14,401,680</u>	<u>17,352,370</u>
<i>Total</i>	<u>\$ 878,121,785</u>	<u>\$ 903,012,593</u>

**NOTE 5 - RECEIVABLES**

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Receivables at year-end consisted of taxes, accounts (tuition and excess costs), accrued interest 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 \$314,473.

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
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**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2007 was as follows:

<i>Governmental Activities</i>	<i>Balance June 30, 2006</i>	<i>Increases</i>	<i>Decreases</i>	<i>Balance June 30, 2007</i>
<i>Capital assets, not being depreciated:</i>				
<i>Land</i>	\$ 1,147,310	\$ -	\$ -	\$ 1,147,310
<i>Capital assets, being depreciated:</i>				
<i>Land improvements</i>	3,565,624	93,491	-	3,659,115
<i>Buildings and improvements</i>	60,218,293	1,133,034	-	61,351,327
<i>Furniture, fixtures and equipment</i>	1,845,911	39,389	-	1,885,300
<i>Vehicles</i>	2,573,007	-	-	2,573,007
<i>Total capital assets, being depreciated</i>	<u>68,202,835</u>	<u>1,265,914</u>	<u>-</u>	<u>69,468,749</u>
<i>Less: Accumulated depreciation</i>				
<i>Land improvements</i>	(1,464,206)	(158,020)	-	(1,622,226)
<i>Buildings and improvements</i>	(19,502,388)	(1,674,918)	-	(21,177,306)
<i>Furniture, fixtures and equipment</i>	(1,068,308)	(99,405)	-	(1,167,713)
<i>Vehicles</i>	(2,002,464)	(115,443)	-	(2,117,907)
<i>Total accumulated depreciation</i>	<u>(24,037,366)</u>	<u>(2,047,786)</u>	<u>-</u>	<u>(26,085,152)</u>
<i>Total capital assets being depreciated, net</i>	<u>44,165,469</u>	<u>(781,872)</u>	<u>-</u>	<u>43,383,597</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 45,312,779</u>	<u>\$ (781,872)</u>	<u>\$ -</u>	<u>\$ 44,530,907</u>

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	<i>Amount</i>
<i>Regular</i>	\$ 1,054,706
<i>Special</i>	25,123
<i>Support services:</i>	
<i>Pupils</i>	724
<i>Instructional staff</i>	198,078
<i>Administration</i>	160,658
<i>Operation and maintenance of plant</i>	225,582
<i>Pupil transportation</i>	127,014
<i>Central</i>	97,139
<i>Operation of food services</i>	50,825
<i>Extracurricular activities</i>	107,937
	<u>\$ 2,047,786</u>

**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES**

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Interfund balances at June 30, 2007 consisted of the following:

	<i>Interfund Receivable</i>	<i>Interfund Payable</i>
<i>General fund</i>	\$ 257,849	\$ -
<i>Nonmajor governmental funds</i>	<u>27,501</u>	<u>285,350</u>
<i>Totals</i>	<u>\$ 285,350</u>	<u>\$ 285,350</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, 2007, all interfund loans outstanding are anticipated to be repaid in fiscal year 2008.

**NOTE 8 - INTERFUND TRANSFERS**

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Interfund transfers for the year ended June 30, 2007, consisted of the following:

<u>Transfer In:</u>	<i>Nonmajor Funds</i>
<i>Debt service fund</i>	\$ 800,000

During the year, the permanent improvement fund transferred \$800,000 to the debt service fund. 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 9 – ACCOUNTABILITY AND COMPLIANCE**

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A. Accountability

As of June 30, 2007, 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:

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	<u>Amount</u>
<u>Nonmajor special revenue funds:</u>	
Alternative schools	\$ 5,583
Title VI-B	39,661
Miscellaneous state grants	381

**B. Compliance**

Contrary to Ohio Revised Code 5705.39, the School District had five funds which reported appropriations exceeding certified estimated resources as of June 30, 2007. To prevent future violations, the School District has implemented additional procedures which compare appropriated amounts versus certified estimated resources. The funds reporting these violations are as follows:

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
<u>Nonmajor special revenue funds:</u>			
Alternative schools	\$ 42,143	\$ 50,725	\$ (8,582)
Miscellaneous state grants	35,711	51,485	(15,774)
Drug free school grant	9,060	9,072	(12)
EHA preschool grant	26,764	29,687	(2,923)
Miscellaneous federal grants	1,265	1,350	(85)

**NOTE 10 - RISK MANAGEMENT**

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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. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

In prior years, the School District 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 provided 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 purchased commercial insurance for claims in excess of coverage provided by the fund. Settled claims did not exceed this commercial coverage, nor have there been any significant reductions in coverage in any of the past three fiscal years. As of October 1, 2005 the School District is no longer self-insured. They now purchase commercial insurance for all School District employees.

The School District does not report a claims liability in the fund at June 30, 2007 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:

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<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>
2006	\$ 258,901	224,424	(483,325)	\$ -
2007	\$ -	1,856	(1,856)	\$ -

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 11 - DEFINED BENEFIT PENSION PLANS**

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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 (800) 878-5853, or by visiting the SERS website at ohsers.org.

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 2007, 10.68% of annual covered salary was the portion used to fund pension obligations. For the fiscal year 2006, 10.58% 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, 2007, 2006 and 2005 were \$697,264, \$667,030 and \$616,080, respectively; 40% has been contributed for fiscal year 2007 and 100% for the fiscal years 2006 and 2005. \$415,497, representing the unpaid contribution for fiscal year 2007, 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](http://www.strsoh.org).

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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, 2007 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 2006 13% was also 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, 2007, 2006, and 2005 were \$2,425,605, \$2,405,355 and \$2,312,461, respectively; 76% has been contributed for fiscal year 2007 and 100% for the fiscal years 2006 and 2005. \$571,144, representing the unpaid contribution for fiscal year 2007, is recorded as an intergovernmental payable. Contributions to the DC and Combined plans for fiscal year 2007 were \$36,667 made by the School District and \$58,132 made by the plan members.

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**NOTE 12 - POST-EMPLOYMENT BENEFITS**

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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.

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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 \$186,585 during the 2007 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$3.5 billion at June 30, 2006. For the year ended June 30, 2006 (latest information available), the net health care costs paid by the STRS were \$282,743,000 and eligible benefit recipients totaled 119,184.

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, 2004, 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 by 50% for those who apply. For this fiscal year, employer contributions to fund health care benefits were 3.32% of covered payroll, compared to 3.42% of covered payroll for fiscal year 2006. 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 2007, the minimum pay has been established at \$35,800. 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 \$304,403, which includes a surcharge of \$87,651 during the 2007 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 the projected claims less premium contributions for the next fiscal year. Expenses for health care at June 30, 2006 (latest information available), were \$158,751,207. At June 30, 2006 (latest information available), the SERS's net assets available for payment of health care benefits was \$295.6 million, which is about 221% of net year's projected net health care costs. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual claims costs. The number of participants receiving health care benefits was approximately 59,492.

**NOTE 13 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS**

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

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	<u>Balance</u> <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30</u>	<u>Due within</u> <u>one year</u>
<b><u>Governmental Long-term Obligations</u></b>					
<b><u>General Obligation Bonds</u></b>					
<b><u>2002 Various Purpose</u></b>					
Improvement Refunding, 3.00%, maturing December 1, 2011	\$ 3,689,978	\$ -	\$ (386,131)	\$ 3,303,847	\$ 343,848
<b><u>2004 School Facilities Refunding</u></b>					
Bonds, 2.0-5.0%, maturing December 1, 2021	24,564,925	-	(1,475,000)	23,089,925	706,582
<b><u>Accretion on Capital</u></b>					
Appreciation Bonds	1,187,674	766,248	-	1,953,922	-
Unamortized premium	3,067,735	-	(316,424)	2,751,311	-
<b>Total bonds</b>	<u>32,510,312</u>	<u>766,248</u>	<u>(2,177,555)</u>	<u>31,099,005</u>	<u>1,050,430</u>
<b><u>Long-term Notes</u></b>					
<b><u>2003 OASBO Energy</u></b>					
Conservation, 5.00%, maturing December 1, 2017	1,057,000	-	(69,000)	988,000	72,000
<b><u>2005 Permanent Improvement</u></b>					
3.15-3.75%, maturing December 1, 2008	3,000,000	-	(1,000,000)	2,000,000	1,000,000
<b>Total notes</b>	<u>4,057,000</u>	<u>-</u>	<u>(1,069,000)</u>	<u>2,988,000</u>	<u>1,072,000</u>
<b><u>Other Long-term Obligations</u></b>					
Long-term compensated absences	1,760,895	410,102	(256,270)	1,914,727	322,286
Capital lease payable	218,097	-	(45,444)	172,653	47,660
<b>Total other long-term obligations</b>	<u>1,978,992</u>	<u>410,102</u>	<u>(301,714)</u>	<u>2,087,380</u>	<u>369,946</u>
<b>Total governmental long-term obligations</b>	<u>\$ 38,546,304</u>	<u>\$ 1,176,350</u>	<u>\$ (3,548,269)</u>	<u>\$ 36,174,385</u>	<u>\$ 2,492,376</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.

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.

**Twinsburg City School District**

Notes to the Basic Financial Statements

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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, 2007 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>
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	755,000	44,960	81,000	33,875	-	-
2012	785,000	15,308	85,000	30,074	-	-
2013-2017	-	-	486,000	86,174	-	-
2018-2019	-	-	111,000	2,681	-	-
<b>Total</b>	<b>\$ 3,303,847</b>	<b>\$ 703,522</b>	<b>\$ 988,000</b>	<b>\$ 274,308</b>	<b>\$ 2,000,000</b>	<b>\$ 74,250</b>

<u>Fiscal Year</u>	<u>2004 School Facilities Refunding Bonds</u>		<u>Capital Appreciation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2008	\$ -	\$ 961,220	\$ 706,583	\$ 798,418	Bonds maturing in fiscal year 2008-2011 are capital appreciation bonds with an approximate yield of 2.32%-3.44%.
2009	-	961,220	573,842	931,159	
2010	-	961,220	466,023	1,038,977	
2011	-	961,220	378,477	1,126,523	
2012	1,505,000	930,810	-	-	
2013-2017	8,605,000	3,519,031	-	-	
2018-2022	10,855,000	1,225,105	-	-	
<b>Total</b>	<b>\$ 20,965,000</b>	<b>\$ 9,519,826</b>	<b>\$ 2,124,925</b>	<b>\$ 3,895,077</b>	

**NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE**

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In the prior year, the School District entered into a lease agreement for eighteen copiers. The terms of each agreement provide options to purchase the equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements of governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized as equipment in the amount of \$244,593, which is equal to the present value of the future minimum lease payments on the government-wide financial statements. Principal payments in the current fiscal year totaled \$45,444.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments at year-end.

<i>Fiscal Year</i>	<i>Lease Payments</i>
2008	\$ 54,862
2009	54,862
2010	54,862
2011	<u>22,859</u>
<i>Total minimum lease payments</i>	187,445
<i>Less: amount representing interest</i>	<u>(14,792)</u>
<i>Total</i>	<u>\$ 172,653</u>

**NOTE 15 - TAX ANTICIPATION NOTES**

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

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

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS**

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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.

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 17 - CONTINGENCIES**

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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, 2007.

**NOTE 18 - STATUTORY RESERVES**

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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, 2007, the reserve activity was as follows:

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2007

	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>	<i>Total</i>
<i>Set-aside cash balance as of June 30, 2006</i>	\$ (98,677)	\$ -	\$ (98,677)
<i>Current year set-aside requirement</i>	635,426	635,426	1,270,852
<i>Qualifying disbursements</i>	<u>(688,937)</u>	<u>(2,319,731)</u>	<u>(3,008,668)</u>
<i>Total</i>	<u>\$ (152,188)</u>	<u>\$ (1,684,305)</u>	<u>\$ (1,836,493)</u>
<i>Balance carried forward to future years</i>	<u>\$ (152,188)</u>		<u>\$ (152,188)</u>

**NOTE 19 - ENDOWMENT**

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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, 2007, the endowment gift has accumulated \$7,710 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".

## **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.

### 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.

### 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.

### Poverty Aid

To account for monies appropriated for poverty based assistance as part of the state foundation system.

### 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.

## 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, 2007**

	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	\$ 1,410,585	\$ 2,317,231	\$ 17,710	\$ 3,745,526
Receivables:				
Taxes	-	814,212	-	814,212
Accounts	-	16,688	-	16,688
Intergovernmental	314,473	-	-	314,473
Interfund receivable	-	27,501	-	27,501
Inventory held for resale	32,203	-	-	32,203
Materials and supplies inventory	6,153	-	-	6,153
Total assets	<u>\$ 1,763,414</u>	<u>\$ 3,175,632</u>	<u>\$ 17,710</u>	<u>\$ 4,956,756</u>
<u>Liabilities:</u>				
Accounts payable	\$ 6,577	\$ 6,840	\$ -	\$ 13,417
Accrued wages	196,422	-	-	196,422
Interfund payable	285,350	-	-	285,350
Intergovernmental payable	2,579	-	-	2,579
Deferred revenue	-	640,934	-	640,934
Total liabilities	<u>490,928</u>	<u>647,774</u>	<u>-</u>	<u>1,138,702</u>
<u>Fund balances:</u>				
Reserved for encumbrances	77,983	486,060	-	564,043
Unreserved, undesignated, Reported in:				
Special revenue funds	1,194,503	-	-	1,194,503
Capital projects funds	-	2,041,798	-	2,041,798
Permanent funds	-	-	17,710	17,710
Total fund balances	<u>1,272,486</u>	<u>2,527,858</u>	<u>17,710</u>	<u>3,818,054</u>
Total liabilities and fund balances	<u>\$ 1,763,414</u>	<u>\$ 3,175,632</u>	<u>\$ 17,710</u>	<u>\$ 4,956,756</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, 2007**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Taxes	\$ -	\$ 448,677	\$ -	\$ 448,677
Intergovernmental	1,564,426	334,848	-	1,899,274
Interest	17,409	24,008	928	42,345
Tuition and fees	321,028	-	-	321,028
Extracurricular activities	312,020	-	-	312,020
Gifts and donations	14,500	-	-	14,500
Charges for services	947,393	-	-	947,393
Rent	6,688	12,445	-	19,133
Miscellaneous	22,040	-	-	22,040
Total revenues	<u>3,205,504</u>	<u>819,978</u>	<u>928</u>	<u>4,026,410</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	141,518	-	1,001	142,519
Special	522,642	-	-	522,642
Other	67,729	-	-	67,729
Support services:				
Pupils	426,248	-	-	426,248
Instructional staff	161,111	-	-	161,111
Administration	128,098	-	-	128,098
Fiscal	3,100	-	-	3,100
Operation and maintenance of plant	27,771	895,723	-	923,494
Central	-	198,940	-	198,940
Operation of non-instructional services	76,297	-	-	76,297
Operation of food services	1,180,463	-	-	1,180,463
Extracurricular activities	312,330	-	-	312,330
Capital outlay	-	1,265,914	-	1,265,914
Total expenditures	<u>3,047,307</u>	<u>2,360,577</u>	<u>1,001</u>	<u>5,408,885</u>
Excess of revenues over (under) expenditures	<u>158,197</u>	<u>(1,540,599)</u>	<u>(73)</u>	<u>(1,382,475)</u>
<u>Other financing sources (uses):</u>				
Transfers out	-	(800,000)	-	(800,000)
Net change in fund balance	158,197	(2,340,599)	(73)	(2,182,475)
Fund balances at beginning of year	1,114,289	4,868,457	17,783	6,000,529
Fund balances at end of year	<u>\$ 1,272,486</u>	<u>\$ 2,527,858</u>	<u>\$ 17,710</u>	<u>\$ 3,818,054</u>

**Twinsburg City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2007**

	Food Service	Uniform School Supplies	Adult Education	Miscellaneous Local Grants	Public School Support
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 197,999	\$ 9,568	\$ 64,658	\$ 13,581	\$ 872,919
Receivables:					
Intergovernmental	27,834	-	-	-	-
Inventory held for resale	32,203	-	-	-	-
Materials and supplies inventory	6,153	-	-	-	-
Total assets	<u>\$ 264,189</u>	<u>\$ 9,568</u>	<u>\$ 64,658</u>	<u>\$ 13,581</u>	<u>\$ 872,919</u>
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 217
Accrued wages	80,031	-	-	-	26,956
Interfund payable	-	-	-	-	27,501
Intergovernmental payable	934	-	-	-	391
Total liabilities	<u>80,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,065</u>
<u>Fund balances:</u>					
Reserved for encumbrances	1,600	1,780	-	-	6,586
Unreserved, undesignated, Reported in special revenue funds	<u>181,624</u>	<u>7,788</u>	<u>64,658</u>	<u>13,581</u>	<u>811,268</u>
Total fund balances	<u>183,224</u>	<u>9,568</u>	<u>64,658</u>	<u>13,581</u>	<u>817,854</u>
Total liabilities and fund balances	<u>\$ 264,189</u>	<u>\$ 9,568</u>	<u>\$ 64,658</u>	<u>\$ 13,581</u>	<u>\$ 872,919</u>

District Managed Student Activity	Auxiliary Services	Teacher Development	Management Information Systems	Entry Year Programs	Data Comm- unications	SchoolNet Professional Development
\$ 143,601	\$ 31,122	\$ 2,589	\$ 15,040	\$ 800	\$ -	\$ 1,021
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 143,601</u>	<u>\$ 31,122</u>	<u>\$ 2,589</u>	<u>\$ 15,040</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 1,021</u>
\$ 48	\$ 1,852	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>48</u>	<u>1,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,060	28,213	-	-	-	-	-
<u>132,493</u>	<u>1,057</u>	<u>2,589</u>	<u>15,040</u>	<u>800</u>	<u>-</u>	<u>1,021</u>
<u>143,553</u>	<u>29,270</u>	<u>2,589</u>	<u>15,040</u>	<u>800</u>	<u>-</u>	<u>1,021</u>
<u>\$ 143,601</u>	<u>\$ 31,122</u>	<u>\$ 2,589</u>	<u>\$ 15,040</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 1,021</u>

(Continued)

**Twinsburg City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2007**

	Ohio Reads	Alternative Schools	Poverty Aid	Miscellaneous State Grants	Title VI-B
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 2,000	\$ -	\$ 22,900	\$ -	\$ 32,787
Receivables:					
Intergovernmental	-	10,588	-	-	216,351
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ 2,000</u>	<u>\$ 10,588</u>	<u>\$ 22,900</u>	<u>\$ -</u>	<u>\$ 249,138</u>
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,174
Accrued wages	-	-	-	-	89,435
Interfund payable	-	16,171	-	381	193,936
Intergovernmental payable	-	-	-	-	1,254
Total liabilities	<u>-</u>	<u>16,171</u>	<u>-</u>	<u>381</u>	<u>288,799</u>
<u>Fund balances:</u>					
Reserved for encumbrances	-	-	-	-	28,278
Unreserved, undesignated, Reported in special revenue funds	<u>2,000</u>	<u>(5,583)</u>	<u>22,900</u>	<u>(381)</u>	<u>(67,939)</u>
Total fund balances	<u>2,000</u>	<u>(5,583)</u>	<u>22,900</u>	<u>(381)</u>	<u>(39,661)</u>
Total liabilities and fund balances	<u>\$ 2,000</u>	<u>\$ 10,588</u>	<u>\$ 22,900</u>	<u>\$ -</u>	<u>\$ 249,138</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,410,585
10,718	22,013	2,174	5,929	4,005	14,511	350	314,473
-	-	-	-	-	-	-	32,203
-	-	-	-	-	-	-	6,153
<u>\$ 10,718</u>	<u>\$ 22,013</u>	<u>\$ 2,174</u>	<u>\$ 5,929</u>	<u>\$ 4,005</u>	<u>\$ 14,511</u>	<u>\$ 350</u>	<u>\$ 1,763,414</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286	\$ -	\$ 6,577
-	-	-	-	-	-	-	196,422
10,618	16,354	1,558	1,953	4,005	12,523	350	285,350
-	-	-	-	-	-	-	2,579
<u>10,618</u>	<u>16,354</u>	<u>1,558</u>	<u>1,953</u>	<u>4,005</u>	<u>12,809</u>	<u>350</u>	<u>490,928</u>
100	-	-	-	-	366	-	77,983
-	5,659	616	3,976	-	1,336	-	1,194,503
100	5,659	616	3,976	-	1,702	-	1,272,486
<u>\$ 10,718</u>	<u>\$ 22,013</u>	<u>\$ 2,174</u>	<u>\$ 5,929</u>	<u>\$ 4,005</u>	<u>\$ 14,511</u>	<u>\$ 350</u>	<u>\$ 1,763,414</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, 2007**

	Food Service	Uniform School Supplies	Adult Education	Miscellaneous Local Grants	Public School Support
<u>Revenues:</u>					
Intergovernmental	\$ 280,692	\$ -	\$ -	\$ -	\$ -
Interest	11,597	-	-	-	3,660
Tuition and fees	-	10,799	-	-	310,229
Extracurricular activities	-	-	-	-	49,058
Gifts and donations	-	-	-	14,500	-
Charges for services	947,393	-	-	-	-
Rent	-	-	6,688	-	-
Miscellaneous	-	-	-	21,092	948
Total revenues	<u>1,239,682</u>	<u>10,799</u>	<u>6,688</u>	<u>35,592</u>	<u>363,895</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	11,612	-	20,881	3,561
Special	-	-	-	16,706	-
Vocational	-	-	-	-	-
Other	-	-	-	-	3,652
Support services:					
Pupils	-	-	-	-	208,555
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	21,130
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	27,771
Operation of non-instructional services	-	-	-	-	-
Operation of food services	1,180,463	-	-	-	-
Extracurricular activities	-	-	-	-	65,248
Total expenditures	<u>1,180,463</u>	<u>11,612</u>	<u>-</u>	<u>37,587</u>	<u>329,917</u>
Net change in fund balance	59,219	(813)	6,688	(1,995)	33,978
Fund balances (deficit) at beginning of year	124,005	10,381	57,970	15,576	783,876
Fund balances (deficit) at end of year	<u>\$ 183,224</u>	<u>\$ 9,568</u>	<u>\$ 64,658</u>	<u>\$ 13,581</u>	<u>\$ 817,854</u>

District Managed Student Activity	Auxiliary Services	Teacher Development	Management Information Systems	Entry Year Programs	Data Comm- unications	SchoolNet Professional Development
\$ -	\$ 75,047	\$ -	\$ 14,479	\$ 7,450	\$ 15,000	\$ 3,300
-	2,152	-	-	-	-	-
-	-	-	-	-	-	-
262,962	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>262,962</u>	<u>77,199</u>	<u>-</u>	<u>14,479</u>	<u>7,450</u>	<u>15,000</u>	<u>3,300</u>
-	-	-	-	6,650	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	15,000	-
-	-	-	13,949	-	-	2,605
-	-	-	-	500	-	-
-	3,100	-	-	-	-	-
-	-	-	-	-	-	-
-	76,041	-	-	-	-	-
-	-	-	-	-	-	-
<u>247,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>247,082</u>	<u>79,141</u>	<u>-</u>	<u>13,949</u>	<u>7,150</u>	<u>15,000</u>	<u>2,605</u>
15,880	(1,942)	-	530	300	-	695
<u>127,673</u>	<u>31,212</u>	<u>2,589</u>	<u>14,510</u>	<u>500</u>	<u>-</u>	<u>326</u>
<u>\$ 143,553</u>	<u>\$ 29,270</u>	<u>\$ 2,589</u>	<u>\$ 15,040</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 1,021</u>

(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, 2007**

	Ohio Reads	Alternative Schools	Poverty Aid	Miscellaneous State Grants	Title VI-B
<u>Revenues:</u>					
Intergovernmental	\$ 2,000	\$ 42,446	\$ 36,104	\$ 36,916	\$ 776,742
Interest	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Customer services	-	-	-	-	-
Rent	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>2,000</u>	<u>42,446</u>	<u>36,104</u>	<u>36,916</u>	<u>776,742</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	-	-	-	-
Special	-	-	-	10,541	381,458
Vocational	-	-	-	-	-
Other	-	33,198	28,282	2,597	-
Support services:					
Pupils	-	-	-	-	202,693
Instructional staff	-	-	-	24,376	92,194
Administration	-	-	-	-	106,068
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-
Operation of food services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>-</u>	<u>33,198</u>	<u>28,282</u>	<u>37,514</u>	<u>782,413</u>
Net change in fund balance	2,000	9,248	7,822	(598)	(5,671)
Fund balances (deficit) at beginning of year	-	(14,831)	15,078	217	(33,990)
Fund balances (deficit) at end of year	<u>\$ 2,000</u>	<u>\$ (5,583)</u>	<u>\$ 22,900</u>	<u>\$ (381)</u>	<u>\$ (39,661)</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
\$ 15,776	\$ 114,408	\$ 5,817	\$ 7,974	\$ 27,987	\$ 101,049	\$ 1,239	\$ 1,564,426
-	-	-	-	-	-	-	17,409
-	-	-	-	-	-	-	321,028
-	-	-	-	-	-	-	312,020
-	-	-	-	-	-	-	14,500
-	-	-	-	-	-	-	947,393
-	-	-	-	-	-	-	6,688
-	-	-	-	-	-	-	22,040
<u>15,776</u>	<u>114,408</u>	<u>5,817</u>	<u>7,974</u>	<u>27,987</u>	<u>101,049</u>	<u>1,239</u>	<u>3,205,504</u>
-	-	-	3,004	-	94,461	1,349	141,518
15,676	93,251	5,010	-	-	-	-	522,642
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	67,729
-	-	-	-	-	-	-	426,248
-	-	-	-	27,987	-	-	161,111
-	400	-	-	-	-	-	128,098
-	-	-	-	-	-	-	3,100
-	-	-	-	-	-	-	27,771
-	-	191	-	-	-	65	76,297
-	-	-	-	-	-	-	1,180,463
-	-	-	-	-	-	-	312,330
<u>15,676</u>	<u>93,651</u>	<u>5,201</u>	<u>3,004</u>	<u>27,987</u>	<u>94,461</u>	<u>1,414</u>	<u>3,047,307</u>
100	20,757	616	4,970	-	6,588	(175)	158,197
-	(15,098)	-	(994)	-	(4,886)	175	1,114,289
<u>\$ 100</u>	<u>\$ 5,659</u>	<u>\$ 616</u>	<u>\$ 3,976</u>	<u>\$ -</u>	<u>\$ 1,702</u>	<u>\$ -</u>	<u>\$ 1,272,486</u>

**Twinsburg City School District**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2007**

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 1,985,156	\$ 209,840	\$ 122,235	\$ 2,317,231
Receivables:				
Taxes	814,212	-	-	814,212
Accounts	16,688	-	-	16,688
Interfund receivable	27,501	-	-	27,501
Total assets	<u>\$ 2,843,557</u>	<u>\$ 209,840</u>	<u>\$ 122,235</u>	<u>\$ 3,175,632</u>
<u>Liabilities:</u>				
Accounts payable	\$ 4,940	\$ 1,900	\$ -	\$ 6,840
Deferred revenue	640,934	-	-	640,934
Total liabilities	<u>645,874</u>	<u>1,900</u>	<u>-</u>	<u>647,774</u>
<u>Fund balances:</u>				
Reserved for encumbrances	285,042	129,652	71,366	486,060
Unreserved, undesignated, Reported in capital projects funds	<u>1,912,641</u>	<u>78,288</u>	<u>50,869</u>	<u>2,041,798</u>
Total fund balances	<u>2,197,683</u>	<u>207,940</u>	<u>122,235</u>	<u>2,527,858</u>
Total liabilities and fund balances	<u>\$ 2,843,557</u>	<u>\$ 209,840</u>	<u>\$ 122,235</u>	<u>\$ 3,175,632</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, 2007**

	Permanent Improvement	Building	Replacement	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>				
Taxes	\$ 448,677	\$ -	\$ -	\$ 448,677
Intergovernmental	301,608	-	33,240	334,848
Interest	24,008			24,008
Rent	-	-	12,445	12,445
Total revenues	<u>774,293</u>	<u>-</u>	<u>45,685</u>	<u>819,978</u>
<u>Expenditures:</u>				
Current:				
Support services:				
Operation and maintenance of plant	671,408	224,315	-	895,723
Central	198,940	-	-	198,940
Capital outlay	49,429	1,216,485		1,265,914
Total expenditures	<u>919,777</u>	<u>1,440,800</u>	<u>-</u>	<u>2,360,577</u>
Excess of revenues over (under) expenditures	<u>(145,484)</u>	<u>(1,440,800)</u>	<u>45,685</u>	<u>(1,540,599)</u>
<u>Other financing sources (uses):</u>				
Transfers out	<u>(800,000)</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>
Net change in fund balance	(945,484)	(1,440,800)	45,685	(2,340,599)
Fund balances at beginning of year	<u>3,143,167</u>	<u>1,648,740</u>	<u>76,550</u>	<u>4,868,457</u>
Fund balances at end of the year	<u>\$ 2,197,683</u>	<u>\$ 207,940</u>	<u>\$ 122,235</u>	<u>\$ 2,527,858</u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses 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, 2007**

**General Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 30,611,938	\$ 30,586,297	\$ (25,641)
Intergovernmental	9,137,551	9,118,585	(18,966)
Interest	380,221	1,315,252	935,031
Tuition and fees	79,500	222,825	143,325
Extracurricular activities	-	150	150
Rent	40,000	86,225	46,225
Payments in lieu of taxes	-	77,803	77,803
Miscellaneous	23,281	45,082	21,801
Total revenues	<u>40,272,491</u>	<u>41,452,219</u>	<u>1,179,728</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	12,024,662	11,918,866	105,796
Fringe benefits	6,089,945	5,913,785	176,160
Purchased services	245,681	228,113	17,568
Materials and supplies	545,082	520,789	24,293
Capital outlay	3,250	2,930	320
Other	77,668	74,665	3,003
Total regular	<u>18,986,288</u>	<u>18,659,148</u>	<u>327,140</u>
Special:			
Salaries and wages	1,794,603	1,744,082	50,521
Fringe benefits	366,425	354,515	11,910
Purchased services	72,708	58,950	13,758
Materials and supplies	4,305	3,859	446
Total special	<u>2,238,041</u>	<u>2,161,406</u>	<u>76,635</u>
Vocational:			
Salaries and wages	223,858	217,779	6,079
Fringe benefits	30,629	30,517	112
Total vocational	<u>254,487</u>	<u>248,296</u>	<u>6,191</u>
Other:			
Salaries and wages	3,000	969	2,031
Fringe benefits	150	127	23
Total other	<u>3,150</u>	<u>1,096</u>	<u>2,054</u>
Total instruction	<u>21,481,966</u>	<u>21,069,946</u>	<u>412,020</u>
Support services:			
Pupils:			
Salaries and wages	1,948,794	1,876,070	72,724
Fringe benefits	513,471	450,525	62,946
Purchased services	191,416	174,371	17,045
Materials and supplies	10,547	8,109	2,438
Other	310	160	150
Total pupils	<u>2,664,538</u>	<u>2,509,235</u>	<u>155,303</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, 2007**

	<b>General Fund</b>		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Instructional staff:			
Salaries and wages	415,886	396,206	19,680
Fringe benefits	92,765	78,793	13,972
Purchased services	44,157	30,969	13,188
Materials and supplies	56,294	50,691	5,603
Other	368	368	-
Total instructional staff	<u>609,470</u>	<u>557,027</u>	<u>52,443</u>
Board of education:			
Salaries and wages	20,000	15,500	4,500
Fringe benefits	17,492	5,021	12,471
Purchased services	266,396	249,145	17,251
Materials and supplies	5,000	4,127	873
Other	82,490	60,137	22,353
Total board of education	<u>391,378</u>	<u>333,930</u>	<u>57,448</u>
Administration:			
Salaries and wages	1,836,019	1,767,060	68,959
Fringe benefits	576,841	551,585	25,256
Purchased services	106,735	72,303	34,432
Materials and supplies	37,015	30,222	6,793
Other	7,050	967	6,083
Total administration	<u>2,563,660</u>	<u>2,422,137</u>	<u>141,523</u>
Fiscal:			
Salaries and wages	237,500	232,382	5,118
Fringe benefits	72,400	61,903	10,497
Purchased services	40,696	22,386	18,310
Materials and supplies	8,083	5,125	2,958
Other	651,721	642,135	9,586
Total fiscal	<u>1,010,400</u>	<u>963,931</u>	<u>46,469</u>
Business:			
Salaries and wages	57,829	49,432	8,397
Fringe benefits	11,558	11,465	93
Purchased services	3,375	2,144	1,231
Materials and supplies	45,344	40,529	4,815
Total business	<u>118,106</u>	<u>103,570</u>	<u>14,536</u>
Operation and maintenance of plant:			
Salaries and wages	1,446,143	1,412,299	33,844
Fringe benefits	322,545	304,462	18,083
Purchased services	2,095,040	1,938,174	156,866
Materials and supplies	144,287	138,620	5,667
Total operation and maintenance of plant	<u>4,008,015</u>	<u>3,793,555</u>	<u>214,460</u>
Pupil transportation:			
Salaries and wages	1,330,399	1,281,875	48,524
Fringe benefits	341,835	331,590	10,245
Purchased services	67,200	65,469	1,731
Materials and supplies	318,722	314,414	4,308
Total pupil transportation	<u>2,058,156</u>	<u>1,993,348</u>	<u>64,808</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, 2007**

	<b>General Fund</b>		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Central:			
Salaries and wages	239,847	222,381	17,466
Fringe benefits	39,988	39,365	623
Purchased services	430,492	418,275	12,217
Materials and supplies	66,952	63,892	3,060
Total central	<u>777,279</u>	<u>743,913</u>	<u>33,366</u>
Total support services	<u>14,201,002</u>	<u>13,420,646</u>	<u>780,356</u>
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	125,000	117,748	7,252
Materials and supplies	852	852	-
Other	500	205	295
Total academic and subject oriented activities	<u>126,352</u>	<u>118,805</u>	<u>7,547</u>
Sports oriented activities:			
Salaries and wages	470,821	456,271	14,550
Fringe benefits	19,112	18,987	125
Purchased services	18,025	17,211	814
Materials and supplies	21,500	20,998	502
Total sports oriented activities	<u>529,458</u>	<u>513,467</u>	<u>15,991</u>
Total extracurricular activities	<u>655,810</u>	<u>632,272</u>	<u>23,538</u>
Debt service:			
Principal retirement	69,000	69,000	-
Interest and fiscal charges	73,145	47,246	25,899
Total debt service	<u>142,145</u>	<u>116,246</u>	<u>25,899</u>
Total expenditures	<u>36,480,923</u>	<u>35,239,110</u>	<u>1,241,813</u>
Excess of revenues over (under) expenditures	<u>3,791,568</u>	<u>6,213,109</u>	<u>2,421,541</u>
<u>Other financing sources (uses):</u>			
Refund of prior year expenditures	56	-	(56)
Advances in	-	113,934	113,934
Advances out	(165,000)	(221,328)	(56,328)
Total other financing sources (uses)	<u>(164,944)</u>	<u>(107,394)</u>	<u>57,550</u>
Net change in fund balance	3,626,624	6,105,715	2,479,091
Fund balance at beginning of year	10,676,488	10,676,488	-
Prior year encumbrances appropriated	289,923	289,923	-
Fund balance at end of year	<u>\$ 14,593,035</u>	<u>\$ 17,072,126</u>	<u>\$ 2,479,091</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, 2007**

**Food Service Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 247,619	\$ 247,619	\$ -
Interest	10,727	11,597	870
Charges for services	943,188	947,393	4,205
Total revenues	<u>1,201,534</u>	<u>1,206,609</u>	<u>5,075</u>
<u>Expenditures:</u>			
Current:			
Operation of food services	<u>1,167,670</u>	<u>1,155,182</u>	<u>12,488</u>
Net change in fund balance	33,864	51,427	17,563
Fund balance at beginning of year	142,881	142,881	-
Prior year encumbrances appropriated	2,091	2,091	-
Fund balance at end of year	<u>\$ 178,836</u>	<u>\$ 196,399</u>	<u>\$ 17,563</u>

**Uniform School Supplies Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 10,768	\$ 10,799	\$ 31
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	<u>13,507</u>	<u>13,392</u>	<u>115</u>
Net change in fund balance	(2,739)	(2,593)	146
Fund balance at beginning of year	10,381	10,381	-
Fund balance at end of year	<u>\$ 7,642</u>	<u>\$ 7,788</u>	<u>\$ 146</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, 2007**

**Adult Education Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Rent	\$ 5,523	\$ 6,798	\$ 1,275
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	5,523	6,798	1,275
Fund balance at beginning of year	57,861	57,861	-
Fund balance at end of year	<u>\$ 63,384</u>	<u>\$ 64,659</u>	<u>\$ 1,275</u>

**Miscellaneous Local Grants Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 14,000	\$ 14,500	\$ 500
Miscellaneous	21,092	21,092	-
Total revenues	<u>35,092</u>	<u>35,592</u>	<u>500</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	20,880	20,881	(1)
Special	16,707	16,706	1
Total expenditures	<u>37,587</u>	<u>37,587</u>	<u>-</u>
Net change in fund balance	(2,495)	(1,995)	500
Fund balance at beginning of year	15,576	15,576	-
Fund balance at end of year	<u>\$ 13,081</u>	<u>\$ 13,581</u>	<u>\$ 500</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, 2007**

**Public School Support Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 3,346	\$ 3,660	\$ 314
Tuition and fees	310,228	310,229	1
Extracurricular activities	49,058	49,058	-
Miscellaneous	948	948	-
Total revenues	<u>363,580</u>	<u>363,895</u>	<u>315</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,561	3,561	-
Other	3,652	3,652	-
Support services:			
Pupils	209,513	208,466	1,047
Administration	21,051	21,051	-
Operation and maintenance of plant	31,481	31,481	-
Extracurricular activities	71,828	67,996	3,832
Total expenditures	<u>341,086</u>	<u>336,207</u>	<u>4,879</u>
Net change in fund balance	22,494	27,688	5,194
Fund balance at beginning of year	827,926	827,926	-
Prior year encumbrances appropriated	10,501	10,501	-
Fund balance at end of year	<u>\$ 860,921</u>	<u>\$ 866,115</u>	<u>\$ 5,194</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, 2007**

**District Managed Student Activity Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 252,196	\$ 262,962	\$ 10,766
<u>Expenditures:</u>			
Current:			
Extracurricular activities	262,954	258,623	4,331
Net change in fund balance	(10,758)	4,339	15,097
Fund balance at beginning of year	105,632	105,632	-
Prior year encumbrances appropriated	20,758	20,758	-
Fund balance at end of year	<u>\$ 115,632</u>	<u>\$ 130,729</u>	<u>\$ 15,097</u>

**Auxiliary Services Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 74,126	\$ 75,047	\$ 921
Interest	2,015	2,152	137
Total revenues	<u>76,141</u>	<u>77,199</u>	<u>1,058</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal	3,100	3,100	-
Operation of non-instructional services	104,253	104,253	-
Total expenditures	<u>107,353</u>	<u>107,353</u>	<u>-</u>
Net change in fund balance	(31,212)	(30,154)	1,058
Fund balance at beginning of year	24,697	24,697	-
Prior year encumbrances appropriated	6,515	6,515	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,058</u>	<u>\$ 1,058</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, 2007**

**Teacher Development Fund**

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

**Management Information Systems Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 14,480	\$ 14,479	\$ (1)
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	14,000	13,950	50
Net change in fund balance	480	529	49
Fund balance at beginning of year	14,511	14,511	-
Fund balance at end of year	<u>\$ 14,991</u>	<u>\$ 15,040</u>	<u>\$ 49</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, 2007**

**Entry Year Programs Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 7,450	\$ 7,450	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	7,200	6,650	550
Support services:			
Administration	500	500	-
Total expenditures	7,700	7,150	550
Net change in fund balance	(250)	300	550
Fund balance at beginning of year	500	500	-
Fund balance at end of year	\$ 250	\$ 800	\$ 550

**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	\$ -	\$ -	\$ -

**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, 2007**

**SchoolNet Professional Development Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 3,300	\$ 3,300	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	3,300	2,605	695
Net change in fund balance	-	695	695
Fund balance at beginning of year	326	326	-
Fund balance at end of year	\$ 326	\$ 1,021	\$ 695

**Ohio Reads Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,000	\$ 2,000	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	2,000	2,000	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 2,000	\$ 2,000	\$ -

**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, 2007**

**Alternative Schools Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 42,019	\$ 42,015	\$ (4)
<u>Expenditures:</u>			
Current:			
Instruction:			
Other	45,275	45,275	-
Excess of revenues over (under) expenditures	(3,256)	(3,260)	(4)
<u>Other financing sources (uses):</u>			
Advances in	-	8,586	8,586
Advances out	(5,450)	(5,450)	-
Total other financing sources (uses)	(5,450)	3,136	8,586
Net change in fund balance	(8,706)	(124)	8,582
Fund balance at beginning of year	124	124	-
Fund balance at end of year	\$ (8,582)	\$ -	\$ 8,582

**Poverty Aid Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 36,104	\$ 36,104	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Other	36,104	28,282	7,822
Net change in fund balance	-	7,822	7,822
Fund balance at beginning of year	15,078	15,078	-
Fund balance at end of year	\$ 15,078	\$ 22,900	\$ 7,822

**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, 2007**

**Miscellaneous State Grants Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 35,494	\$ 36,916	\$ 1,422
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,419	-	3,419
Special	10,541	10,541	-
Other	7,700	2,597	5,103
Support services:			
Instructional staff	24,375	24,376	(1)
Total expenditures	46,035	37,514	8,521
Excess of revenues over (under) expenditures	(10,541)	(598)	9,943
<u>Other financing sources (uses):</u>			
Advances in	-	381	381
Advances out	(5,450)	-	5,450
Total other financing sources (uses)	(5,450)	381	5,831
Net change in fund balance	(15,991)	(217)	15,774
Fund balance at beginning of year	217	217	-
Fund balance at end of year	\$ (15,774)	\$ -	\$ 15,774

**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, 2007**

**Title VI-B Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 891,903	\$ 681,553	\$ (210,350)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	383,155	383,099	56
Support services:			
Pupils	219,482	214,156	5,326
Instructional staff	98,601	97,976	625
Administration	110,314	110,314	-
Total expenditures	811,552	805,545	6,007
Excess of revenues over (under) expenditures	80,351	(123,992)	(204,343)
<u>Other financing sources (uses):</u>			
Advances in	-	113,000	113,000
Advances out	(102,000)	(50,000)	52,000
Total other financing sources (uses)	(102,000)	63,000	165,000
Net change in fund balance	(21,649)	(60,992)	(39,343)
Fund balance at beginning of year	6,259	6,259	-
Prior year encumbrances appropriated	55,067	55,067	-
Fund balance at end of year	\$ 39,677	\$ 334	\$ (39,343)

**Title III Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 15,776	\$ 5,058	\$ (10,718)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	15,776	15,776	-
Excess of revenues over (under) expenditures	-	(10,718)	(10,718)
<u>Other financing sources (uses):</u>			
Advances in	-	10,618	10,618
Net change in fund balance	-	(100)	(100)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ (100)	\$ (100)

**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, 2007**

**Title I Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 130,456	\$ 107,595	\$ (22,861)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	125,894	120,237	5,657
Support services:			
Administration	400	400	-
Total expenditures	126,294	120,637	5,657
Excess of revenues over (under) expenditures	4,162	(13,042)	(17,204)
<u>Other financing sources (uses):</u>			
Advances in	-	16,354	16,354
Advances out	(3,320)	(3,320)	-
Total other financing sources (uses)	(3,320)	13,034	16,354
Net change in fund balance	842	(8)	(850)
Fund balance at beginning of year	8	8	-
Fund balance at end of year	\$ 850	\$ -	\$ (850)

**Title V Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 5,794	\$ 3,700	\$ (2,094)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	5,525	5,010	515
Operation of non-instructional services	269	248	21
Total expenditures	5,794	5,258	536
Excess of revenues over (under) expenditures	-	(1,558)	(1,558)
<u>Other financing sources (uses):</u>			
Advances in	-	1,558	1,558
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

**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, 2007**

**Drug Free School Grant Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 9,060	\$ 2,045	\$ (7,015)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	9,072	3,004	6,068
Excess of revenues over (under) expenditures	(12)	(959)	(947)
<u>Other financing sources (uses):</u>			
Advances in	-	1,953	1,953
Advances out	-	(994)	(994)
Total other financing sources (uses)	-	959	959
Net change in fund balance	(12)	-	12
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ (12)	\$ -	\$ 12

**EHA Preschool Grant Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 26,738	\$ 25,656	\$ (1,082)
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	27,987	27,987	-
Excess of revenues over (under) expenditures	(1,249)	(2,331)	(1,082)
<u>Other financing sources (uses):</u>			
Advances in	-	4,005	4,005
Advances out	(1,700)	(1,700)	-
Total other financing sources (uses)	(1,700)	2,305	4,005
Net change in fund balance	(2,949)	(26)	2,923
Fund balance at beginning of year	26	26	-
Fund balance at end of year	\$ (2,923)	\$ -	\$ 2,923

**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, 2007**

**Improving Teacher Quality Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 112,053	\$ 97,515	\$ (14,538)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	112,017	111,106	911
Excess of revenues over (under) expenditures	36	(13,591)	(13,627)
<u>Other financing sources (uses):</u>			
Advances in	-	12,523	12,523
Advances out	(470)	(470)	-
Total other financing sources (uses)	(470)	12,053	12,523
Net change in fund balance	(434)	(1,538)	(1,104)
Fund balance at beginning of year	11	11	-
Prior year encumbrances appropriated	875	875	-
Fund balance at end of year	\$ 452	\$ (652)	\$ (1,104)

**Miscellaneous Federal Grants Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,194	\$ 929	\$ (265)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,350	1,350	-
Support services:			
Operation of non-instructional services	65	65	-
Total expenditures	1,415	1,415	-
Excess of revenues over (under) expenditures	(221)	(486)	(265)
<u>Other financing sources (uses):</u>			
Advances in	-	350	350
Net change in fund balance	(221)	(136)	85
Fund balance at beginning of year	71	71	-
Prior year encumbrances appropriated	65	65	-
Fund balance at end of year	\$ (85)	\$ -	\$ 85

**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, 2007**

**Bond Retirement Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 4,762,239	\$ 4,053,110	\$ (709,129)
Intergovernmental	808,973	766,556	(42,417)
Total revenues	<u>5,571,212</u>	<u>4,819,666</u>	<u>(751,546)</u>
<u>Expenditures:</u>			
Debt service:			
Principal retirement	4,293,440	4,226,743	66,697
Interest and fiscal charges	1,337,297	1,212,999	124,298
Total expenditures	<u>5,630,737</u>	<u>5,439,742</u>	<u>190,995</u>
Excess of revenues over (under) expenditures	<u>(59,525)</u>	<u>(620,076)</u>	<u>(560,551)</u>
<u>Other financing sources (uses):</u>			
Transfers in	<u>-</u>	<u>800,000</u>	<u>800,000</u>
Net change in fund balance	(59,525)	179,924	239,449
Fund balance at beginning of year	1,740,429	1,740,429	-
Fund balance at end of year	<u>\$ 1,680,904</u>	<u>\$ 1,920,353</u>	<u>\$ 239,449</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, 2007**

**Permanent Improvement Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 889,823	\$ 525,652	\$ (364,171)
Intergovernmental	311,113	301,608	(9,505)
Interest	-	24,008	24,008
Total revenues	<u>1,200,936</u>	<u>851,268</u>	<u>(349,668)</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Operation and maintenance of plant	83,838	70,561	13,277
Central	217,961	209,559	8,402
Capital outlay	966,561	924,111	42,450
Total expenditures	<u>1,268,360</u>	<u>1,204,231</u>	<u>64,129</u>
Excess of revenues over (under) expenditures	<u>(67,424)</u>	<u>(352,963)</u>	<u>(285,539)</u>
<u>Other financing sources (uses):</u>			
Transfers out	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Net change in fund balance	(867,424)	(1,152,963)	(285,539)
Fund balance at beginning of year	2,728,502	2,728,502	-
Prior year encumbrances appropriated	120,802	120,802	-
Fund balance at end of year	<u>\$ 1,981,880</u>	<u>\$ 1,696,341</u>	<u>\$ (285,539)</u>

**Building Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Capital outlay	<u>1,648,740</u>	<u>1,570,452</u>	<u>78,288</u>
Net change in fund balance	(1,648,740)	(1,570,452)	78,288
Fund balance at beginning of year	584,192	584,192	-
Prior year encumbrances appropriated	1,064,548	1,064,548	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 78,288</u>	<u>\$ 78,288</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, 2007**

**Replacement Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 33,240	\$ 33,240	\$ -
Rent	12,445	12,445	-
Total revenues	<u>45,685</u>	<u>45,685</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Pupil transportation	<u>71,366</u>	<u>71,366</u>	<u>-</u>
Net change in fund balance	(25,681)	(25,681)	-
Fund balance at beginning of year	76,550	76,550	-
Fund balance at end of year	<u>\$ 50,869</u>	<u>\$ 50,869</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, 2007**

**Endowment Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 850	\$ 928	\$ 78
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	2,000	1,001	999
Net change in fund balance	(1,150)	(73)	1,077
Fund balance at beginning of year	17,783	17,783	-
Fund balance at end of year	<u>\$ 16,633</u>	<u>\$ 17,710</u>	<u>\$ 1,077</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**

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## **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, 2007**

**Employee Benefits Self Insurance Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Charges for services	\$ 4,561	\$ 4,561	\$ -
<u>Expenses:</u>			
Fringe benefits	1,856	1,856	-
Net change in fund balance	2,705	2,705	-
Fund balance at beginning of year	398,089	398,089	-
Fund balance at end of year	\$ 400,794	\$ 400,794	\$ -

**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, 2007**

**Scholarships Private Purpose Trust Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 813	\$ 906	\$ 93
<u>Expenses:</u>			
Current:			
Payments in accordance with trust agreements	2,000	2,000	-
Net change in fund balance	(1,187)	(1,094)	93
Fund balance at beginning of year	17,539	17,539	-
Fund balance at end of year	<u>\$ 16,352</u>	<u>\$ 16,445</u>	<u>\$ 93</u>

***Twinsburg City School District***  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Fiscal Year Ended June 30, 2007**

	Beginning Balance <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2007</u>
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 212,603	\$ 326,191	\$ 359,941	\$ 178,853
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 22	\$ -	\$ 22
Due to students	212,603	326,191	359,963	178,831
Total liabilities	<u>\$ 212,603</u>	<u>\$ 326,213</u>	<u>\$ 359,963</u>	<u>\$ 178,853</u>

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## STATISTICAL SECTION



## Statistical Section

This part of the School District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	<b>S2 - S8</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source(s), the property tax.	<b>S9 - S14</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>S15 - S17</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>S18 - S19</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>S20 - S26</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The School District implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that fiscal year.

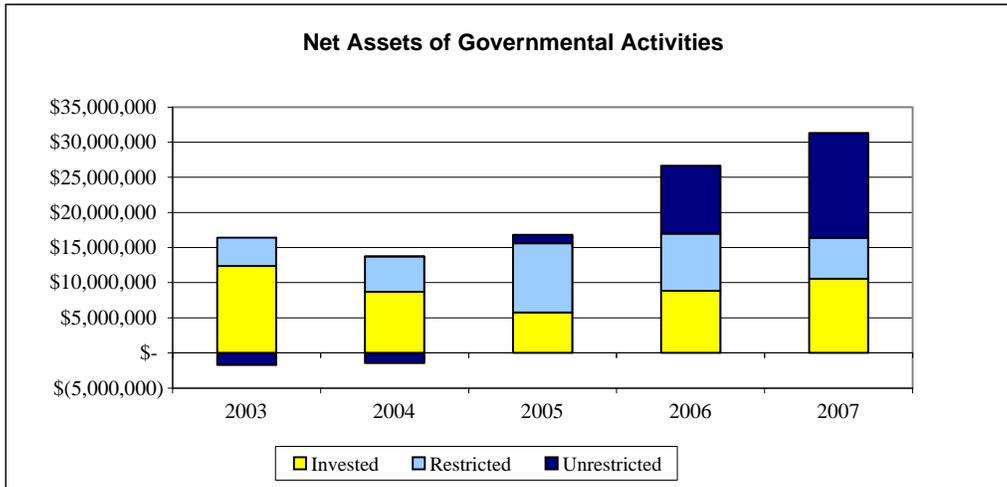
**Twinsburg City School District**

**Net Assets by Component (1)**

**Last Five Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Invested in capital assets, net of related debt	\$ 12,392,903	\$ 8,699,470	\$ 5,739,310	\$ 8,833,951	\$ 10,544,221
Restricted for:					
Capital projects	1,948,924	2,398,200	7,175,574	4,910,255	2,565,410
Debt service	965,032	1,560,760	1,555,934	2,047,762	1,975,458
Permanent fund - scholarships					
Expendable	9,540	9,693	9,065	7,783	7,710
Nonexpendable	10,000	10,000	10,000	10,000	10,000
Other purposes	1,063,790	1,036,264	1,094,641	1,116,440	1,248,093
Unrestricted (deficit)	<u>(1,701,288)</u>	<u>(1,455,859)</u>	<u>1,223,847</u>	<u>9,727,433</u>	<u>14,969,270</u>
<b>Total net assets</b>	<b>\$ 14,688,901</b>	<b>\$ 12,258,528</b>	<b>\$ 16,808,371</b>	<b>\$ 26,653,624</b>	<b>\$ 31,320,162</b>

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



**Twinsburg City School District**

**Changes in Net Assets of Governmental Activities (1)**

**Last Five Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>					
Regular instruction	\$ 18,081,544	\$ 17,817,167	\$ 18,889,350	\$ 18,811,120	\$ 19,972,785
Special instruction	2,066,144	2,450,839	2,358,481	2,654,746	2,762,997
Vocational instruction	232,941	229,257	243,860	242,618	254,634
Adult/continuing	1,838	-	-	-	-
Other	-	-	-	70,292	68,973
Pupil support	2,068,969	2,692,062	2,817,449	2,872,792	2,920,267
Instructional staff support	1,041,935	993,063	1,098,918	1,014,004	916,284
Board of education	457,425	233,491	336,239	300,089	284,542
Administration	1,891,545	2,554,777	2,498,448	2,590,753	2,746,732
Fiscal	743,385	641,556	847,489	879,079	996,254
Business	91,832	101,566	88,252	82,509	119,632
Operation and maintenance of plant	4,481,000	4,607,766	3,849,243	4,807,732	4,710,038
Pupil transportation	1,368,493	1,811,668	1,735,569	2,066,262	2,102,712
Central	1,126,835	1,005,290	874,937	1,130,148	971,967
Operation of non-instructional services	88,192	64,444	96,340	73,261	76,297
Operation of food services	1,130,591	1,185,271	1,226,028	1,247,386	1,231,117
Extracurricular activities	877,680	999,200	1,022,754	1,054,860	1,050,443
Interest and fiscal charges	2,218,043	4,612,660	1,597,174	1,879,502	2,057,265
<i>Total expenses</i>	<u>\$ 37,968,392</u>	<u>\$ 42,000,077</u>	<u>\$ 39,580,531</u>	<u>\$ 41,777,153</u>	<u>\$ 43,242,939</u>
<b>Program Revenues</b>					
Charges for services:					
Regular instruction	\$ 95,380	\$ 30,583	\$ 23,695	\$ 107,032	\$ 243,624
Special instruction	-	-	-	-	11,092
Adult/continuing	525	5,448	2,517	6,050	6,688
Pupil support	231,803	266,380	223,423	197,492	228,765
Administration	-	-	15,236	17,685	12,400
Business	-	-	-	-	30,606
Operation and maintenance of plant	-	-	37,922	17,685	98,670
Pupil transportation	-	-	-	2,966	-
Operation of food service	827,242	836,247	885,118	975,207	947,394
Extracurricular activities	196,038	247,288	320,195	378,607	313,115
Operating grants and contributions:					
Regular instruction	223,232	268,402	411,902	140,669	134,579
Special instruction	428,509	479,810	664,605	578,743	515,561
Adult/continuing	32,456	704	539	-	-
Other instruction	-	-	-	78,123	80,550
Pupil support	50,975	111,754	47,550	194,761	212,196
Instructional staff support	223,074	168,323	73,819	254,449	158,868
Administration	11,868	24,189	1,308	67,379	114,033
Operation and maintenance of plant	3,043	3,069	3,609	-	-
Operation of non-instructional services	78,359	93,211	81,623	83,876	77,296
Operation of food services	229,287	241,626	257,624	282,268	292,289
Extracurricular activities	7,100	-	5,588	1,463	30,148
Capital grants and contributions:					
Regular instruction	-	-	-	2,000	-
Pupil transportation	60,214	19,610	22,119	18,634	-
<i>Total program revenues</i>	<u>\$ 2,699,105</u>	<u>\$ 2,796,644</u>	<u>\$ 3,078,392</u>	<u>\$ 3,405,089</u>	<u>\$ 3,507,874</u>
Net expense	<u>\$ (35,269,287)</u>	<u>\$ (39,203,433)</u>	<u>\$ (36,502,139)</u>	<u>\$ (38,372,064)</u>	<u>\$ (39,735,065)</u>

(continued)

**Twinsburg City School District**

**Changes in Net Assets of Governmental Activities (1)**

**Last Five Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General revenues</b>					
Property taxes levied for:					
General purposes	\$ 27,949,889	\$ 26,589,045	\$ 28,225,106	\$ 33,982,118	\$ 28,464,999
Debt service	3,656,916	2,724,649	4,571,337	5,652,231	3,800,882
Capital outlay	1,269,752	1,836,802	1,941,794	1,049,659	444,431
Grants and entitlements not restricted to specific programs	5,132,142	5,299,112	5,891,092	6,478,610	10,219,989
Payment in lieu taxes	166,822	118,004	36,233	113,531	77,803
Investment earnings	144,319	107,146	315,863	862,930	1,348,505
Miscellaneous	144,850	98,302	70,557	78,238	44,994
<b>Total general revenues</b>	<u>\$ 38,464,690</u>	<u>\$ 36,773,060</u>	<u>\$ 41,051,982</u>	<u>\$ 48,217,317</u>	<u>\$ 44,401,603</u>
<b>Change in net assets</b>	<u>\$ 3,195,403</u>	<u>\$ (2,430,373)</u>	<u>\$ 4,549,843</u>	<u>\$ 9,845,253</u>	<u>\$ 4,666,538</u>

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

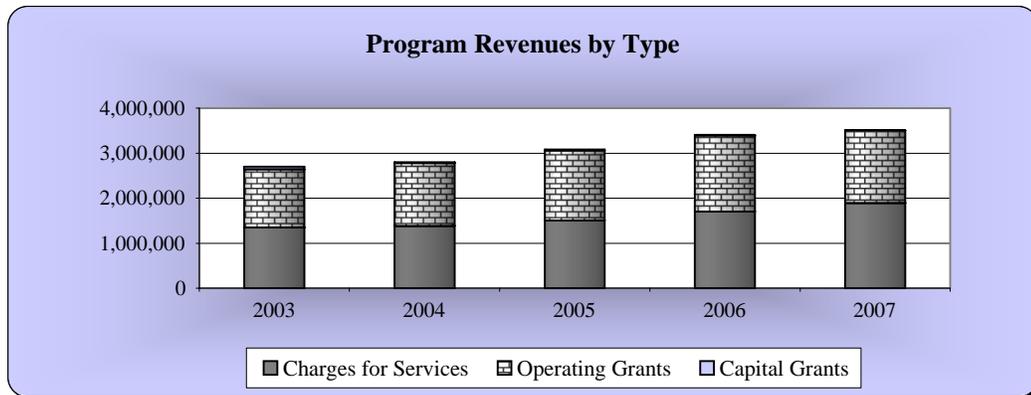
**Twinsburg City School District**

**Program Revenues of Governmental Activities by Function (1)**

Last Five Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental activities:</b>					
<i>Function</i>					
Regular instruction	\$ 318,612	\$ 298,985	\$ 435,597	\$ 249,701	\$ 378,203
Special instruction	428,509	479,810	664,605	578,743	526,653
Adult/continuing	32,981	6,152	3,056	6,050	6,688
Other	-	-	-	78,123	80,550
Pupil support	282,778	378,134	270,973	392,253	440,961
Instructional staff support	223,074	168,323	73,819	254,449	158,868
Administration	11,868	24,189	16,544	85,064	126,433
Business	-	-	-	-	30,606
Operation and maintenance of plant	3,043	3,069	41,531	17,685	98,670
Pupil transportation	60,214	19,610	22,119	21,600	-
Operation of non-instructional services	78,359	93,211	81,623	83,876	77,296
Operation of food service	1,056,529	1,077,873	1,142,742	1,257,475	1,239,683
Extracurricular activities	203,138	247,288	325,783	380,070	343,263
<b>Total program revenues</b>	<b>\$ 2,699,105</b>	<b>\$ 2,796,644</b>	<b>\$ 3,078,392</b>	<b>\$ 3,405,089</b>	<b>\$ 3,507,874</b>

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



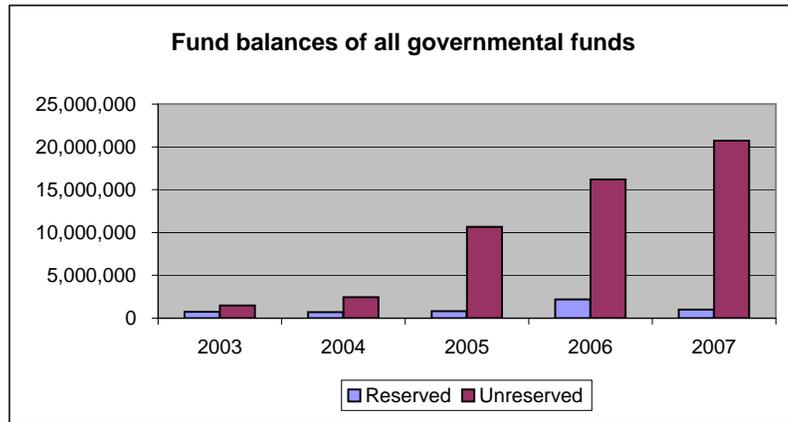
**Twinsburg City School District**

**Fund Balances, Governmental Funds (1)**

**Last Five Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund					
Reserved	\$ 424,079	\$ 368,704	\$ 524,590	\$ 826,510	\$ 438,531
Unreserved	(2,057,621)	(2,140,213)	1,243,286	9,426,710	15,371,908
<i>Total general fund</i>	<u>(1,633,542)</u>	<u>(1,771,509)</u>	<u>1,767,876</u>	<u>10,253,220</u>	<u>15,810,439</u>
All other governmental funds					
Reserved	323,822	353,557	286,549	1,353,096	564,043
Unreserved, undesignated, Reported in:					
Special revenue funds	934,145	888,378	940,370	1,022,396	1,194,503
Debt service funds	1,006,843	1,638,808	1,531,064	2,139,079	2,095,350
Capital projects funds	1,583,961	2,046,945	6,924,694	3,607,254	2,041,798
Permanent funds	19,540	19,693	19,065	17,783	17,710
<i>Total all other governmental funds</i>	<u>3,868,311</u>	<u>4,947,381</u>	<u>9,701,742</u>	<u>8,139,608</u>	<u>5,913,404</u>
<i>Total governmental funds</i>	<u>\$ 2,234,769</u>	<u>\$ 3,175,872</u>	<u>\$ 11,469,618</u>	<u>\$ 18,392,828</u>	<u>\$ 21,723,843</u>

(1) Modified accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.



**Twinsburg City School District**

**Changes in Fund Balances, Governmental Funds (1)**

**Last Ten Fiscal Years**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Revenues</b>										
Property and other local taxes	\$ 19,853,354	\$ 22,829,905	\$ 23,174,378	\$ 25,812,191	\$ 28,622,414	\$ 32,491,572	\$ 31,096,530	\$ 34,957,711	\$ 40,918,315	\$ 32,913,730
Intergovernmental	3,778,447	3,491,946	4,967,105	5,183,675	6,271,015	6,410,071	6,714,708	7,464,645	8,193,032	11,784,415
Interest	1,880,939	1,224,511	456,746	303,569	256,155	147,646	108,457	320,728	874,314	1,366,841
Tuition and fees	171,092	313,123	279,449	314,416	377,348	319,907	288,670	302,215	417,627	543,853
Extracurricular activities	-	-	177,581	170,001	180,725	194,839	247,290	320,196	319,657	312,170
Contributions and donations	-	-	-	15,679	23,369	20,356	8,686	27,634	8,300	14,500
Charges for services	-	-	-	-	-	827,242	836,247	885,119	975,207	947,393
Rentals	-	-	-	22,501	28,149	59,369	49,416	44,669	57,190	105,358
Payment in lieu of taxes	-	-	-	-	-	166,822	118,004	36,233	113,531	77,803
Miscellaneous	8,534,109	4,512,266	58,938	123,540	945	92,196	50,270	32,575	42,379	67,034
<i>Total revenues</i>	<u>34,217,941</u>	<u>32,371,751</u>	<u>29,114,197</u>	<u>31,945,572</u>	<u>35,760,120</u>	<u>40,730,020</u>	<u>39,518,278</u>	<u>44,391,725</u>	<u>51,919,552</u>	<u>48,133,097</u>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	10,450,974	11,676,127	13,760,176	12,488,526	13,573,715	18,111,286	16,826,822	17,346,211	17,894,562	18,821,963
Special	1,299,922	1,466,402	1,597,536	2,424,283	2,411,199	2,055,824	2,454,219	2,241,483	2,633,876	2,729,387
Vocational	153,256	160,178	174,720	259,299	284,297	230,600	229,247	232,772	240,854	250,714
Other	-	-	-	-	-	1,838	-	-	70,292	68,973
Support services:										
Pupil	1,192,310	1,482,624	1,983,363	2,179,979	2,536,467	2,041,733	2,706,200	2,699,572	2,915,820	2,911,298
Instructional staff	749,128	679,688	791,163	879,597	802,519	819,000	777,053	867,334	814,048	715,629
Board of education	212,944	201,369	226,552	307,806	283,451	457,425	233,304	336,239	300,089	284,542
Administration	1,263,003	1,350,659	1,779,481	2,381,560	2,376,594	1,726,800	2,422,533	2,250,273	2,424,181	2,561,318
Fiscal	510,336	548,905	632,154	740,602	723,148	730,101	643,321	835,239	876,719	991,253
Business	484,360	254,397	312,308	178,165	92,647	90,936	101,072	86,201	82,737	118,697
Operation and maintenance										
of plant	2,026,154	2,743,723	3,360,100	3,737,020	3,752,609	4,354,068	4,482,957	3,621,779	4,651,777	4,487,296
Pupil transportation	844,767	1,090,476	1,140,728	1,552,209	1,455,400	1,212,289	1,634,833	1,556,796	1,979,804	1,973,752
Central	75,508	397,591	647,406	405,884	763,603	1,055,057	935,714	784,494	793,281	874,403
Facilities services	22,808,504	23,278,547	-	-	-	-	-	-	-	-
Operation of non-instructional										
services	30,193	27,337	38,584	102,322	164,118	88,192	64,444	96,340	73,261	76,297
Operation of food services	-	-	-	-	-	1,030,535	1,133,653	1,149,358	1,191,543	1,180,463
Extracurricular activities	565,595	628,591	765,105	983,279	836,974	770,495	888,048	907,041	947,102	940,776
Capital outlay	112,000	-	3,756,798	1,152,299	279,393	589,840	357,360	650,693	2,675,045	1,265,914

(continued)

**Twinsburg City School District**

**Changes in Fund Balances, Governmental Funds (1)**

**Last Ten Fiscal Years**

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt service:										
Principal retirement	801,198	1,145,689	1,129,276	1,178,333	793,238	1,427,403	1,906,000	2,525,000	3,213,496	2,975,575
Interest and fiscal charges	2,454,065	2,397,343	2,351,063	2,410,542	-	2,223,883	1,257,143	1,535,650	1,462,448	1,573,832
Issuance costs	-	-	-	-	2,213,939	-	413,907	-	-	-
<b>Total expenditures</b>	<u>46,034,217</u>	<u>49,529,646</u>	<u>34,446,513</u>	<u>33,361,705</u>	<u>33,343,311</u>	<u>39,017,305</u>	<u>39,467,830</u>	<u>39,722,475</u>	<u>45,240,935</u>	<u>44,802,082</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(11,816,276)</u>	<u>(17,157,895)</u>	<u>(5,332,316)</u>	<u>(1,416,133)</u>	<u>2,416,809</u>	<u>1,712,715</u>	<u>50,448</u>	<u>4,669,250</u>	<u>6,678,617</u>	<u>3,331,015</u>
<b>Other financing sources (uses)</b>										
Sale of capital assets	-	1,000	-	1,462	9,900	-	-	-	-	-
Inception of capital lease	-	-	-	-	-	-	-	-	244,593	-
General obligation bonds issued	-	-	-	-	-	-	364,729	-	-	-
Proceeds of refunding bonds	-	-	-	-	6,733,542	-	27,809,925	-	-	-
Proceeds of notes	-	-	-	-	339,000	886,271	-	4,000,000	-	-
Premium on debt issuance	-	-	-	-	-	-	4,141,671	-	-	-
Discount on debt issuance	-	-	-	-	-	-	(25,024)	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	(7,164,448)	-	(31,400,646)	-	-	-
Transfers in	-	3,000	4,000	-	7,418	-	29,294	6,124	2,600	800,000
Transfers out	-	(3,000)	(254,000)	-	(582,418)	-	(29,294)	(6,124)	(2,600)	(800,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,000</u>	<u>(250,000)</u>	<u>1,462</u>	<u>(657,006)</u>	<u>886,271</u>	<u>890,655</u>	<u>4,000,000</u>	<u>244,593</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (11,816,276)</u>	<u>\$ (17,156,895)</u>	<u>\$ (5,582,316)</u>	<u>\$ (1,414,671)</u>	<u>\$ 1,759,803</u>	<u>\$ 2,598,986</u>	<u>\$ 941,103</u>	<u>\$ 8,669,250</u>	<u>\$ 6,923,210</u>	<u>\$ 3,331,015</u>
Debt service as a percentage of noncapital expenditures	7.1%	7.2%	11.3%	11.1%	9.1%	9.5%	9.1%	10.4%	11.0%	10.4%

(1) Modified accrual basis of accounting.

Note: For 1998 - 2002, Governmental Funds includes governmental fund types and expendable trust funds; for 2003 - 2007, Governmental Funds includes general, debt service, special revenue, capital projects and permanent funds.

# Twinsburg City School District

## Assessed and Estimated Actual Value of Taxable Property Last Ten Collection Years

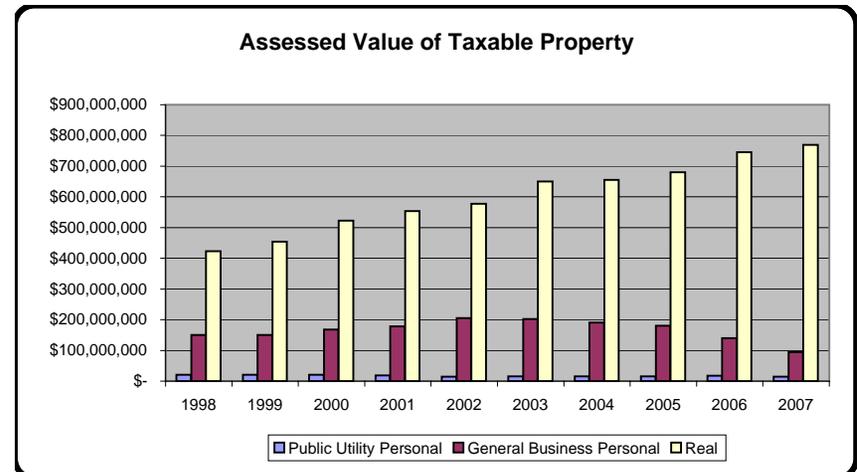
Collection Year	Real Property			Tangible Personal Property		Tangible Personal Property		Total		Ratio
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
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	32.43%
1999	311,263,570	142,398,530	1,296,177,429	20,839,740	23,681,523	149,854,308	599,417,232	624,356,148	1,919,276,183	32.53%
2000	364,141,200	158,224,240	1,492,472,686	21,027,890	23,895,330	167,490,019	669,960,076	710,883,349	2,186,328,091	32.51%
2001	380,975,130	172,665,660	1,581,830,829	18,901,470	21,478,943	178,844,595	715,378,380	751,386,855	2,318,688,152	32.41%
2002	397,998,420	179,515,110	1,650,038,657	14,926,790	16,962,261	204,899,609	819,598,436	797,339,929	2,486,599,355	32.07%
2003	446,250,770	204,006,680	1,857,878,429	15,280,500	17,364,205	202,151,778	808,607,112	867,689,728	2,683,849,745	32.33%
2004	456,766,720	198,619,190	1,872,531,171	15,165,980	17,234,068	190,605,189	762,420,756	861,157,079	2,652,185,996	32.47%
2005	475,979,920	204,627,250	1,944,591,914	15,270,700	17,353,068	180,390,229	721,560,916	876,268,099	2,683,505,898	32.65%
2006	530,347,920	215,240,090	2,130,251,457	17,352,370	19,718,602	140,072,213	560,288,852	903,012,593	2,710,258,911	33.32%
2007	550,288,570	219,121,380	2,198,314,143	14,401,680	16,365,545	94,310,155	377,240,620	878,121,785	2,591,920,308	33.88%

S-9

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property is 35% of estimated true value). Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment and 23% for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, the 2 1/2% and the homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.



Source: Summit County Fiscal Officer.

## 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
2007	Macedonia City	8.70	58.02	2.00	1.00	13.11	1.46	84.29
	Twinsburg Twp	12.86	58.02	2.00	1.00	13.11	1.46	88.45
	Twinsburg City	1.53	58.02	2.00	1.00	13.11	-	75.66
	Reminderville Village	5.20	58.02	2.00	1.00	13.11	1.46	80.79
2006	Macedonia City	8.70	63.05	2.00	1.00	13.07	-	87.82
	Twinsburg Twp	12.86	63.05	2.00	1.00	13.07	-	91.98
	Twinsburg City	1.82	63.05	2.00	1.00	12.22	-	80.09
	Reminderville Village	5.20	63.05	2.00	1.00	13.07	-	84.32
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

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**  
**Property Tax Levies and Collections (1)**  
**Last Ten Collection Years**

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
1997	\$ 21,029,837	\$ 20,578,752	97.86%	\$ 642,807	\$ 21,221,559	100.91%
1998	21,780,553	21,156,380	97.13	872,986	22,029,366	101.14
1999	24,362,596	23,453,016	96.27	1,189,018	24,642,034	101.15
2000	27,727,775	26,535,765	95.70	864,875	27,400,640	98.82
2001	28,987,869	27,609,474	95.24	1,112,101	28,721,575	99.08
2002	34,213,432	32,866,359	96.06	1,524,802	34,391,161	100.52
2003	34,320,816	32,832,242	95.66	1,257,675	34,089,917	99.33
2004	34,714,937	33,193,112	95.62	974,659	34,167,771	98.42
2005	39,597,587	38,230,175	96.55	1,572,222	39,802,397	100.52
2006	38,490,735	37,430,246	97.24	3,271,344	40,701,590	105.74

**Source:** Summit County Fiscal Officer.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The 2007 information cannot be presented because all collections have not been made by June 30, 2007.
- (3) The County does not identify delinquent tax collections by tax year.

**Twinsburg City School District**

**Principal Taxpayers**

**Real Estate Tax**

**2006 and 2000 (1)**

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2006</u>	
		<u>Rank</u>	<u>Percent of Real Property Assessed Value</u>
Chrysler Corporation	\$ 11,181,800	1	1.50%
Deer Run Apts. Ltd.	8,071,510	2	1.08%
Aveni-Twinsburg I LTD	4,538,870	3	0.61%
RSV Twinsburg Hotel LTD	4,148,740	4	0.56%
Twinsburg Residential Associates	3,699,760	5	0.50%
Twinsville Associates	3,622,910	6	0.49%
Twinsburg Equities Group LLC	3,488,640	7	0.47%
Coca Cola Bottling Company	3,071,710	8	0.41%
Alliant Foodservice Inc.	2,994,740	9	0.40%
Pebble Creek Apartments LLC	2,899,530	10	0.39%
<b>Totals</b>	<b>\$ 47,718,210</b>		<b>6.40%</b>
<b>Total assessed valuation</b>	<b>\$ 745,588,010</b>		

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2000</u>	
		<u>Rank</u>	<u>Percent of Real Property Assessed Value</u>
Chrysler Corporation	\$ 11,377,870	1	2.18%
Deer Run Apts. Ltd.	10,012,990	2	1.92%
Twinsville Associates	3,340,430	3	0.64%
Pebble Creek Apts.	3,024,070	4	0.58%
Philip H. Maynard	2,695,960	5	0.52%
General Electric Corp.	2,641,850	6	0.51%
Pepsi Cola General Bottlers	2,411,970	7	0.46%
Trionix Research Labs	2,308,190	8	0.44%
Mid-Continent Telephone Corp	2,211,840	9	0.42%
Concorde Mill Inc.	2,053,910	10	0.39%
<b>Totals</b>	<b>\$ 42,079,080</b>		<b>8.06%</b>
<b>Total assessed valuation</b>	<b>\$ 522,365,440</b>		

**Source:** Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2006 and 2000 collections were based. Will be reported for the current year and nine years before when enough information is available.

**Twinsburg City School District**

**Principal Taxpayers**

**Tangible Personal Property Tax**

**2006 and 2003 (1)**

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2006</u>	
		<u>Rank</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Daimler Chrysler Corporation	\$ 63,079,400	1	45.03%
Rockwell Automation, Inc.	12,569,550	2	8.97%
Coca Cola Enterprises, Inc.	6,278,030	3	4.48%
Reuter Stokes, Inc.	4,201,340	4	3.00%
Pepsi Cola General Bottlers of Ohio, Inc.	4,155,610	5	2.97%
Atlas Steel Products Co.	3,961,880	6	2.83%
Alltel Corporation	3,354,390	7	2.39%
Hitachi Medical Systems	2,928,010	8	2.09%
Untied Stationers Supply Co.	2,843,730	9	2.03%
Quality Synthetic Rubber Company Inc.	2,748,560	10	1.96%
<b>Totals</b>	<b>\$ 106,120,500</b>		<b>75.76%</b>
<b>Total assessed valuation</b>	<b>\$ 140,072,213</b>		

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2003</u>	
		<u>Rank</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Daimler Chrysler Corporation	\$ 66,933,840	1	33.11%
Rockwell Automation, Inc.	9,390,380	2	4.65%
Coca Cola Enterprises, Inc.	5,917,270	3	2.93%
Pioneer-Standard Electronics, Inc.	5,802,030	4	2.87%
Alltel Corporation	4,768,210	5	2.36%
Pepsi Cola General Bottlers of Ohio, Inc.	4,347,540	6	2.15%
Reuter Stokes, Inc.	3,388,610	7	1.68%
Atlas Steel Products Co.	3,242,900	8	1.60%
United Stationers Supply Co.	2,753,630	9	1.36%
Quality Synthetic Rubber Company, Inc.	2,404,070	10	1.19%
<b>Totals</b>	<b>\$ 108,948,480</b>		<b>53.89%</b>
<b>Total assessed valuation</b>	<b>\$ 202,151,778</b>		

**Source:** Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2006 and 2003 collections were based. Will be reported for the current year and nine years before when enough information is available.

**Twinsburg City School District**

**Principal Taxpayers**

**Public Utilities Tax**

**2006 and 2004 (1)**

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2006</u>	
		<u>Rank</u>	<u>Percent of Public Utility Assessed Value</u>
Ohio Edison	\$ 7,780,560	1	44.84%
Western Reserve Telephone	3,088,210	2	17.80%
American Transmission	1,210,990	3	6.98%
East Ohio Gas	1,093,290	4	6.30%
Cleveland Electric	304,870	5	1.76%
<b>Totals</b>	<b>\$ 13,477,920</b>		<b>77.67%</b>
<b>Total assessed valuation</b>	<b>\$ 17,352,370</b>		

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2004</u>	
		<u>Rank</u>	<u>Percent of Public Utility Assessed Value</u>
Ohio Edison	\$ 7,467,250	1	49.24%
Western Reserve Telephone	3,739,360	2	24.66%
American Transmission	1,462,260	3	9.64%
East Ohio Gas	1,000,880	4	6.60%
AT&T Wireless of Cleveland	421,850	5	2.78%
<b>Totals</b>	<b>\$ 14,091,600</b>		<b>92.92%</b>
<b>Total assessed valuation</b>	<b>\$ 15,165,980</b>		

**Source:** Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2006 and 2004 collections were based. Will be reported for the current year and nine years before when enough information is available.

**Twinsburg City School District**

**Ratio of Outstanding Debt By Type**

**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases			
1998	\$ 40,325,000	\$ -	\$ 118,912	\$ 40,443,912	9.58%	\$ 1,910
1999	39,205,000	-	93,223	39,298,223	7.92%	1,855.97
2000	38,115,000	-	63,975	38,178,975	7.25%	1,803.11
2001	36,970,000	-	30,642	37,000,642	6.51%	1,204.06
2002	35,764,978	339,000	2,403	36,106,381	6.43%	1,174.96
2003	34,339,978	1,225,271	-	35,565,249	6.41%	1,157.35
2004	36,655,125	1,189,000	-	37,844,125	6.41%	1,231.50
2005	34,344,324	5,124,000	-	39,468,324	6.20%	1,284.36
2006	32,510,312	4,057,000	218,097	36,785,409	5.40%	1,197.05
2007	31,099,005	2,988,000	172,653	34,259,658	n/a	1,114.86

**Source:** School District Financial Records.

**Twinsburg City School District**  
**Computation of Direct and Overlapping Bonded Debt**  
**June 30, 2007**

Jurisdiction	Assessed Valuation	Net General Tax Supported Debt (1)	Percent Overlapping	Amount Applicable Twinsburg City School District
Direct:				
Twinsburg City School District	\$ 878,121,785	<u>\$ 34,087,005</u>	100.00%	<u>\$ 34,087,005</u>
Overlapping:				
City of Twinsburg	690,265,368	13,109,979	100.00%	13,109,979
Twinsburg Township	146,811,032	-	0.00%	-
City of Macedonia	425,381,657	69,084	1.00%	691
Reminderville Village	68,077,153	1,180,500	90.03%	1,062,804
Twinsburg Library	876,268,099	-	100.00%	-
Metro Transit	12,600,776,007	1,005,000	7.10%	71,355
Cuyahoga Valley JVSD (2)	2,597,615,640	-	14.14%	-
Summit County	12,600,776,007	<u>56,295,000</u>	7.10%	<u>3,996,945</u>
Total overlapping:		<u>71,659,563</u>		<u>18,241,774</u>
Total direct and overlapping debt:		<u><u>\$ 105,746,568</u></u>		<u><u>\$ 52,328,779</u></u>

**Sources:** Summit County Fiscal Officer.

(1) All debt reported as of December 31, 2006, except for Twinsburg City School District which is reported as of June 30, 2007.

(2) Cuyahoga Valley JVSD; Summit County Valuation ONLY.

**Twinsburg City School District**  
**Computation of Legal Debt Margin**  
**Last Nine Fiscal Years (2)**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Tax Valuation	\$ 624,356,148	\$ 710,883,349	\$ 751,386,855	\$ 797,339,929	\$ 867,689,728	\$ 861,157,079	\$ 876,268,099	\$ 903,012,593	\$ 878,121,785
Debt Limit - 9% of Taxable Valuation (1)	56,192,053	63,979,501	67,624,817	71,760,594	78,092,076	77,504,137	78,864,129	81,271,133	79,030,961
Amount of Debt Applicable to Debt Limit									
General Obligation Bonds	39,205,000	38,115,000	36,970,000	35,764,978	34,339,978	36,655,125	34,344,324	32,510,312	31,099,005
Various Purpose Notes	-	-	-	339,000	1,225,271	1,189,000	5,124,000	4,057,000	2,988,000
Less Amount Available in Debt Service	(265,566)	(124,614)	(810,131)	(1,152,139)	(1,006,843)	(1,638,808)	(1,531,064)	(2,139,079)	(2,095,350)
Amount of Debt Subject to Limit	38,939,434	37,990,386	36,159,869	34,951,839	34,558,406	36,205,317	37,937,260	34,428,233	31,991,655
Legal Debt Margin	\$ 17,252,619	\$ 25,989,115	\$ 31,464,948	\$ 36,808,755	\$ 43,533,670	\$ 41,298,820	\$ 40,926,869	\$ 46,842,900	\$ 47,039,306
Legal Debt Margin as a Percentage of the Debt Limit	30.70%	40.62%	46.53%	51.29%	55.75%	53.29%	51.90%	57.64%	59.52%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 624,356	\$ 710,883	\$ 751,387	\$ 797,340	\$ 867,690	\$ 861,157	\$ 876,268	\$ 903,013	\$ 878,122
Amount of Debt Subject to Limit	-	-	-	-	-	-	-	-	-
Unvoted Legal Debt Margin	\$ 624,356	\$ 710,883	\$ 751,387	\$ 797,340	\$ 867,690	\$ 861,157	\$ 876,268	\$ 903,013	\$ 878,122
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**Source:** School District Financial Records.

- (1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.  
(2) Will be reported for the last ten fiscal years when enough information becomes available.

## *Twinsburg City School District*

### Demographic and Economic Statistics

#### Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u> <u>(in thousands)</u>	<u>Per Capita</u> <u>Personal</u> <u>Income</u>	<u>Unemployment</u> <u>Rate (3)</u>
1998	21,174	\$ 496,224	\$ 23	4.0%
1999	21,174	526,629	25	4.2%
2000	30,730	568,444	18	4.0%
2001	30,730	561,361	18	4.3%
2002	30,730	555,173	18	5.5%
2003	30,730	590,187	19	5.7%
2004	30,730	636,083	21	6.1%
2005	30,730	680,701	22	5.8%
2006	30,730	n/a	n/a	4.9%
2007	30,730	n/a	n/a	5.3%

**Sources:** (1) U.S. Bureau of Census, Census of Population.

(2) Ohio Department of Taxation.

(3) U.S. Department of Labor.

**Twinsburg City School District**

**Principal Employers**

**Current Year and Six Years Ago**

Employer	Nature of Business	2007			2001		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Daimler Chrysler Corp	Automotive stamping	1,700	1	33.73%	2,800	1	46.89%
Edgepark Surgical	Medical Supplies	610	2	12.10%	-		0.00%
Rockwell International/Allen Bradley	Programmable controls	600	3	11.90%	580	3	9.71%
The School District	Education	520	4	10.32%	405	4	6.78%
Alltel	Communications provider	450	5	8.93%	-		0.00%
Pepsi-Cola Bottlers	Soft drink bottling	320	6	6.35%	300	5	5.02%
Wedge Products	Metal stamping products	300	7	5.95%	-		0.00%
Windsteam	Communications provider	180	8	3.57%	-		0.00%
GE Engery	Power Industry	180	9	3.57%	-		0.00%
Ohio EPA	Environmental protection	180	10	3.57%	-		0.00%
Mid-America Packaging	Multi-wall paper packaging	-		0.00%	300	6	5.02%
The City	Government	-		0.00%	216	8	3.62%
Cole Vision Corp	Optical products	-		0.00%	670	2	11.22%
Quality Synthetic Rubber Co.	Custom-molded components	-		0.00%	300	7	5.02%
ITW Autosleeve	Plastic containers	-		0.00%	200	9	3.35%
Forest Group	Specialty printing/applied technology	-		0.00%	200	10	3.35%
<b>Total</b>		<b>5,040</b>		<b>100.00%</b>	<b>5,971</b>		<b>100.00%</b>

**Source:** 2007 Harris Ohio Industrial Directory.

The City of Twinsburg's Comprehensive Plan.

***Twinsburg City School District***  
**School District Employees by Function/Program**  
**Last Four Fiscal Years**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Regular instruction				
Elementary classroom teachers	109	110	117	112
Intermediate classroom teachers	37	37	36	35
High school classroom teachers	55	55	55	60
Special instruction				
Muti handicapped teachers	6	7	12	23
Severe behavior handicapped teachers	5	5	5	5
Developmentally handicapped teachers	4	4	4	4
Specific learning disabled teachers	16	16	14	13
Other	4	5	6	3
Vocational instruction				
High school classroom teachers	3	3	3	3
Pupil support services				
Guidance counselors	10	12	11	11
Librarians	6	6	6	6
Psychologists	4	4	4	4
Speech and language pathologists	5	5	5	4
Aides	1	1	2	2
Computer	5	5	5	0
Other	50	52	63	52
Administrators				
Elementary	2	2	2	2
Intermediate	3	3	3	3
Middle School	2	2	2	2
High school	3	3	3	3
Operation of plant				
Custodians & Maintenance	35	36	38	36
Security	2	2	3	3
Pupil transportation				
Bus drivers	38	37	39	40
Bus aides	2	3	3	3
Maintenance	2	2	3	2
Food service program				
Director	1	1	1	1
Cooks	30	32	33	34

**Method:** Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee. The count is performed on September 1 of each year.

Information prior to 2004 is not available.

**Source:** School District records.

***Twinsburg City School District***

**Operating Statistics**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of students receiving free or reduced lunches</u>
1998	n/a	3,143	n/a	n/a	n/a	n/a	12.14%
1999	n/a	3,371	n/a	n/a	n/a	n/a	12.42%
2000	n/a	3,675	n/a	n/a	n/a	n/a	10.62%
2001	n/a	3,710	n/a	n/a	229.9	16.1	10.59%
2002	n/a	3,754	n/a	n/a	230.0	16.3	11.86%
2003	\$ 37,968,392	3,807	\$9,973	0.03%	232.7	16.4	12.03%
2004	\$ 42,000,077	3,953	\$10,625	0.03%	226.5	17.5	12.76%
2005	\$ 39,580,531	3,872	\$10,222	0.03%	226.5	17.1	13.55%
2006	\$ 41,777,153	4,073	\$10,257	0.02%	225.4	18.1	13.04%
2007	\$ 43,242,939	4,181	\$10,343	0.02%	292.0	14.3	11.94%

**Source:** School District Records, Ohio Department of Education.

## Twinsburg City School District

### Building Statistics

#### Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Wilcox Elementary</b>										
Constructed in 1960										
Total building square footage	67,356	67,356	85,350	85,350	85,350	85,350	85,350	85,350	85,350	85,350
Enrollment grades Pre K-1	580	612	609	617	595	564	567	594	628	641
Student capacity	925	925	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Regular instruction classrooms	37	37	43	43	43	43	43	43	43	43
Regular instruction teachers	27	26	27	28	27	27	27	28	28	28
Special instruction classrooms	10	8	8	7	5	5	5	5	5	5
Special instruction teachers	10	8	8	7	5	5	5	5	5	4
<b>Bissell Elementary</b>										
Constructed in 1963										
Total building square footage	73,309	73,309	73,684	73,684	73,684	73,684	73,684	73,684	73,684	73,684
Enrollment grades 2-3	774	833	615	608	603	598	611	623	581	612
Student capacity	965	965	975	975	975	975	975	975	975	975
Regular instruction classrooms	34	34	34	34	34	34	34	34	34	34
Regular instruction teachers	33	26	28	26	25	28	28	30	31	30
Special instruction classrooms	9	9	7	7	6	6	6	7	7	7
Special instruction teachers	9	9	7	7	6	6	6	7	7	7
<b>Dodge Intermediate School</b>										
Constructed in 1969										
Total building square footage	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410
Enrollment grades 4-6	946	1,034	829	899	940	939	951	943	982	977
Student capacity	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045
Regular instruction classrooms	41	41	41	41	41	41	41	41	41	41
Regular instruction teachers	51	41	40	41	46	47	47	49	47	46
Special instruction classrooms	8	7	7	7	8	8	8	9	9	9
Special instruction teachers	8	7	7	7	8	8	8	9	9	9
<b>RB Chamberlin Middle School</b>										
Constructed in 1958										
Total building square footage	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994
Enrollment grades 7-8	847	921	542	573	573	603	636	672	667	650
Student capacity	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
Regular instruction classrooms	55	55	55	55	55	55	55	55	55	55
Regular instruction teachers	41	30	31	31	33	33	34	34	33	32
Special instruction classrooms	7	7	7	8	9	9	9	9	9	9
Special instruction teachers	7	7	7	8	9	9	9	9	9	7
<b>Twinsburg High School</b>										
Constructed in 1999										
Total building square footage	n/a	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719
Enrollment grades 9-12	n/a	n/a	934	999	1,057	1,103	1,119	1,208	1,187	1,305
Student capacity	n/a	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717
Regular instruction classrooms	n/a	52	52	52	52	52	52	52	64	64
Regular instruction teachers	n/a	51	51	51	51	51	51	52	56	55
Special instruction classrooms	n/a	6	6	6	6	7	7	8	8	8
Special instruction teachers	n/a	6	6	6	6	7	7	8	8	8

***Twinsburg City School Distric***  
**Teachers' Salaries**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Twinsburg City School District Average Salary</u>	<u>Statewide Average Salary (4)</u>
1998	42,870	n/a
1999	43,938	n/a
2000	47,463	n/a
2001	46,125	\$ 42,995
2002	45,699	43,755
2003	49,291	45,645
2004	50,868	47,659
2005	52,394	49,438
2006	55,576	50,772
2007	57,694	53,536

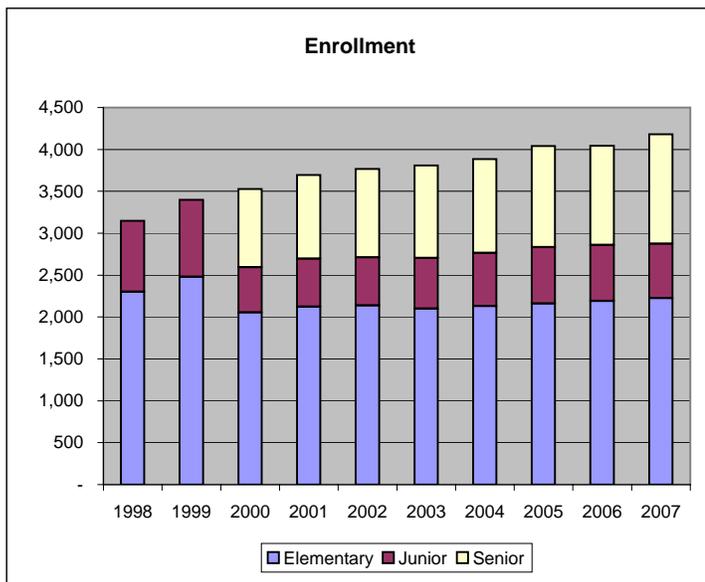
**Source:** Ohio Department of Education.

**Twinsburg City School District**

**Enrollment Statistics**

**Last Ten Fiscal Years**

Fiscal Year	Elementary Schools	Junior High School	Senior High School	Total
1998	2,300	847	n/a	3,147
1999	2,479	921	n/a	3,400
2000	2,053	542	934	3,529
2001	2,124	573	999	3,696
2002	2,138	573	1,057	3,768
2003	2,101	603	1,103	3,807
2004	2,129	636	1,119	3,884
2005	2,160	672	1,208	4,040
2006	2,191	667	1,187	4,045
2007	2,226	650	1,305	4,181



Source: Ohio Department of Education.

***Twinsburg City School District***  
**Average Number of Students per Teacher**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Local SD Average</u>	<u>State Average</u>
1998	20.0	20.4
1999	19.3	18.6
2000	19.6	18.1
2001	19.1	18.0
2002	18.5	16.9
2003	18.6	16.5
2004	19.5	18.5
2005	20.2	18.5
2006	21.4	18.6
2007	21.7	19.6

**Source:** Ohio Department of Education.

***Twinsburg City School District***

**Attendance and Graduation Rates**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Twinsburg City School District Attendance Rate</u>	<u>State Average</u>	<u>Twinsburg City School District Graduation Rate</u>	<u>State Average</u>
1998	95.7%	93.6%	91.2%	79.9%
1999	95.2%	93.5%	91.8%	81.4%
2000	95.9%	93.6%	91.5%	80.7%
2001	95.5%	93.9%	89.5%	81.2%
2002	95.7%	94.3%	93.1%	82.8%
2003	95.8%	94.5%	95.5%	83.9%
2004	96.1%	94.5%	95.9%	84.3%
2005	95.8%	94.3%	95.7%	85.9%
2006	95.8%	94.1%	90.1%	86.2%
2007	96.2%	94.1%	n/a	86.1%

**Source:** Ohio Department of Education Local Report Cards.



**Mary Taylor, CPA**  
Auditor of State

**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  
MARCH 6, 2008**