

TWINSBURG CITY SCHOOL DISTRICT

SUMMIT COUNTY

Audit Report

For the Year Ended June 30, 2008

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, 2007 through June 30, 2008. 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 25, 2009

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TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY
Audit Report
For the Year Ended June 30, 2008

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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, 2008, and have issued our report thereon dated December 24, 2008. 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 24, 2008

TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY
Schedule of Federal Awards Expenditures
For the Year Ended June 30, 2008

Federal Grantor/Program Title	Pass Through Entity Number	CFDA Number	Receipts Recognized	Program Expenditures
<u>U.S. Department of Agriculture</u>				
Passed Through the Ohio Department of Education				
Food Distribution	N/A	10.550	\$ 90,912	\$ 90,912
National School Lunch Program	050047-LLP4-2006	10.555	<u>285,749</u>	<u>282,749</u>
Total U.S. Department of Agriculture			376,661	373,661
<u>U.S. Department of Education</u>				
Passed Through the Ohio Department of Education				
Special Education Cluster:				
Preschool Disabilities	050070-PGS1-2007	84.173	4,005	-
Preschool Disabilities	050070-PGS1-2008	84.173	25,900	25,981
Title VI-B	050070-6BSF-2007	84.027	216,351	84,138
Title VI-B	050070-6BSF-2008	84.027	<u>589,747</u>	<u>561,115</u>
Total Title VI-B Special Education Cluster			836,003	671,234
Title I - FY 07	050070-C1S1-2007	84.010	22,013	5,659
Title I - FY 08	050070-C1S1-2008	84.010	<u>110,956</u>	<u>111,066</u>
Total Title I			132,969	116,725
Title II-A Improving Teacher Quality	050047-TRS1-2007	84.367	14,511	1,988
Title II-A Improving Teacher Quality	050047-TRS1-2008	84.367	<u>99,340</u>	<u>96,792</u>
Total Title II-A Improving Teacher Quality			113,851	98,780
Title II-D Technology	050070-TJS1-2007	84.318	350	-
Title II-D Technology	050070-TJS1-2008	84.318	<u>1,175</u>	<u>1,175</u>
Total Title II-D Technology			1,525	1,175
Title VI Innovative Education	050070-C2S1-2007	84.298	2,174	615
Title VI Innovative Education	050070-C2S1-2008	84.298	<u>9,394</u>	<u>9,394</u>
Total Title VI Innovative Education			11,568	10,009
Safe and Drug Free Program	050070-DRS1-2007	84.186	6,734	5,788
Safe and Drug Free Program	050070-DRS1-2008	84.186	<u>6,086</u>	<u>5,126</u>
Total Safe and Drug Free Program			12,820	10,914
Title III LEP	050070-T3S1-2007	84.365	10,718	100
Title III LEP	050070-T3S1-2008	84.365	<u>15,687</u>	<u>15,762</u>
Total Title III LEP			26,405	15,862
Total U.S. Department of Education			<u>1,135,141</u>	<u>924,699</u>
Total Federal Awards Expenditures			<u>\$ 1,511,802</u>	<u>\$ 1,298,360</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, 2008

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, 2008, the District had immaterial food commodities in inventory recorded in the Food Service Fund.

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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 Twinsburg City School District, Summit County (the District) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 24, 2008. 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 24, 2008.

This report is intended for the information and use of management, the Board of Education, the audit committee, 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 24, 2008

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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, 2008. 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, 2008.

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 remote 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 24, 2008

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

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY
June 30, 2008**

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, 2008

**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, 2008**

SCHEDULE OF PRIOR AUDIT FINDINGS

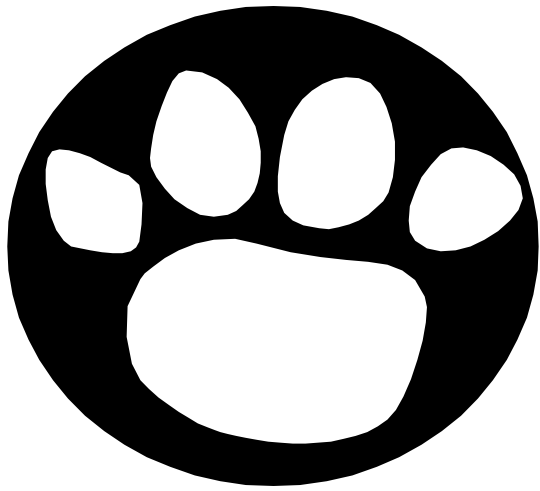
The prior audit report, for the year ending June 30, 2007, reported no material citations or recommendations.

**TWINSBURG CITY
SCHOOL DISTRICT
TWINSBURG, OHIO**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2008**



Twinsburg City School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2008

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, 2008**

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**Twinsburg City School District
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**Twinsburg City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2008**

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Twinsburg City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2008

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INTRODUCTORY SECTION



Twinsburg City School District

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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, 2008

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, 2008, 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 2007-2008 fiscal year. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments and is representative of the School District's commitment to provide meaningful information to its' stakeholders.

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

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

This CAFR, which includes an opinion from the Ohio Auditor of State, conforms to generally accepted accounting principals as set forth by the Government Accounting Standards Board (GASB) and is representative of the School District's commitment to provide meaningful information to the citizens of the Twinsburg City 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.

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 2008, there were 4,250 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 fifteen 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

The School District, like the rest of the nation, continues to feel the impact of the current economic meltdown. Property taxes and intergovernmental revenues are closely monitored. 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, foreclosures and reappraisals.

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 stamping plant. This plant is one of the largest employers in Summit County employing approximately 1,300 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 with Distinction rating from the Ohio Department of Education.

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 has eliminated the collection of taxes on tangible personal property. Tangible personal property is the machinery, inventory, furniture and fixtures owned by businesses. As the tax on tangible personal property is terminated, the State will provide limited reimbursements to districts through the foundation program and direct payments. The flow of these revenues will come via a Commercial Activity Tax. Interestingly, revenues that once flowed from local sources will now flow from the State, appearing as if the State has increased funding to education. The net effect is an overall reduction of revenues to the Twinsburg School District and many Ohio schools will be forced to seek voter-approved levies more frequently than historically.

In May, 2001 the School District electors approved an emergency tax levy producing \$5 million dollars annually for five years. 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. This emergency levy was recently renewed for ten years through collection year 2020.

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 2008 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 discussion and attention on future financial needs while facilitating management's strategic planning.

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 30 out of 30, performance indicators on the 2007-2008 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 with Distinction**
The School District has earned this designation for the 2007-2008 report card by being “Excellent” and also exceeds value-added goals for two consecutive years. The School District maintained its “Excellent” performance rating for the 3rd year in a row and the 5th time in the past six years. Sustained focus will be given to our student groups to ensure our School District continues to meet federally mandated AYP for the State Report Card. The District has met AYP for the 2007-2008 report.
- **Curriculum**
In the 2007-2008 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. Additionally, Professional Learning Communities have been formed to enhance teaching and learning environments.
- **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 recently completed a Strategic Planning process. The process sought input from all stakeholder groups on issues of concern. These issues were academic excellence, shared financial responsibility, safety, student services and opportunities, communications, and quality fiscal assets. A Vision, Mission Statement and a set of common Beliefs were developed. Continuing the process, six Goals along with action steps and a time line were produced. The Strategic Plan received Board of Education approval May 7, 2008.

Financial Information

This is the sixth 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 2008 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 budgetary 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 Ohio Schools Council, a group purchasing consortium, facilitates the purchase of insurance at favorable group rates.

The School District for 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. 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. Similarly, 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 \$52,210, 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, 2008. 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, 2008, 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 has twice presented Twinsburg City School District officials with the "Making Your Tax Dollars Count" award. 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 Report, 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."

GFOA Certificate of 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, 2007. 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 2008 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,

The image shows two handwritten signatures in black ink. The signature on the left is 'Martin Aho' and the signature on the right is 'Stephen Marlow'. Both are written in a cursive, flowing style.

Martin Aho, M.B.A.
Treasurer

Stephen Marlow
Superintendent

Twinsburg City School District
Public Officials Roster
For the Fiscal Year Ended June 30, 2008

Board of Education

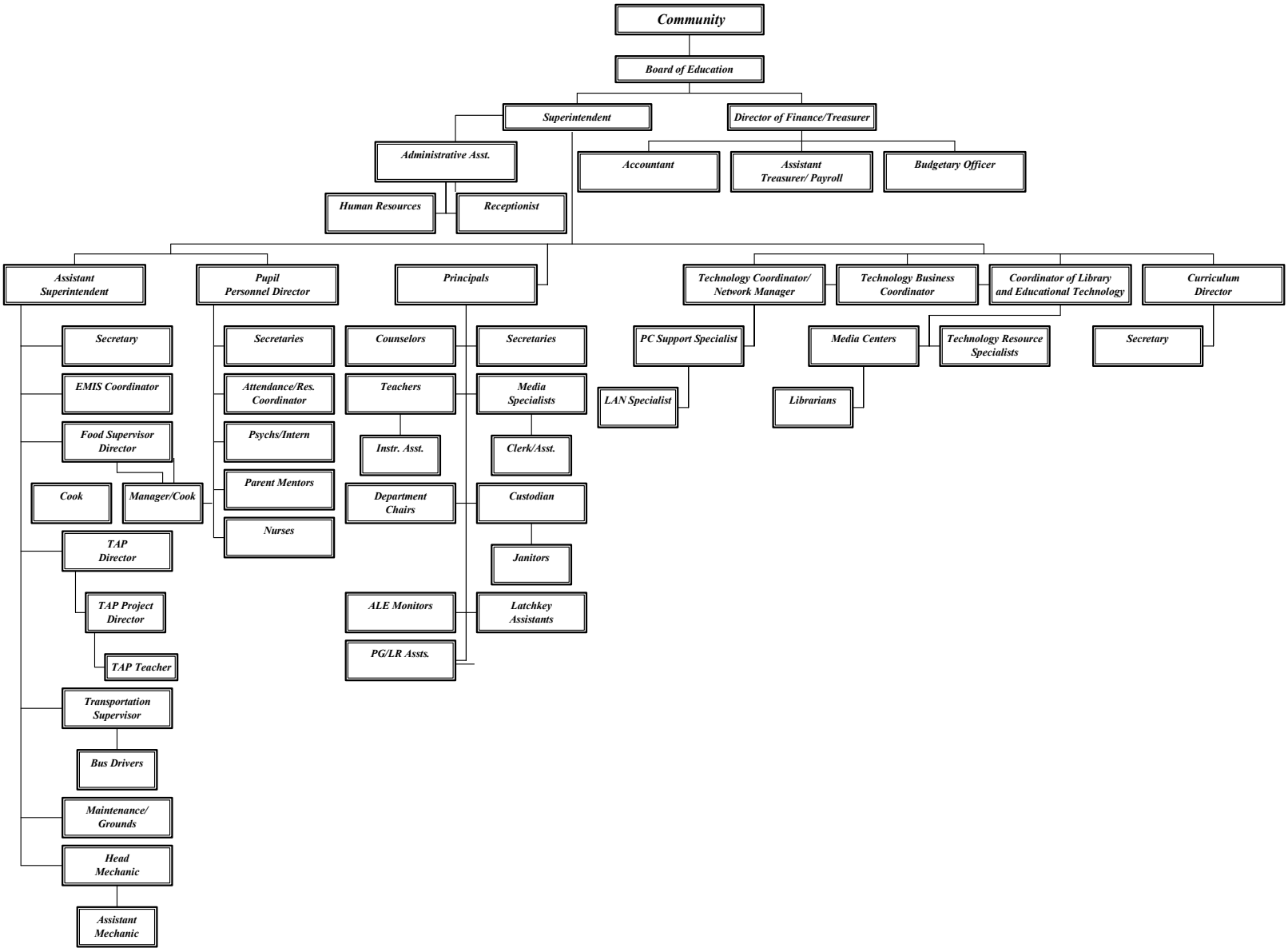
Mr. David Andrews	President
Mr. William Buzulence	Vice President
Mr. Joseph Nunney (7/1/07-11/1/07)	Member
Mr. Ron Stuver (11/1/07-6/30/08)	Member
Mr. Stephen Shebeck	Member
Ms. Kate Cain-Criswell	Member

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, 2007

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.

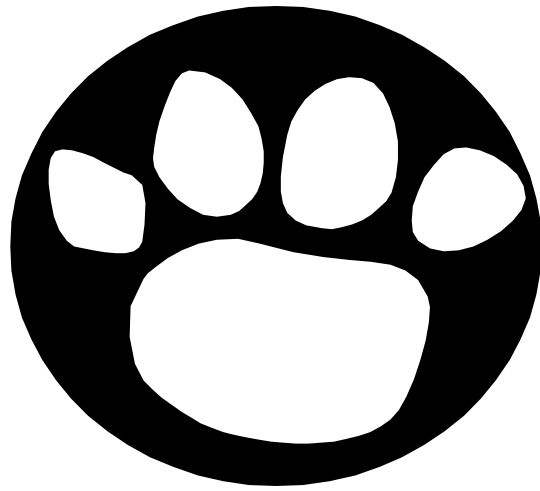


Oliver S. Cox

President

Jeffrey R. Enos

Executive Director



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

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, 2008, 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.

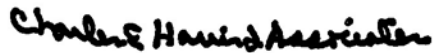
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2008, 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 24, 2008 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, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Charles E. Harris" followed by a stylized flourish.

Charles E. Harris & Associates, Inc.
December 24, 2008

Twinsburg City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2008

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, 2008. 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 2008 are as follows:

- General revenues accounted for \$45,545,912 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 \$3,281,603 or 7% of total revenues of \$48,827,515.
- The School District had \$44,726,178 in expenses related to governmental activities; program revenues offset \$3,281,603 of these expenses. \$45,545,912 of general revenues was available to provide for these programs resulting in an increase in net assets of \$4,101,337. 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 \$44,726,178, the amount related to instruction amounted to \$22,735,599 or 50.8% of this total.
- At the end of the fiscal year, the fund balance for the general fund is \$19,990,661, which is an increase from the prior year balance of \$4,180,222.

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 2008?"

Twinsburg City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
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, 2008
Unaudited

Table 1 provides a summary of the School District's net assets for 2008 compared to 2007.

Table 1 Net Assets		
	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Assets		
Current and other assets	\$ 57,638,274	\$ 57,410,994
Capital assets, net of depreciation	<u>43,100,024</u>	<u>44,530,907</u>
Total assets	<u>100,738,298</u>	<u>101,941,901</u>
Liabilities		
Current and other liabilities	31,493,890	34,447,354
Long-term liabilities:		
Due within one year	3,646,951	2,492,376
Due in more than one year	<u>30,175,958</u>	<u>33,682,009</u>
Total liabilities	<u>65,316,799</u>	<u>70,621,739</u>
Net Assets		
Invested in capital assets, net of debt	11,581,201	10,544,221
Restricted	4,952,047	5,806,671
Unrestricted	<u>18,888,251</u>	<u>14,969,270</u>
Total net assets	<u>\$ 35,421,499</u>	<u>\$ 31,320,162</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the School District's assets exceeded liabilities by \$35,421,499.

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, \$4,952,047, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$1,704,913 is restricted for debt service payments, \$1,843,593 is restricted for capital projects, and \$1,386,655 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, 2008
Unaudited

Table 2 shows change in net assets for fiscal year 2008 as compared to 2007:

Table 2
Change in Net Assets

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
Revenues		
Program revenues:		
Charges for services	\$ 1,791,273	\$ 1,892,354
Operating grants, contributions and interest	1,468,110	1,615,520
Capital grants and contributions	22,220	-
General revenues:		
Property taxes	32,059,855	32,710,312
Grants and entitlements	12,112,533	10,219,989
Payments in lieu of taxes	97,402	77,803
Investment earnings	1,155,273	1,348,505
Miscellaneous	120,849	44,994
Total revenues	<u>48,827,515</u>	<u>47,909,477</u>
Program Expenses		
Instruction:		
Regular	19,390,041	19,972,785
Special	2,977,965	2,762,997
Vocational	292,318	254,634
Other	75,275	68,973
Support services:		
Pupils	3,143,887	2,920,267
Instructional staff	1,020,310	916,284
Board of education	211,097	284,542
Administration	3,124,015	2,746,732
Fiscal	890,809	996,254
Business	128,518	119,632
Operation and maintenance of plant	5,228,770	4,710,038
Pupil transportation	2,609,477	2,102,712
Central	849,936	971,967
Operation on non-instructional services	30,219	76,297
Operation of food services	1,323,671	1,231,117
Extracurricular activities	1,233,531	1,050,443
Interest and fiscal charges	2,196,339	2,057,265
Total expenses	<u>44,726,178</u>	<u>43,242,939</u>
Increase in net assets	4,101,337	4,666,538
Net assets beginning of year	<u>31,320,162</u>	<u>26,653,624</u>
Net assets end of year	<u>\$ 35,421,499</u>	<u>\$ 31,320,162</u>

Twinsburg City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2008

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 million in 2008. General revenues from grants and entitlements, such as the school foundation program, generated over \$12.1 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 \$22,735,599 or 50.8% 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 decreased \$323,790, or 1.4%.

Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching pupils. These expenses represent \$4,164,197 of the total governmental program expenses, or 9.3%. These expenses increased over the prior year in the amount of \$327,646, or 8.5%.

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 \$4,354,439 or 9.7% of governmental program expenses. Expenses of these programs increased \$207,279, or 5%, as compared to fiscal year 2007.

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 \$5,228,770 or 11.7% of the governmental program expenses.

Pupil transportation expenses are expenses related to the transportation of students to and from school, as well as the service and maintenance of those vehicles. Total transportation cost was \$2,609,477 or 5.8% of the total governmental program expenditures. Expenses for providing this program increased \$506,765, or 24.1% as compared to the prior year.

Overall, expenses for governmental activities increased \$1,483,239 or 3.4% from fiscal year 2007 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, 2008
Unaudited

Table 3
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Program Expenses				
Instruction:				
Regular	\$ 19,390,041	\$ 19,972,785	\$ (19,193,985)	\$ (19,594,582)
Special	2,977,965	2,762,997	(2,692,668)	(2,236,344)
Vocational	292,318	254,634	(292,318)	(254,634)
Adult/continuing	-	-	5,850	6,688
Other	75,275	68,973	(13,446)	11,577
Support services:				
Pupils	3,143,887	2,920,267	(2,580,893)	(2,479,306)
Instructional staff	1,020,310	916,284	(834,368)	(757,416)
Board of education	211,097	284,542	(211,097)	(284,542)
Administration	3,124,015	2,746,732	(2,962,691)	(2,620,299)
Fiscal	890,809	996,254	(890,809)	(996,254)
Business	128,518	119,632	(128,518)	(89,026)
Operation and maintenance of plant	5,228,770	4,710,038	(5,135,374)	(4,611,368)
Pupil transportation	2,609,477	2,102,712	(2,582,157)	(2,102,712)
Central	849,936	971,967	(849,936)	(971,967)
Operation of non-instructional services	30,219	76,297	(30,087)	999
Operation of food services	1,323,671	1,231,117	(24,428)	8,566
Extracurricular activities	1,233,531	1,050,443	(831,311)	(707,180)
Interest and fiscal charges	2,196,339	2,057,265	(2,196,339)	(2,057,265)
Total	<u>\$ 44,726,178</u>	<u>\$ 43,242,939</u>	<u>\$ (41,444,575)</u>	<u>\$ (39,735,065)</u>

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$48,807,118 and total expenditures were \$45,427,598. Fund balance of the general fund increased by \$4,180,222 as compared to the 2007 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 \$148,578, which was primarily due to the decrease in property taxes received as compared to fiscal year 2007.

General Fund Budgeting Highlights

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

Twinsburg City School District
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2008
 Unaudited

During fiscal year 2008, 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 \$39,802,482 which was a \$159,683 decrease from the original budget estimate of \$39,962,165. 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 \$40,456,512 was revised during the fiscal year to a final amount of \$39,313,005. The reduction of \$1,143,507 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 7.5%.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the School District had \$43,100,024 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2008 balances compared to fiscal year 2007.

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

	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Land	\$ 1,147,310	\$ 1,147,310
Land improvements	1,882,677	2,036,889
Buildings and improvements	38,540,191	40,174,021
Furniture, fixtures and equipment	645,928	717,587
Vehicles	883,918	455,100
Total capital assets	<u>\$ 43,100,024</u>	<u>\$ 44,530,907</u>

The most significant purchases during the year were for eight new school busses. The School District also purchased three PODS for several locations. The total carrying value capital assets decreased \$1,430,883 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, 2008
 Unaudited

Debt

At June 30, 2008 the School District had \$31,763,152 in bonds (including unamortized bond premium and bond accretion) and notes outstanding with \$3,324,984 due within one year. Table 5 summarizes debt outstanding as of June 30:

Table 5
 Outstanding Debt at Fiscal Year End

	Governmental Activities 2008	Governmental Activities 2007
General obligation bonds	\$ 29,722,159	\$ 31,099,005
Long-term notes	1,916,000	2,988,000
Capital leases	124,993	172,653
Total outstanding	<u>\$ 31,763,152</u>	<u>\$ 34,259,658</u>

At June 30, 2008, the School District's overall legal debt margin was \$46,270,760 with an unvoted debt margin of \$844,024. The School District bond rating was unchanged during the year. See Notes 13 and 14 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, 2008

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, 2008

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 27,106,786
Cash and cash equivalents:	
In segregated accounts	340,318
Receivables:	
Accounts	119,180
Intergovernmental	83,654
Taxes	29,662,770
Accrued interest	27,875
Inventory held for resale	32,463
Materials and supplies inventory	20,899
Deferred charges	244,329
Capital assets:	
Land	1,147,310
Depreciable capital assets, net	41,952,714
Total assets	<u>100,738,298</u>
<u>Liabilities:</u>	
Accounts payable	229,524
Accrued wages	3,594,715
Intergovernmental payable	1,506,699
Deferred revenue	25,879,515
Undistributed monies	2,327
Accrued interest payable	281,110
Long-term liabilities:	
Due within one year	3,646,951
Due in more than one year	30,175,958
Total liabilities	<u>65,316,799</u>
<u>Net assets:</u>	
Invested in capital assets, net of related debt	11,581,201
Restricted for:	
Capital projects	1,843,593
Debt service	1,704,913
Permanent fund purpose - scholarships	
Expendable	6,886
Nonexpendable	10,000
Other purposes	1,386,655
Unrestricted	18,888,251
Total net assets	<u>\$ 35,421,499</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	
Governmental Activities:					
Instruction:					
Regular	\$ 19,390,041	\$ 46,178	\$ 149,878	\$ -	\$ (19,193,985)
Special	2,977,965	9,670	275,627	-	(2,692,668)
Vocational	292,318	-	-	-	(292,318)
Adult/continuing	-	5,850	-	-	5,850
Other	75,275	3,064	58,765	-	(13,446)
Support services:					
Pupils	3,143,887	225,049	337,945	-	(2,580,893)
Instructional staff	1,020,310	-	185,942	-	(834,368)
Board of education	211,097	-	-	-	(211,097)
Administration	3,124,015	22,794	138,530	-	(2,962,691)
Fiscal	890,809	-	-	-	(890,809)
Business	128,518	-	-	-	(128,518)
Operation and maintenance of plant	5,228,770	93,396	-	-	(5,135,374)
Pupil transportation	2,609,477	5,100	-	22,220	(2,582,157)
Central	849,936	-	-	-	(849,936)
Operation of non-instructional services	30,219	-	132	-	(30,087)
Operation of food services	1,323,671	977,952	321,291	-	(24,428)
Extracurricular activities	1,233,531	402,220	-	-	(831,311)
Interest and fiscal charges	2,196,339	-	-	-	(2,196,339)
Total governmental activities	\$ 44,726,178	\$ 1,791,273	\$ 1,468,110	\$ 22,220	(41,444,575)

General Revenues:

Property taxes levied for:

General purposes	27,821,725
Debt service	3,434,754
Capital outlay	803,376
Grants and entitlements not restricted to specific programs	12,112,533
Payment in lieu of taxes	97,402
Investment earnings	1,155,273
Miscellaneous	120,849
Total general revenues	45,545,912

Change in net assets	4,101,337
Net assets beginning of year	31,320,162
Net assets end of year	\$ 35,421,499

See accompanying notes to the basic financial statements.

Twinsburg City School District
Balance Sheet
Governmental Funds
June 30, 2008

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 22,034,071	\$ 1,710,213	\$ 3,362,502	\$ 27,106,786
Receivables:				
Taxes	25,755,905	2,544,879	1,361,986	29,662,770
Accounts	107,608	6,295	5,277	119,180
Intergovernmental	-	-	83,654	83,654
Interfund	202,452	-	27,501	229,953
Accrued interest	27,875	-	-	27,875
Inventory held for resale	-	-	32,463	32,463
Materials and supplies inventory	14,987	-	5,912	20,899
Total assets	<u>\$ 48,142,898</u>	<u>\$ 4,261,387</u>	<u>\$ 4,879,295</u>	<u>\$ 57,283,580</u>
<u>Liabilities:</u>				
Accounts payable	\$ 121,388	\$ -	\$ 108,136	\$ 229,524
Accrued wages	3,489,495	-	105,220	3,594,715
Interfund payable	-	-	229,953	229,953
Intergovernmental payable	1,505,385	-	1,314	1,506,699
Deferred revenue	23,033,642	2,314,615	1,268,742	26,616,999
Undistributed monies	2,327	-	-	2,327
Total liabilities	<u>28,152,237</u>	<u>2,314,615</u>	<u>1,713,365</u>	<u>32,180,217</u>
<u>Fund balances:</u>				
Reserved for encumbrances	363,354	-	326,056	689,410
Unreserved, undesignated, reported in:				
General fund	19,627,307	-	-	19,627,307
Special revenue funds	-	-	1,246,070	1,246,070
Debt service fund	-	1,946,772	-	1,946,772
Capital projects funds	-	-	1,576,918	1,576,918
Permanent fund	-	-	16,886	16,886
Total fund balances	<u>19,990,661</u>	<u>1,946,772</u>	<u>3,165,930</u>	<u>25,103,363</u>
Total liabilities and fund balances	<u>\$ 48,142,898</u>	<u>\$ 4,261,387</u>	<u>\$ 4,879,295</u>	<u>\$ 57,283,580</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, 2008

Total governmental funds balances		\$ 25,103,363
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.		43,100,024
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	\$ 664,042	
Intergovernmental	73,188	
Miscellaneous	254	
Total	<u>737,484</u>	737,484
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.		340,318
Deferred charges are included in the governmental activities in the statement of net assets.		244,329
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.		(281,110)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (29,722,159)	
Energy conservation bonds	(916,000)	
Permanent improvement notes	(1,000,000)	
Compensated absences	(2,059,757)	
Capital leases	(124,993)	
Total	<u>(33,822,909)</u>	(33,822,909)
Net assets of governmental activities		<u>\$ 35,421,499</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, 2008

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Taxes	\$ 27,881,160	\$ 3,426,667	\$ 805,067	\$ 32,112,894
Intergovernmental	10,941,609	773,348	1,769,652	13,484,609
Interest	1,148,724	-	18,073	1,166,797
Tuition and fees	34,290	-	349,983	384,273
Extracurricular activities	100	-	340,307	340,407
Gifts and donations	-	-	33,542	33,542
Charges for services	-	-	977,951	977,951
Rent	65,198	-	10,950	76,148
Payment in lieu of taxes	97,402	-	-	97,402
Miscellaneous	120,595	-	12,500	133,095
Total revenues	<u>40,289,078</u>	<u>4,200,015</u>	<u>4,318,025</u>	<u>48,807,118</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	17,969,085	-	148,596	18,117,681
Special	2,627,040	-	353,289	2,980,329
Vocational	289,376	-	-	289,376
Other	960	-	74,315	75,275
Support services:				
Pupils	2,718,491	-	458,668	3,177,159
Instructional staff	654,182	-	164,898	819,080
Board of education	211,097	-	-	211,097
Administration	2,810,386	-	137,325	2,947,711
Fiscal	888,916	-	-	888,916
Business	113,089	-	-	113,089
Operation and maintenance of plant	3,794,815	-	1,201,599	4,996,414
Pupil transportation	2,443,990	-	-	2,443,990
Central	639,396	-	111,126	750,522
Operation of non-instructional services	-	-	30,219	30,219
Operation of food services	-	-	1,274,525	1,274,525
Extracurricular activities	780,221	-	342,003	1,122,224
Capital outlay	-	-	655,843	655,843
Debt service:				
Principal retirement	119,660	2,848,847	-	2,968,507
Interest and fiscal charges	47,145	1,499,746	18,750	1,565,641
Total expenditures	<u>36,107,849</u>	<u>4,348,593</u>	<u>4,971,156</u>	<u>45,427,598</u>
Excess of revenues over (under) expenditures	<u>4,181,229</u>	<u>(148,578)</u>	<u>(653,131)</u>	<u>3,379,520</u>
<u>Other financing sources (uses):</u>				
Transfers in	-	-	1,007	1,007
Transfers out	(1,007)	-	-	(1,007)
Total other financing sources (uses)	<u>(1,007)</u>	<u>-</u>	<u>1,007</u>	<u>-</u>
Net change in fund balances	4,180,222	(148,578)	(652,124)	3,379,520
Fund balances beginning of year	<u>15,810,439</u>	<u>2,095,350</u>	<u>3,818,054</u>	<u>21,723,843</u>
Fund balances end of year	<u>\$ 19,990,661</u>	<u>\$ 1,946,772</u>	<u>\$ 3,165,930</u>	<u>\$ 25,103,363</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2008**

Net change in fund balances - total governmental funds \$ 3,379,520

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	\$ 655,843	
Depreciation expense	<u>(2,086,726)</u>	
Excess of depreciation expense over net capital asset additions		(1,430,883)

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	\$ (53,045)	
Intergovernmental	73,188	
Miscellaneous	<u>254</u>	
Net change in deferred revenues during the year		20,397

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 2,968,507

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	\$ (145,030)	
Bond accretion	(778,485)	
Increase in accrued interest	<u>(130,054)</u>	
Total reduced expenditures		(1,053,569)

The amortization of issuance costs and bond premium is reflected as an expense in the statement of activities.

Issuance cost	\$ (28,643)	
Premium	<u>306,484</u>	
Total additional expenses		277,841

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 (60,476)

Change in net assets of governmental activities \$ 4,101,337

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 27,821,494	\$ 27,574,858	\$ 27,948,748	\$ 373,890
Intergovernmental	10,768,275	10,808,941	10,941,609	132,668
Interest	1,100,000	1,100,000	1,130,093	30,093
Tuition and fees	152,696	52,696	34,290	(18,406)
Extracurricular activities	150	150	100	(50)
Rent	76,353	76,353	65,198	(11,155)
Payment in lieu of taxes		97,402	97,402	-
Miscellaneous	43,197	92,082	116,200	24,118
Total revenues	<u>39,962,165</u>	<u>39,802,482</u>	<u>40,333,640</u>	<u>531,158</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	20,462,059	18,871,416	17,836,008	1,035,408
Special	2,623,633	2,940,457	2,574,492	365,965
Vocational	267,918	299,108	287,676	11,432
Other	3,293	3,477	913	2,564
Support services:				
Pupils	2,688,897	2,934,354	2,741,901	192,453
Instructional staff	646,562	811,010	657,400	153,610
Board of education	415,509	401,655	245,688	155,967
Administration	2,675,114	2,992,717	2,812,777	179,940
Fiscal	1,054,730	1,090,278	889,488	200,790
Business	112,580	134,549	129,403	5,146
Operation and maintenance of plant	5,626,966	4,505,333	4,088,233	417,100
Pupil transportation	2,290,630	2,589,221	2,483,323	105,898
Central	805,911	804,500	702,427	102,073
Extracurricular activities	666,253	817,930	784,331	33,599
Debt service:				
Principal retirement	71,457	72,000	72,000	-
Interest and fiscal charges	45,000	45,000	44,043	957
Total expenditures	<u>40,456,512</u>	<u>39,313,005</u>	<u>36,350,103</u>	<u>2,962,902</u>
Excess of revenues over (under) expenditures	<u>(494,347)</u>	<u>489,477</u>	<u>3,983,537</u>	<u>3,494,060</u>
<u>Other financing sources (uses):</u>				
Advances in	-	-	56,328	56,328
Advances out	-	-	(931)	(931)
Transfers out	-	(1,007)	(1,007)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,007)</u>	<u>54,390</u>	<u>55,397</u>
Net change in fund balance	(494,347)	488,470	4,037,927	3,549,457
Fund balances at beginning of year	17,072,126	17,072,126	17,072,126	-
Prior year encumbrances appropriated	471,090	471,090	471,090	-
Fund balances at end of year	<u>\$ 17,048,869</u>	<u>\$ 18,031,686</u>	<u>\$ 21,581,143</u>	<u>\$ 3,549,457</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2008

	<u>Self Insurance</u>
<u>Assets:</u>	
Cash and cash equivalents:	
In segregated accounts	<u>\$ 340,318</u>
<u>Net assets:</u>	
Unrestricted	<u> 340,318</u>
Total liabilities and net assets	<u>\$ 340,318</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, 2008

	Self Insurance
<u>Operating revenues:</u>	
Total operating revenues	\$ -
<u>Operating expenses:</u>	
Fringe benefits	60,476
Change in net assets	(60,476)
Net assets beginning of year	400,794
Net assets end of year	\$ 340,318

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, 2008

	Self Insurance
<u>Cash flows from operating activities:</u>	
Cash payments for employee benefits	\$ (60,476)
Net cash used for operating activities	<u>(60,476)</u>
Net decrease in cash and cash equivalents	(60,476)
Cash and cash equivalents at beginning of year	400,794
Cash and cash equivalents at end of year	<u>\$ 340,318</u>
<u>Reconciliation of operating loss to net cash used for operating activities:</u>	
Operating loss	\$ (60,476)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Increase (decrease) in liabilities:	
Total adjustments	<u>-</u>
Net cash used for operating activities	<u>\$ (60,476)</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Private Purpose Trust	
	Scholarships	Agency
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 15,569	\$ 178,550
<u>Liabilities:</u>		
Accounts payable	\$ -	\$ 1,308
Due to students	-	177,242
Total liabilities	-	\$ 178,550
<u>Net assets:</u>		
Held in trust for scholarships	\$ 15,569	

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, 2008

	<u>Scholarships</u>
<u>Additions:</u>	
Interest	<u>\$ 624</u>
 <u>Deductions:</u>	
Payments in accordance with trust agreements	<u>1,500</u>
Change in net assets	(876)
Net assets beginning of year	<u>16,445</u>
Net assets end of year	<u><u>\$ 15,569</u></u>

See accompanying notes to the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 4,263 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, 2008.

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 15 to the basic financial statements.

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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, 2008

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, 2008

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, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On 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, 2008

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 2008. 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, 2008

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, 2008, 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 17 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, 2008

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>
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture, fixtures and equipment	3 - 20 years
Vehicles	10 - 20 years

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.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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

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	\$ 4,180,222
Revenue Accruals	100,890
Expenditure Accruals	209,744
Encumbrances (Budget Basis)	
Outstanding at year end	<u>(452,929)</u>
Budget Basis	<u>\$ 4,037,927</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

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

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

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

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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, 2008

Deposits:

For the fiscal year ended June 30, 2008, 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 17).

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 \$15,745,525 and the bank balances of the deposits totaled \$15,937,247. Of the bank balance, \$15,737,247 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>
Repurchase agreements	\$ 9,565,000	Daily	N/A ⁽¹⁾
STAROhio	<u>2,330,698</u>	N/A	AAAm ⁽²⁾
	<u>\$ 11,895,698</u>		

⁽¹⁾ Underlying securities are exempt.

⁽²⁾ Standard and Poor's rating

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

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 2008 amount to \$1,148,724, which includes \$128,128 assigned from other School District funds.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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 \$9,565,000 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

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 2008 is 6.25%. This will be reduced to 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.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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 \$2,722,517 in the general fund, \$230,264 in the bond retirement debt service fund and \$166,432 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>2007 Assessed Value</u>	<u>2006 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 563,052,020	\$ 550,288,570
Commercial, industrial and minerals	222,907,740	219,121,380
<u>Tangible Personal Property</u>		
General	46,565,793	94,310,155
Public utilities	11,498,300	14,401,680
Total	<u>\$ 844,023,853</u>	<u>\$ 878,121,785</u>

NOTE 5 - RECEIVABLES

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 \$83,654.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 6 - CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Balance June 30, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>
Capital assets, not being depreciated:				
Land	\$ 1,147,310	\$ -	\$ -	\$ 1,147,310
Capital assets, being depreciated:				
Land improvements	3,659,115	6,000	-	3,665,115
Buildings and improvements	61,351,327	51,051	-	61,402,378
Furniture, fixtures and equipment	1,885,300	23,690	-	1,908,990
Vehicles	<u>2,573,007</u>	<u>575,102</u>	<u>(272,502)</u>	<u>2,875,607</u>
Total capital assets, being depreciated	<u>69,468,749</u>	<u>655,843</u>	<u>(272,502)</u>	<u>69,852,090</u>
Less: Accumulated depreciation				
Land improvements	(1,622,226)	(160,212)	-	(1,782,438)
Buildings and improvements	(21,177,306)	(1,684,881)	-	(22,862,187)
Furniture, fixtures and equipment	(1,167,713)	(95,349)	-	(1,263,062)
Vehicles	<u>(2,117,907)</u>	<u>(146,284)</u>	<u>272,502</u>	<u>(1,991,689)</u>
Total accumulated depreciation	<u>(26,085,152)</u>	<u>(2,086,726)</u>	<u>272,502</u>	<u>(27,899,376)</u>
Total capital assets being depreciated, net	<u>43,383,597</u>	<u>(1,430,883)</u>	<u>-</u>	<u>41,952,714</u>
Governmental activities capital assets, net	<u>\$ 44,530,907</u>	<u>\$ (1,430,883)</u>	<u>\$ -</u>	<u>\$ 43,100,024</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	<u>Amount</u>
Regular	\$ 1,051,643
Special	24,530
Support services:	
Pupils	724
Instructional staff	197,876
Administration	160,492
Operation and maintenance of plant	232,574
Pupil transportation	168,321
Central	95,962
Operation of food services	46,698
Extracurricular activities	<u>107,906</u>
	<u>\$ 2,086,726</u>

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2008 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 202,452	\$ -
Nonmajor governmental funds	<u>27,501</u>	<u>229,953</u>
Totals	<u>\$ 229,953</u>	<u>\$ 229,953</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, 2008, all interfund loans outstanding are anticipated to be repaid in fiscal year 2009.

NOTE 8 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2008, consisted of the following:

<u>Transfer In:</u>	<u>Transfer Out:</u>
	<u>Nonmajor Funds</u>
General Fund	\$ 1,007

During the year, the general fund transferred \$1,007 to the drug-free school grant special revenue 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

A. Accountability

As of June 30, 2008, 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:

<u>Nonmajor special revenue funds:</u>	<u>Amount</u>
Alternative schools	\$ 8,249
Title VI-B	28,195

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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, 2008 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.

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

A. School Employee Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent 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 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$577,504, \$697,264 and \$667,030 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

B. State Teachers Retirement System

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$2,178,837, \$2,425,605, and \$2,405,355 respectively; 84 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$25,553 made by the School District and \$54,858 made by the plan members.

NOTE 12 – POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$52,210.

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

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$348,436, \$304,403, and \$300,521 respectively; 45 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$41,611, \$43,089, and \$41,611 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

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

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$167,603, \$186,585, and \$185,027 respectively; 84 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

NOTE 13 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

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

	Balance <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30</u>	Due within <u>one year</u>
<u>Governmental Long-term Obligations</u>					
<u>General Obligation Bonds</u>					
2002 Various Purpose					
Improvement Refunding, 3.00%, maturing December 1, 2011	\$ 3,303,847	\$ -	\$ (343,847)	\$ 2,960,000	\$ 695,000
2004 School Facilities Refunding					
Bonds, 2.0-5.0%, maturing December 1, 2021	23,089,925	-	(706,582)	22,383,343	573,841
Accretion on Capital					
Appreciation Bonds	1,953,922	778,485	(798,418)	1,933,989	931,159
Unamortized premium	2,751,311	-	(306,484)	2,444,827	-
Total bonds	<u>31,099,005</u>	<u>778,485</u>	<u>(2,155,331)</u>	<u>29,722,159</u>	<u>2,200,000</u>
<u>Long-term Notes</u>					
2003 OASBO Energy					
Conservation, 5.00%, maturing December 1, 2017	988,000	-	(72,000)	916,000	75,000
2005 Permanent Improvement					
3.15-3.75%, maturing December 1, 2008	2,000,000	-	(1,000,000)	1,000,000	1,000,000
Total notes	<u>2,988,000</u>	<u>-</u>	<u>(1,072,000)</u>	<u>1,916,000</u>	<u>1,075,000</u>
<u>Other Long-term Obligations</u>					
Long-term compensated absences	1,914,727	381,368	(236,338)	2,059,757	321,967
Capital lease payable	172,653	-	(47,660)	124,993	49,984
Total other long-term obligations	<u>2,087,380</u>	<u>381,368</u>	<u>(283,998)</u>	<u>2,184,750</u>	<u>371,951</u>
Total governmental long-term obligations	<u>\$ 36,174,385</u>	<u>\$ 1,159,853</u>	<u>\$ (3,511,329)</u>	<u>\$ 33,822,909</u>	<u>\$ 3,646,951</u>

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

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.

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, 2008 are as follows:

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Fiscal Year	<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>
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	-	-	89,000	26,089	-	-
2014-2018	-	-	508,000	62,765	-	-
Total	<u>\$ 2,960,000</u>	<u>\$ 236,490</u>	<u>\$ 916,000</u>	<u>\$ 230,768</u>	<u>\$ 1,000,000</u>	<u>\$ 18,750</u>

Fiscal Year	<u>2004 School Facilities Refunding Bonds</u>		<u>Capital Appreciation</u>		
	<u>Serial</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2009	\$ -	\$ 961,220	\$ 573,842	\$ 931,159	Bonds maturing in fiscal year 2009-2011 are capital appreciation bonds with an approximate yield of 2.32%- 3.44%.
2010	-	961,220	466,023	1,038,977	
2011	-	961,220	378,478	1,126,523	
2012	1,505,000	930,810	-	-	
2013	1,565,000	861,275	-	-	
2014-2018	9,015,000	3,100,094	-	-	
2019-2022	8,880,000	782,769	-	-	
Total	<u>\$ 20,965,000</u>	<u>\$ 8,558,608</u>	<u>\$ 1,418,343</u>	<u>\$ 3,096,659</u>	

NOTE 14 - CAPITALIZED LEASES - LESSEE DISCLOSURE

In a 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 \$47,660.

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.

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

Fiscal <u>Year</u>	Lease <u>Payments</u>
2009	\$ 54,862
2010	54,862
2011	<u>22,859</u>
Total minimum lease payments	132,583
Less: amount representing interest	<u>(7,590)</u>
Total	<u>\$ 124,993</u>

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS

The Northeast Ohio Network for Educational Technology (NEOnet) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEOnet is a jointly governed organization among seventeen school districts. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The School District does not retain an ongoing financial interest or an ongoing financial responsibility in NEOnet. Payments to NEOnet are made from the general fund. During fiscal year 2008, the School District contributed \$44,657 to NEOnet.

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

NOTE 16 - CONTINGENCIES

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, 2008.

NOTE 17 - STATUTORY RESERVES

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

During the fiscal year ended June 30, 2008, the reserve activity was as follows:

	Textbook Reserve	Capital Maintenance Reserve	Total
Set-aside cash balance as of June 30, 2007	\$ (152,188)	\$ -	\$ (152,188)
Current year set-aside requirement	666,652	666,652	1,333,304
Qualifying disbursements	<u>(627,626)</u>	<u>(1,753,317)</u>	<u>(2,380,943)</u>
Total	<u>\$ (113,162)</u>	<u>\$ (1,086,665)</u>	<u>\$ (1,199,827)</u>
Balance carried forward to future years	<u>\$ (113,162)</u>		<u>\$ (113,162)</u>

NOTE 18 - ENDOWMENT

In a prior year the School District accepted an endowment gift of \$10,000, as allowed by ORC 3313.36. These funds are to be held for the purpose of earning interest, of which fifty percent is to be awarded as a scholarship each year. If no scholarship is awarded in any year, the allotted amount may be added to the amount to be granted to one or more scholarships the following year, and so on. The scholarship awarded shall be to a graduate of the School District, which is to be used toward a college or university education as an elementary education major. The recipients shall be determined by a committee of three persons selected from the teaching staff of the School District's high school by the Superintendent of the School District. As of June 30, 2008, the endowment gift has accumulated \$7,386 in investment earnings and is reported as expendable "Restricted for permanent fund purposes-scholarships". The initial \$10,000 endowment gift is reported as nonexpendable "Restricted for permanent fund purposes-scholarships".

NOTE 19 – NEW ACCOUNTING AND REPORTING STANDARDS

In September 2006, the GASB issued Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues. The School District has considered the implications of this statement and has determined that it has no impact on the financial statements or note disclosures for the current period

In May 2007, the GASB issued Statement No. 50, Pension Disclosures. The School District has determined that the adoption of this statement did not have an impact on the School District's financial statements; however, note disclosures related to pension benefits has been modified.

NOTE 20 – COMPLIANCE

Ohio Revised Code Section 5705.41 (B) states that no subdivision shall make any expenditure of money unless it has been appropriated as provided in such chapter. Furthermore, Auditor of State Audit Bulletin 97-010 states that all local public offices should integrate the budgetary accounts, at the legal level of control, which is the object for the General Fund and fund level for all other funds per Board resolution. It also states that budgetary control should be tested at various points throughout the year. The following funds had total expenditures plus encumbrances expended money in excess of appropriations at the object level as of June 30, 2008:

<u>General Fund</u>	<u>Appropriations</u>	Expenditures Plus <u>Encumbrances</u>	<u>Variance</u>
Operation and maintenance of plant- Materials and supplies	\$ 160,612	\$ 203,206	\$ (42,594)
Pupil transportation- Purchased services	80,661	105,182	(24,521)
Pupil transportation- Materials and supplies	346,784	406,333	(59,549)

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.

SchoolNet

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

Nonmajor Permanent Fund

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

Endowment

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

Twinsburg City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	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	\$ 1,638,773	\$ 1,706,343	\$ 17,386	\$ 3,362,502
Receivables:				
Taxes	-	1,361,986	-	1,361,986
Accounts	-	5,277	-	5,277
Intergovernmental	83,654	-	-	83,654
Interfund receivable	-	27,501	-	27,501
Inventory held for resale	32,463	-	-	32,463
Materials and supplies inventory	5,912	-	-	5,912
Total assets	<u>\$ 1,760,802</u>	<u>\$ 3,101,107</u>	<u>\$ 17,386</u>	<u>\$ 4,879,295</u>
<u>Liabilities:</u>				
Accounts payable	\$ 9,815	\$ 97,821	\$ 500	\$ 108,136
Accrued wages	105,220	-	-	105,220
Interfund payable	229,953	-	-	229,953
Intergovernmental payable	1,314	-	-	1,314
Deferred revenue	73,188	1,195,554	-	1,268,742
Total liabilities	<u>419,490</u>	<u>1,293,375</u>	<u>500</u>	<u>1,713,365</u>
<u>Fund balances:</u>				
Reserved for encumbrances	95,242	230,814	-	326,056
Unreserved, undesignated, Reported in:				
Special revenue funds	1,246,070	-	-	1,246,070
Capital projects funds	-	1,576,918	-	1,576,918
Permanent funds	-	-	16,886	16,886
Total fund balances	<u>1,341,312</u>	<u>1,807,732</u>	<u>16,886</u>	<u>3,165,930</u>
Total liabilities and fund balances	<u>\$ 1,760,802</u>	<u>\$ 3,101,107</u>	<u>\$ 17,386</u>	<u>\$ 4,879,295</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, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Taxes	\$ -	\$ 805,067	\$ -	\$ 805,067
Intergovernmental	1,323,534	446,118	-	1,769,652
Interest	10,847	6,550	676	18,073
Tuition and fees	349,983	-	-	349,983
Extracurricular activities	340,307	-	-	340,307
Gifts and donations	33,542	-	-	33,542
Charges for services	977,951	-	-	977,951
Rent	5,850	5,100	-	10,950
Miscellaneous	12,500	-	-	12,500
Total revenues	<u>3,054,514</u>	<u>1,262,835</u>	<u>676</u>	<u>4,318,025</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	147,596	-	1,000	148,596
Special	353,289	-	-	353,289
Other	74,315	-	-	74,315
Support services:				
Pupils	458,668	-	-	458,668
Instructional staff	138,576	26,322	-	164,898
Administration	137,325	-	-	137,325
Operation and maintenance of plant	30,679	1,170,920	-	1,201,599
Central	-	111,126	-	111,126
Operation of non-instructional services	29,719	-	500	30,219
Operation of food services	1,274,525	-	-	1,274,525
Extracurricular activities	342,003	-	-	342,003
Capital outlay	-	655,843	-	655,843
Debt service:				
Interest and fiscal charges	-	18,750	-	18,750
Total expenditures	<u>2,986,695</u>	<u>1,982,961</u>	<u>1,500</u>	<u>4,971,156</u>
Excess of revenues over (under) expenditures	<u>67,819</u>	<u>(720,126)</u>	<u>(824)</u>	<u>(653,131)</u>
<u>Other financing sources:</u>				
Transfers in	1,007	-	-	1,007
Net change in fund balance	68,826	(720,126)	(824)	(652,124)
Fund balances at beginning of year	<u>1,272,486</u>	<u>2,527,858</u>	<u>17,710</u>	<u>3,818,054</u>
Fund balances at end of year	<u>\$ 1,341,312</u>	<u>\$ 1,807,732</u>	<u>\$ 16,886</u>	<u>\$ 3,165,930</u>

Twinsburg City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Food Service	Uniform School Supplies	Adult Education	Miscellaneous Local Grants	Public School Support
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 231,373	\$ 10,005	\$ 70,508	\$ 34,486	\$ 899,483
Receivables:					
Intergovernmental	-	-	-	-	-
Inventory held for resale	32,463	-	-	-	-
Materials and supplies inventory	5,912	-	-	-	-
Total assets	<u>\$ 269,748</u>	<u>\$ 10,005</u>	<u>\$ 70,508</u>	<u>\$ 34,486</u>	<u>\$ 899,483</u>
<u>Liabilities:</u>					
Accounts payable	\$ 178	\$ -	\$ -	\$ 433	\$ 3,282
Accrued wages	61,230	-	-	-	21,078
Interfund payable	-	-	-	-	27,501
Intergovernmental payable	715	-	-	-	306
Deferred revenue	-	-	-	-	-
Total liabilities	<u>62,123</u>	<u>-</u>	<u>-</u>	<u>433</u>	<u>52,167</u>
<u>Fund balances:</u>					
Reserved for encumbrances	-	3,000	-	2,567	6,061
Unreserved, undesignated, Reported in special revenue funds	<u>207,625</u>	<u>7,005</u>	<u>70,508</u>	<u>31,486</u>	<u>841,255</u>
Total fund balances	<u>207,625</u>	<u>10,005</u>	<u>70,508</u>	<u>34,053</u>	<u>847,316</u>
Total liabilities and fund balances	<u>\$ 269,748</u>	<u>\$ 10,005</u>	<u>\$ 70,508</u>	<u>\$ 34,486</u>	<u>\$ 899,483</u>

District Managed Student Activity	Auxiliary Services	Teacher Development	Management Information Systems	Entry Year Programs	Data Comm- unications	SchoolNet Professional Development
\$ 161,075	\$ -	\$ 2,589	\$ 15,287	\$ 800	\$ -	\$ 1,403
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 161,075</u>	<u>\$ -</u>	<u>\$ 2,589</u>	<u>\$ 15,287</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 1,403</u>
\$ 1,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
30,402	-	-	-	-	-	-
<u>129,438</u>	<u>-</u>	<u>2,589</u>	<u>15,287</u>	<u>800</u>	<u>-</u>	<u>1,403</u>
<u>159,840</u>	<u>-</u>	<u>2,589</u>	<u>15,287</u>	<u>800</u>	<u>-</u>	<u>1,403</u>
<u>\$ 161,075</u>	<u>\$ -</u>	<u>\$ 2,589</u>	<u>\$ 15,287</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ 1,403</u>

(Continued)

Twinsburg City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	Ohio Reads	Alternative Schools	Poverty Aid	Miscellaneous State Grants	Title VI-B
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 13,179	\$ 1,444	\$ 193,633
Receivables:					
Intergovernmental	-	-	-	-	73,188
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,179</u>	<u>\$ 1,444</u>	<u>\$ 266,821</u>
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 4,687
Accrued wages	-	-	-	-	22,912
Interfund payable	-	8,249	-	-	193,936
Intergovernmental payable	-	-	-	-	293
Deferred revenue	-	-	-	-	73,188
Total liabilities	<u>-</u>	<u>8,249</u>	<u>-</u>	<u>-</u>	<u>295,016</u>
<u>Fund balances:</u>					
Reserved for encumbrances	-	-	-	-	51,239
Unreserved, undesignated, Reported in special revenue funds	<u>-</u>	<u>(8,249)</u>	<u>13,179</u>	<u>1,444</u>	<u>(79,434)</u>
Total fund balances	<u>-</u>	<u>(8,249)</u>	<u>13,179</u>	<u>1,444</u>	<u>(28,195)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,179</u>	<u>\$ 1,444</u>	<u>\$ 266,821</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
\$ -	\$ -	\$ -	\$ 960	\$ -	\$ 2,548	\$ -	\$ 1,638,773
381	5,896	-	-	1,021	3,168	-	83,654
-	-	-	-	-	-	-	32,463
-	-	-	-	-	-	-	5,912
<u>\$ 381</u>	<u>\$ 5,896</u>	<u>\$ -</u>	<u>\$ 960</u>	<u>\$ 1,021</u>	<u>\$ 5,716</u>	<u>\$ -</u>	<u>\$ 1,760,802</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,815
-	-	-	-	-	-	-	105,220
75	111	-	-	81	-	-	229,953
-	-	-	-	-	-	-	1,314
-	-	-	-	-	-	-	73,188
<u>75</u>	<u>111</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>-</u>	<u>-</u>	<u>419,490</u>
-	-	-	-	-	1,973	-	95,242
<u>306</u>	<u>5,785</u>	<u>-</u>	<u>960</u>	<u>940</u>	<u>3,743</u>	<u>-</u>	<u>1,246,070</u>
<u>306</u>	<u>5,785</u>	<u>-</u>	<u>960</u>	<u>940</u>	<u>5,716</u>	<u>-</u>	<u>1,341,312</u>
<u>\$ 381</u>	<u>\$ 5,896</u>	<u>\$ -</u>	<u>\$ 960</u>	<u>\$ 1,021</u>	<u>\$ 5,716</u>	<u>\$ -</u>	<u>\$ 1,760,802</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, 2008

	Food Service	Uniform School Supplies	Adult Education	Miscellaneous Local Grants	Public School Support
<u>Revenues:</u>					
Intergovernmental	\$ 313,312	\$ -	\$ -	\$ -	\$ -
Interest	7,980	-	-	-	2,735
Tuition and fees	-	10,813	-	-	339,170
Extracurricular activities	-	-	-	-	50,257
Gifts and donations	-	-	-	33,542	-
Charges for services	977,951	-	-	-	-
Rent	-	-	5,850	-	-
Miscellaneous	-	-	-	11,670	830
Total revenues	<u>1,299,243</u>	<u>10,813</u>	<u>5,850</u>	<u>45,212</u>	<u>392,992</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	10,376	-	13,746	4,080
Special	-	-	-	6,294	-
Other	-	-	-	-	3,310
Support services:					
Pupils	-	-	-	-	237,220
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	24,701
Operation and maintenance of plant	-	-	-	-	30,679
Operation of non-instructional services	317	-	-	-	-
Operation of food services	1,274,525	-	-	-	-
Extracurricular activities	-	-	-	4,700	63,540
Total expenditures	<u>1,274,842</u>	<u>10,376</u>	<u>-</u>	<u>24,740</u>	<u>363,530</u>
Excess of revenues over (under) expenditures	<u>24,401</u>	<u>437</u>	<u>5,850</u>	<u>20,472</u>	<u>29,462</u>
<u>Other financing sources:</u>					
Transfers in	-	-	-	-	-
Net change in fund balance	24,401	437	5,850	20,472	29,462
Fund balances (deficit) at beginning of year	<u>183,224</u>	<u>9,568</u>	<u>64,658</u>	<u>13,581</u>	<u>817,854</u>
Fund balances (deficit) at end of year	<u>\$ 207,625</u>	<u>\$ 10,005</u>	<u>\$ 70,508</u>	<u>\$ 34,053</u>	<u>\$ 847,316</u>

District Managed Student Activity	Auxiliary Services	Teacher Development	Management Information Systems	Entry Year Programs	Data Comm- unications	SchoolNet Professional Development
\$ -	\$ -	\$ -	\$ 15,247	\$ 7,200	\$ 15,000	\$ 2,970
-	132	-	-	-	-	-
-	-	-	-	-	-	-
290,050	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
290,050	132	-	15,247	7,200	15,000	2,970
-	-	-	-	7,200	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	15,000	-
-	-	-	15,000	-	-	2,588
-	-	-	-	-	-	-
-	29,402	-	-	-	-	-
-	-	-	-	-	-	-
273,763	-	-	-	-	-	-
273,763	29,402	-	15,000	7,200	15,000	2,588
16,287	(29,270)	-	247	-	-	382
-	-	-	-	-	-	-
16,287	(29,270)	-	247	-	-	382
143,553	29,270	2,589	15,040	800	-	1,021
\$ 159,840	\$ -	\$ 2,589	\$ 15,287	\$ 800	\$ -	\$ 1,403

(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, 2008

	Ohio Reads	Alternative Schools	Poverty Aid	Miscellaneous State Grants	Title VI-B
<u>Revenues:</u>					
Intergovernmental	\$ -	\$ 41,421	\$ 13,713	\$ 45,117	\$ 589,747
Interest	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Customer services	-	-	-	-	-
Rent	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	41,421	13,713	45,117	589,747
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	2,000	-	-	3,811	-
Special	-	-	-	10,997	193,858
Other	-	44,087	23,434	3,484	-
Support services:					
Pupils	-	-	-	-	206,448
Instructional staff	-	-	-	25,000	65,807
Administration	-	-	-	-	112,168
Operation and maintenance of plant	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-
Operation of food services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Total expenditures	2,000	44,087	23,434	43,292	578,281
Excess of revenues over (under) expenditures	(2,000)	(2,666)	(9,721)	1,825	11,466
<u>Other financing sources (uses):</u>					
Transfers in	-	-	-	-	-
Net change in fund balance	(2,000)	(2,666)	(9,721)	1,825	11,466
Fund balances (deficit) at beginning of year	2,000	(5,583)	22,900	(381)	(39,661)
Fund balances (deficit) at end of year	\$ -	\$ (8,249)	\$ 13,179	\$ 1,444	\$ (28,195)

Title III	Title I	Title V	Drug Free School Grant	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 16,068	\$ 116,851	\$ 9,393	\$ 6,891	\$ 26,921	\$ 102,508	\$ 1,175	\$ 1,323,534
-	-	-	-	-	-	-	10,847
-	-	-	-	-	-	-	349,983
-	-	-	-	-	-	-	340,307
-	-	-	-	-	-	-	33,542
-	-	-	-	-	-	-	977,951
-	-	-	-	-	-	-	5,850
-	-	-	-	-	-	-	12,500
<u>16,068</u>	<u>116,851</u>	<u>9,393</u>	<u>6,891</u>	<u>26,921</u>	<u>102,508</u>	<u>1,175</u>	<u>3,054,514</u>
-	-	-	6,714	-	98,494	1,175	147,596
15,862	116,269	10,009	-	-	-	-	353,289
-	-	-	-	-	-	-	74,315
-	-	-	-	-	-	-	458,668
-	-	-	4,200	25,981	-	-	138,576
-	456	-	-	-	-	-	137,325
-	-	-	-	-	-	-	30,679
-	-	-	-	-	-	-	29,719
-	-	-	-	-	-	-	1,274,525
-	-	-	-	-	-	-	342,003
<u>15,862</u>	<u>116,725</u>	<u>10,009</u>	<u>10,914</u>	<u>25,981</u>	<u>98,494</u>	<u>1,175</u>	<u>2,986,695</u>
<u>206</u>	<u>126</u>	<u>(616)</u>	<u>(4,023)</u>	<u>940</u>	<u>4,014</u>	<u>-</u>	<u>67,819</u>
-	-	-	1,007	-	-	-	1,007
206	126	(616)	(3,016)	940	4,014	-	68,826
100	5,659	616	3,976	-	1,702	-	1,272,486
<u>\$ 306</u>	<u>\$ 5,785</u>	<u>\$ -</u>	<u>\$ 960</u>	<u>\$ 940</u>	<u>\$ 5,716</u>	<u>\$ -</u>	<u>\$ 1,341,312</u>

Twinsburg City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2008

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Replacement</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 1,473,604	\$ 147,650	\$ 85,089	\$ -	\$ 1,706,343
<u>Receivables:</u>					
Taxes	1,361,986	-	-	-	1,361,986
Accounts	5,277	-	-	-	5,277
Interfund receivable	27,501	-	-	-	27,501
Total assets	<u>\$ 2,868,368</u>	<u>\$ 147,650</u>	<u>\$ 85,089</u>	<u>\$ -</u>	<u>\$ 3,101,107</u>
<u>Liabilities:</u>					
Accounts payable	\$ 97,821	\$ -	\$ -	\$ -	\$ 97,821
Deferred revenue	1,195,554	-	-	-	1,195,554
Total liabilities	<u>1,293,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,293,375</u>
<u>Fund balances:</u>					
Reserved for encumbrances	230,814	-	-	-	230,814
Unreserved, undesignated, Reported in capital projects funds	1,344,179	147,650	85,089	-	1,576,918
Total fund balances	<u>1,574,993</u>	<u>147,650</u>	<u>85,089</u>	<u>-</u>	<u>1,807,732</u>
Total liabilities and fund balances	<u>\$ 2,868,368</u>	<u>\$ 147,650</u>	<u>\$ 85,089</u>	<u>\$ -</u>	<u>\$ 3,101,107</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, 2008

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Replacement</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:					
Taxes	\$ 805,067	\$ -	\$ -	\$ -	\$ 805,067
Intergovernmental	397,576	-	22,220	26,322	446,118
Interest	6,550	-	-	-	6,550
Rent	-	-	5,100	-	5,100
Total revenues	<u>1,209,193</u>	<u>-</u>	<u>27,320</u>	<u>26,322</u>	<u>1,262,835</u>
Expenditures:					
Current:					
Support services:					
Instructional staff	-	-	-	26,322	26,322
Operation and maintenance of plant	1,162,530	8,390	-	-	1,170,920
Central	111,126	-	-	-	111,126
Capital outlay	558,227	33,150	64,466	-	655,843
Debt service:					
Interest and fiscal charges	-	18,750	-	-	18,750
Total expenditures	<u>1,831,883</u>	<u>60,290</u>	<u>64,466</u>	<u>26,322</u>	<u>1,982,961</u>
Net change in fund balance	(622,690)	(60,290)	(37,146)	-	(720,126)
Fund balances at beginning of year	<u>2,197,683</u>	<u>207,940</u>	<u>122,235</u>	<u>-</u>	<u>2,527,858</u>
Fund balances at end of the year	<u>\$ 1,574,993</u>	<u>\$ 147,650</u>	<u>\$ 85,089</u>	<u>\$ -</u>	<u>\$ 1,807,732</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, 2008**

General Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes	\$ 27,574,858	\$ 27,948,748	\$ 373,890
Intergovernmental	10,808,941	10,941,609	132,668
Interest	1,100,000	1,130,093	30,093
Tuition and fees	52,696	34,290	(18,406)
Extracurricular activities	150	100	(50)
Rent	76,353	65,198	(11,155)
Payments in lieu of taxes	97,402	97,402	-
Miscellaneous	92,082	116,200	24,118
Total revenues	<u>39,802,482</u>	<u>40,333,640</u>	<u>531,158</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	13,059,809	12,833,516	226,293
Fringe benefits	4,915,564	4,324,971	590,593
Purchased services	256,166	70,263	185,903
Materials and supplies	559,198	532,391	26,807
Capital outlay	3,350	2,842	508
Other	77,329	72,025	5,304
Total regular	<u>18,871,416</u>	<u>17,836,008</u>	<u>1,035,408</u>
Special:			
Salaries and wages	2,163,773	1,872,831	290,942
Fringe benefits	675,805	601,077	74,728
Purchased services	97,312	97,294	18
Materials and supplies	3,567	3,290	277
Total special	<u>2,940,457</u>	<u>2,574,492</u>	<u>365,965</u>
Vocational:			
Salaries and wages	235,723	227,050	8,673
Fringe benefits	63,385	60,626	2,759
Total vocational	<u>299,108</u>	<u>287,676</u>	<u>11,432</u>
Other:			
Salaries and wages	3,159	703	2,456
Fringe benefits	318	210	108
Total other	<u>3,477</u>	<u>913</u>	<u>2,564</u>
Total instruction	<u>22,114,458</u>	<u>20,699,089</u>	<u>1,415,369</u>
Support services:			
Pupils:			
Salaries and wages	2,034,087	1,922,113	111,974
Fringe benefits	696,243	622,624	73,619
Purchased services	192,527	186,741	5,786
Materials and supplies	11,302	10,253	1,049
Other	195	170	25
Total pupils	<u>2,934,354</u>	<u>2,741,901</u>	<u>192,453</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, 2008

General Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Instructional staff:			
Salaries and wages	454,986	427,248	27,738
Fringe benefits	150,227	134,176	16,051
Purchased services	55,416	51,524	3,892
Materials and supplies	149,180	43,258	105,922
Other	1,201	1,194	7
Total instructional staff	<u>811,010</u>	<u>657,400</u>	<u>153,610</u>
Board of education:			
Salaries and wages	20,000	15,375	4,625
Fringe benefits	14,060	8,180	5,880
Purchased services	302,196	163,564	138,632
Materials and supplies	5,000	3,383	1,617
Other	60,399	55,186	5,213
Total board of education	<u>401,655</u>	<u>245,688</u>	<u>155,967</u>
Administration:			
Salaries and wages	1,950,899	1,896,215	54,684
Fringe benefits	906,509	816,677	89,832
Purchased services	89,021	64,036	24,985
Materials and supplies	38,288	33,812	4,476
Other	8,000	2,037	5,963
Total administration	<u>2,992,717</u>	<u>2,812,777</u>	<u>179,940</u>
Fiscal:			
Salaries and wages	258,254	248,851	9,403
Fringe benefits	110,741	103,532	7,209
Purchased services	36,883	22,767	14,116
Materials and supplies	8,009	2,323	5,686
Capital outlay	1,658	-	1,658
Other	674,733	512,015	162,718
Total fiscal	<u>1,090,278</u>	<u>889,488</u>	<u>200,790</u>
Business:			
Salaries and wages	57,050	55,620	1,430
Fringe benefits	21,646	20,039	1,607
Purchased services	3,300	2,609	691
Materials and supplies	52,553	51,135	1,418
Total business	<u>134,549</u>	<u>129,403</u>	<u>5,146</u>
Operation and maintenance of plant:			
Salaries and wages	1,625,483	1,515,329	110,154
Fringe benefits	536,619	477,135	59,484
Purchased services	2,182,619	1,892,563	290,056
Materials and supplies	160,612	203,206	(42,594)
Total operation and maintenance of plant	<u>4,505,333</u>	<u>4,088,233</u>	<u>417,100</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, 2008

	General Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil transportation:			
Salaries and wages	1,630,933	1,457,051	173,882
Fringe benefits	530,843	514,757	16,086
Purchased services	80,661	105,182	(24,521)
Materials and supplies	346,784	406,333	(59,549)
Total pupil transportation	<u>2,589,221</u>	<u>2,483,323</u>	<u>105,898</u>
Central:			
Salaries and wages	253,555	221,666	31,889
Fringe benefits	72,752	66,960	5,792
Purchased services	421,238	359,654	61,584
Materials and supplies	56,955	54,147	2,808
Total central	<u>804,500</u>	<u>702,427</u>	<u>102,073</u>
Total support services	<u>16,263,617</u>	<u>14,750,640</u>	<u>1,512,977</u>
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	139,775	137,378	2,397
Fringe benefits	13,099	9,670	3,429
Materials and supplies	850	848	2
Other	205	205	-
Total academic and subject oriented activities	<u>153,929</u>	<u>148,101</u>	<u>5,828</u>
Sports oriented activities:			
Salaries and wages	525,968	508,805	17,163
Fringe benefits	93,393	83,056	10,337
Purchased services	18,000	17,754	246
Materials and supplies	26,640	26,615	25
Total sports oriented activities	<u>664,001</u>	<u>636,230</u>	<u>27,771</u>
Total extracurricular activities	<u>817,930</u>	<u>784,331</u>	<u>33,599</u>
Debt service:			
Principal retirement	72,000	72,000	-
Interest and fiscal charges	45,000	44,043	957
Total debt service	<u>117,000</u>	<u>116,043</u>	<u>957</u>
Total expenditures	<u>39,313,005</u>	<u>36,350,103</u>	<u>2,962,902</u>
Excess of revenues over expenditures	<u>489,477</u>	<u>3,983,537</u>	<u>3,494,060</u>
<u>Other financing sources (uses):</u>			
Advances in	-	56,328	56,328
Advances out	-	(931)	(931)
Transfers out	(1,007)	(1,007)	-
Total other financing sources (uses)	<u>(1,007)</u>	<u>54,390</u>	<u>55,397</u>
Net change in fund balance	488,470	4,037,927	3,549,457
Fund balance at beginning of year	17,072,126	17,072,126	-
Prior year encumbrances appropriated	471,090	471,090	-
Fund balance at end of year	<u>\$ 18,031,686</u>	<u>\$ 21,581,143</u>	<u>\$ 3,549,457</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, 2008

Food Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 264,610	\$ 290,559	\$ 25,949
Interest	7,630	7,980	350
Charges for services	976,351	977,951	1,600
Total revenues	<u>1,248,591</u>	<u>1,276,490</u>	<u>27,899</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	317	317	-
Operation of food services	1,256,921	1,242,799	14,122
Total expenditures	<u>1,257,238</u>	<u>1,243,116</u>	<u>14,122</u>
Net change in fund balance	(8,647)	33,374	42,021
Fund balance at beginning of year	196,399	196,399	-
Prior year encumbrances appropriated	1,600	1,600	-
Fund balance at end of year	<u>\$ 189,352</u>	<u>\$ 231,373</u>	<u>\$ 42,021</u>

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 10,777	\$ 10,813	\$ 36
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	13,574	13,376	198
Net change in fund balance	(2,797)	(2,563)	234
Fund balance at beginning of year	7,788	7,788	-
Prior year encumbrances appropriated	1,780	1,780	-
Fund balance at end of year	<u>\$ 6,771</u>	<u>\$ 7,005</u>	<u>\$ 234</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, 2008

Adult Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Rent	\$ 5,849	\$ 5,849	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	5,849	5,849	-
Fund balance at beginning of year	64,659	64,659	-
Fund balance at end of year	<u>\$ 70,508</u>	<u>\$ 70,508</u>	<u>\$ -</u>

Miscellaneous Local Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 33,542	\$ 33,542	\$ -
Miscellaneous	11,130	11,670	540
Total revenues	<u>44,672</u>	<u>45,212</u>	<u>540</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	16,314	16,313	1
Special	7,653	6,294	1,359
Extracurricular activities	4,700	4,700	-
Total expenditures	<u>28,667</u>	<u>27,307</u>	<u>1,360</u>
Net change in fund balance	16,005	17,905	1,900
Fund balance at beginning of year	13,581	13,581	-
Fund balance at end of year	<u>\$ 29,586</u>	<u>\$ 31,486</u>	<u>\$ 1,900</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, 2008

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 2,619	\$ 2,735	\$ 116
Tuition and fees	339,190	339,170	(20)
Extracurricular activities	50,049	50,257	208
Miscellaneous	830	830	-
Total revenues	<u>392,688</u>	<u>392,992</u>	<u>304</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	4,080	4,080	-
Other	3,310	3,310	-
Support services:			
Pupils	243,640	243,491	149
Administration	24,627	24,626	1
Operation and maintenance of plant	32,987	32,987	-
Extracurricular activities	67,516	66,890	626
Total expenditures	<u>376,160</u>	<u>375,384</u>	<u>776</u>
Net change in fund balance	16,528	17,608	1,080
Fund balance at beginning of year	866,115	866,115	-
Prior year encumbrances appropriated	6,804	6,804	-
Fund balance at end of year	<u>\$ 889,447</u>	<u>\$ 890,527</u>	<u>\$ 1,080</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, 2008

District Managed Student Activity Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 294,805	\$ 290,050	\$ (4,755)
<u>Expenditures:</u>			
Current:			
Extracurricular activities	307,704	304,864	2,840
Net change in fund balance	(12,899)	(14,814)	(1,915)
Fund balance at beginning of year	130,729	130,729	-
Prior year encumbrances appropriated	11,108	11,108	-
Fund balance at end of year	<u>\$ 128,938</u>	<u>\$ 127,023</u>	<u>\$ (1,915)</u>

Auxiliary Services Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 132	\$ 132	\$ -
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	2,137	2,137	-
Excess of revenues under expenditures	(2,005)	(2,005)	-
<u>Other financing uses:</u>			
Refund of prior year receipts	(29,117)	(29,117)	-
Net change in fund balance	(31,122)	(31,122)	-
Fund balance at beginning of year	1,058	1,058	-
Prior year encumbrances appropriated	30,064	30,064	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

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	\$ 15,246	\$ 15,247	\$ 1
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	15,000	15,000	-
Net change in fund balance	246	247	1
Fund balance at beginning of year	15,040	15,040	-
Fund balance at end of year	<u>\$ 15,286</u>	<u>\$ 15,287</u>	<u>\$ 1</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, 2008

Entry Year Programs Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 7,200	\$ 7,200	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	7,200	7,200	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	800	800	-
Fund balance at end of year	\$ 800	\$ 800	\$ -

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, 2008

SchoolNet Professional Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 2,970	\$ 2,970	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	2,649	2,588	61
Net change in fund balance	321	382	61
Fund balance at beginning of year	1,021	1,021	-
Fund balance at end of year	\$ 1,342	\$ 1,403	\$ 61

Ohio Reads Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	2,000	2,000	-
Net change in fund balance	(2,000)	(2,000)	-
Fund balance at beginning of year	2,000	2,000	-
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, 2008

Alternative Schools Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 52,009	\$ 52,009	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Other	42,087	44,087	(2,000)
Excess of revenues over (under) expenditures	9,922	7,922	(2,000)
<u>Other financing sources (uses):</u>			
Advances in	-	664	664
Advances out	-	(8,586)	(8,586)
Total other financing sources (uses)	-	(7,922)	(7,922)
Net change in fund balance	9,922	-	(9,922)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 9,922	\$ -	\$ (9,922)

Poverty Aid Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 13,712	\$ 13,713	\$ 1
<u>Expenditures:</u>			
Current:			
Instruction:			
Other	23,433	23,434	(1)
Net change in fund balance	(9,721)	(9,721)	-
Fund balance at beginning of year	22,900	22,900	-
Fund balance at end of year	\$ 13,179	\$ 13,179	\$ -

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, 2008

Miscellaneous State Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 45,117	\$ 45,117	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,811	3,811	-
Special	10,998	10,997	1
Other	3,484	3,484	-
Support services:			
Instructional staff	25,000	25,000	-
Total expenditures	43,293	43,292	1
Excess of revenues over expenditures	1,824	1,825	1
<u>Other financing uses:</u>			
Advances out	-	(381)	(381)
Net change in fund balance	1,824	1,444	(380)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 1,824	\$ 1,444	\$ (380)

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, 2008

Title VI-B Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 806,097	\$ 806,098	\$ 1
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	279,796	279,863	(67)
Support services:			
Pupils	210,281	210,281	-
Instructional staff	99,676	96,377	3,299
Administration	119,027	114,405	4,622
Total expenditures	708,780	700,926	7,854
Net change in fund balance	97,317	105,172	7,855
Fund balance at beginning of year	334	334	-
Prior year encumbrances appropriated	32,453	32,453	-
Fund balance at end of year	\$ 130,104	\$ 137,959	\$ 7,855

Title III Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 26,405	\$ 26,405	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	15,962	15,862	100
Excess of revenues over expenditures	10,443	10,543	100
<u>Other financing sources (uses):</u>			
Advances in	-	75	75
Advances out	-	(10,618)	(10,618)
Total other financing sources (uses)	-	(10,543)	(10,543)
Net change in fund balance	10,443	-	(10,443)
Fund balance at beginning of year	(100)	(100)	-
Prior year encumbrances appropriated	100	100	-
Fund balance at end of year	\$ 10,443	\$ -	\$ (10,443)

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, 2008

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 132,968	\$ 132,968	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	116,269	116,269	-
Support services:			
Administration	456	456	-
Total expenditures	116,725	116,725	-
Excess of revenues over expenditures	16,243	16,243	-
<u>Other financing sources (uses):</u>			
Advances in	-	111	111
Advances out	-	(16,354)	(16,354)
Total other financing sources (uses)	-	(16,243)	(16,243)
Net change in fund balance	16,243	-	(16,243)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 16,243	\$ -	\$ (16,243)

Title V Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 11,567	\$ 11,567	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	10,009	10,009	-
Excess of revenues over expenditures	1,558	1,558	-
<u>Other financing uses:</u>			
Advances out	-	(1,558)	(1,558)
Net change in fund balance	1,558	-	(1,558)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 1,558	\$ -	\$ (1,558)

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, 2008

Drug Free School Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 12,820	\$ 12,820	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	6,714	6,714	-
Support services:			
Instructional staff	4,200	4,200	-
Total expenditures	10,914	10,914	-
Excess of revenues over expenditures	1,906	1,906	-
<u>Other financing sources (uses):</u>			
Advances out	-	(1,953)	(1,953)
Transfers in	-	1,007	1,007
Total other financing sources (uses)	-	(946)	(946)
Net change in fund balance	1,906	960	(946)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 1,906	\$ 960	\$ (946)

EHA Preschool Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 29,905	\$ 29,905	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	25,981	25,981	-
Excess of revenues over expenditures	3,924	3,924	-
<u>Other financing sources (uses):</u>			
Advances in	-	81	81
Advances out	-	(4,005)	(4,005)
Total other financing sources (uses)	-	(3,924)	(3,924)
Net change in fund balance	3,924	-	(3,924)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 3,924	\$ -	\$ (3,924)

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, 2008

Improving Teacher Quality Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 113,851	\$ 113,851	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	81,852	100,753	(18,901)
Excess of revenues over (under) expenditures	31,999	13,098	(18,901)
<u>Other financing uses:</u>			
Advances out	-	(12,523)	(12,523)
Net change in fund balance	31,999	575	(31,424)
Fund balance at beginning of year	(652)	(652)	-
Prior year encumbrances appropriated	652	652	-
Fund balance at end of year	<u>\$ 31,999</u>	<u>\$ 575</u>	<u>\$ (31,424)</u>

Miscellaneous Federal Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,524	\$ 1,525	\$ 1
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,175	1,175	-
Excess of revenues over expenditures	349	350	1
<u>Other financing uses:</u>			
Advances out	-	(350)	(350)
Net change in fund balance	349	-	(349)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 349</u>	<u>\$ -</u>	<u>\$ (349)</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, 2008

Bond Retirement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 3,572,969	\$ 3,365,105	\$ (207,864)
Intergovernmental	717,437	773,348	55,911
Total revenues	<u>4,290,406</u>	<u>4,138,453</u>	<u>(151,953)</u>
<u>Expenditures:</u>			
Debt service:			
Principal retirement	2,848,847	2,848,847	-
Interest and fiscal charges	1,499,746	1,499,746	-
Total expenditures	<u>4,348,593</u>	<u>4,348,593</u>	<u>-</u>
Net change in fund balance	(58,187)	(210,140)	(151,953)
Fund balance at beginning of year	1,920,353	1,920,353	-
Fund balance at end of year	<u>\$ 1,862,166</u>	<u>\$ 1,710,213</u>	<u>\$ (151,953)</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, 2008

Permanent Improvement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 707,159	\$ 823,324	\$ 116,165
Intergovernmental	422,770	397,576	(25,194)
Interest	3,553	6,550	2,997
Total revenues	<u>1,133,482</u>	<u>1,227,450</u>	<u>93,968</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Operation and maintenance of plant	1,188,261	1,188,083	178
Pupil transportation	296,346	296,346	-
Central	111,608	111,607	1
Capital outlay	480,226	471,121	9,105
Total expenditures	<u>2,076,441</u>	<u>2,067,157</u>	<u>9,284</u>
Net change in fund balance	(942,959)	(839,707)	103,252
Fund balance at beginning of year	1,696,341	1,696,341	-
Prior year encumbrances appropriated	288,815	288,815	-
Fund balance at end of year	<u>\$ 1,042,197</u>	<u>\$ 1,145,449</u>	<u>\$ 103,252</u>

Building Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Capital outlay	131,552	43,440	88,112
Debt service:			
Interest and fiscal charges	18,750	18,750	-
Total expenditures	<u>150,302</u>	<u>62,190</u>	<u>88,112</u>
Net change in fund balance	(150,302)	(62,190)	88,112
Fund balance at beginning of year	78,288	78,288	-
Prior year encumbrances appropriated	131,552	131,552	-
Fund balance at end of year	<u>\$ 59,538</u>	<u>\$ 147,650</u>	<u>\$ 88,112</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, 2008

Replacement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 22,219	\$ 22,220	\$ 1
Rent	-	5,100	5,100
Total revenues	<u>22,219</u>	<u>27,320</u>	<u>5,101</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Pupil transportation	64,466	64,466	-
Net change in fund balance	(42,247)	(37,146)	5,101
Fund balance at beginning of year	50,869	50,869	-
Prior year encumbrances appropriated	71,366	71,366	-
Fund balance at end of year	<u>\$ 79,988</u>	<u>\$ 85,089</u>	<u>\$ 5,101</u>

SchoolNet Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 26,322	\$ 26,322	-
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	26,322	26,322	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2008

Endowment Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 648	\$ 676	\$ 28
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,000	1,000	-
Net change in fund balance	(352)	(324)	28
Fund balance at beginning of year	17,710	17,710	-
Fund balance at end of year	<u>\$ 17,358</u>	<u>\$ 17,386</u>	<u>\$ 28</u>

Internal Service Fund

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

Fiduciary Funds

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

Statement of Changes in Assets and Liabilities – 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, 2008

Employee Benefits Self Insurance Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenses:</u>			
Fringe benefits	64,019	60,476	3,543
Net change in fund balance	(64,019)	(60,476)	3,543
Fund balance at beginning of year	400,794	400,794	-
Fund balance at end of year	<u>\$ 336,775</u>	<u>\$ 340,318</u>	<u>\$ 3,543</u>

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, 2008

Scholarships Private Purpose Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 599	\$ 624	\$ 25
<u>Expenses:</u>			
Current:			
Payments in accordance with trust agreements	2,000	2,000	-
Net change in fund balance	(1,401)	(1,376)	25
Fund balance at beginning of year	16,445	16,445	-
Fund balance at end of year	<u>\$ 15,044</u>	<u>\$ 15,069</u>	<u>\$ 25</u>

Twinsburg City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

	Beginning Balance <u>July 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2008</u>
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 178,853	\$ 280,348	\$ 280,651	\$ 178,550
<u>Liabilities:</u>				
Accounts payable	\$ 22	\$ 1,308	\$ 22	\$ 1,308
Due to students	178,831	280,370	281,959	177,242
Total liabilities	<u>\$ 178,853</u>	<u>\$ 281,678</u>	<u>\$ 281,981</u>	<u>\$ 178,550</u>

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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	S2 - S7
Revenue Capacity 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.	S9 - S14
Debt Capacity 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.	S15 - S17
Economic and Demographic Information 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.	S19 - S20
Operating Information 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.	S21 - S27

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.

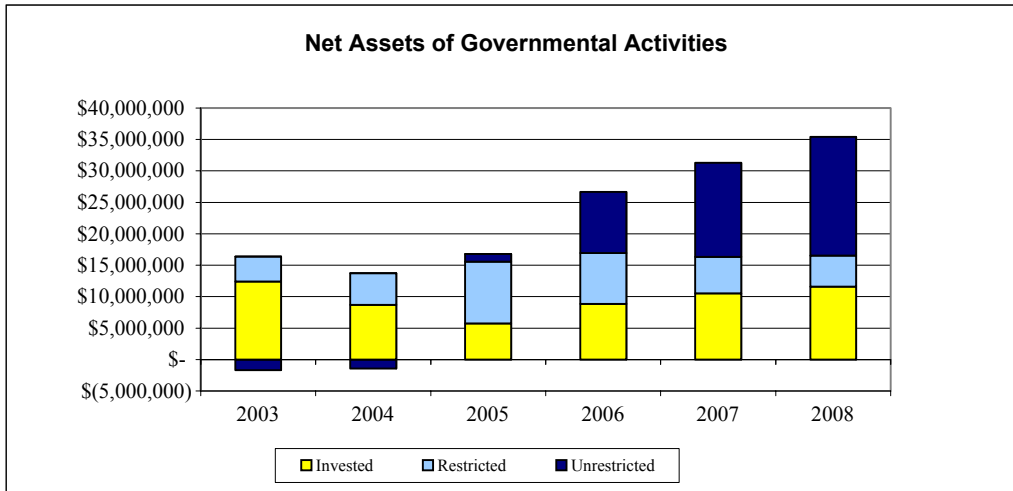
Twinsburg City School District

Net Assets by Component (1)

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Invested in capital assets, net of related debt	\$ 12,392,903	\$ 8,699,470	\$ 5,739,310	\$ 8,833,951	\$ 10,544,221	\$ 11,581,201
Restricted for:						
Capital projects	1,948,924	2,398,200	7,175,574	4,910,255	2,565,410	1,843,593
Debt service	965,032	1,560,760	1,555,934	2,047,762	1,975,458	1,704,913
Permanent fund - scholarships						
Expendable	9,540	9,693	9,065	7,783	7,710	6,886
Nonexpendable	10,000	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	1,386,655
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>	<u>18,888,251</u>
Total net assets	\$ 14,688,901	\$ 12,258,528	\$ 16,808,371	\$ 26,653,624	\$ 31,320,162	\$ 35,421,499

(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 Six Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Expenses						
Regular instruction	\$ 18,081,544	\$ 17,817,167	\$ 18,889,350	\$ 18,811,120	\$ 19,972,785	\$ 19,390,041
Special instruction	2,066,144	2,450,839	2,358,481	2,654,746	2,762,997	2,977,965
Vocational instruction	232,941	229,257	243,860	242,618	254,634	292,318
Adult/continuing	1,838	-	-	-	-	-
Other	-	-	-	70,292	68,973	75,275
Pupil support	2,068,969	2,692,062	2,817,449	2,872,792	2,920,267	3,143,887
Instructional staff support	1,041,935	993,063	1,098,918	1,014,004	916,284	1,020,310
Board of education	457,425	233,491	336,239	300,089	284,542	211,097
Administration	1,891,545	2,554,777	2,498,448	2,590,753	2,746,732	3,124,015
Fiscal	743,385	641,556	847,489	879,079	996,254	890,809
Business	91,832	101,566	88,252	82,509	119,632	128,518
Operation and maintenance of plant	4,481,000	4,607,766	3,849,243	4,807,732	4,710,038	5,228,770
Pupil transportation	1,368,493	1,811,668	1,735,569	2,066,262	2,102,712	2,609,477
Central	1,126,835	1,005,290	874,937	1,130,148	971,967	849,936
Operation of non-instructional services	88,192	64,444	96,340	73,261	76,297	30,219
Operation of food services	1,130,591	1,185,271	1,226,028	1,247,386	1,231,117	1,323,671
Extracurricular activities	877,680	999,200	1,022,754	1,054,860	1,050,443	1,233,531
Interest and fiscal charges	2,218,043	4,612,660	1,597,174	1,879,502	2,057,265	2,196,339
Total expenses	\$ 37,968,392	\$ 42,000,077	\$ 39,580,531	\$ 41,777,153	\$ 43,242,939	\$ 44,726,178
Program Revenues						
Charges for services:						
Regular instruction	\$ 95,380	\$ 30,583	\$ 23,695	\$ 107,032	\$ 243,624	\$ 46,178
Special instruction	-	-	-	-	11,092	9,670
Adult/continuing	525	5,448	2,517	6,050	6,688	5,850
Other instruction	-	-	-	-	-	3,064
Pupil support	231,803	266,380	223,423	197,492	228,765	225,049
Administration	-	-	15,236	17,685	12,400	22,794
Business	-	-	-	-	30,606	-
Operation and maintenance of plant	-	-	37,922	17,685	98,670	93,396
Pupil transportation	-	-	-	2,966	-	5,100
Operation of food service	827,242	836,247	885,118	975,207	947,394	977,952
Extracurricular activities	196,038	247,288	320,195	378,607	313,115	402,220
Operating grants and contributions:						
Regular instruction	223,232	268,402	411,902	140,669	134,579	149,878
Special instruction	428,509	479,810	664,605	578,743	515,561	275,627
Adult/continuing	32,456	704	539	-	-	-
Other instruction	-	-	-	78,123	80,550	58,765
Pupil support	50,975	111,754	47,550	194,761	212,196	337,945
Instructional staff support	223,074	168,323	73,819	254,449	158,868	185,942
Administration	11,868	24,189	1,308	67,379	114,033	138,530
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	132
Operation of food services	229,287	241,626	257,624	282,268	292,289	321,291
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	-	22,220
Total program revenues	\$ 2,699,105	\$ 2,796,644	\$ 3,078,392	\$ 3,405,089	\$ 3,507,874	\$ 3,281,603
Net expense	\$ (35,269,287)	\$ (39,203,433)	\$ (36,502,139)	\$ (38,372,064)	\$ (39,735,065)	\$ (41,444,575)

(continued)

Twinsburg City School District

Changes in Net Assets of Governmental Activities (1)

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General revenues						
Property taxes levied for:						
General purposes	\$ 27,949,889	\$ 26,589,045	\$ 28,225,106	\$ 33,982,118	\$ 28,464,999	\$ 27,821,725
Debt service	3,656,916	2,724,649	4,571,337	5,652,231	3,800,882	3,434,754
Capital outlay	1,269,752	1,836,802	1,941,794	1,049,659	444,431	803,376
Grants and entitlements not restricted to specific programs	5,132,142	5,299,112	5,891,092	6,478,610	10,219,989	12,112,533
Payment in lieu taxes	166,822	118,004	36,233	113,531	77,803	97,402
Investment earnings	144,319	107,146	315,863	862,930	1,348,505	1,155,273
Miscellaneous	144,850	98,302	70,557	78,238	44,994	120,849
Total general revenues	<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>	<u>\$ 45,545,912</u>
Change in net assets	<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>	<u>\$ 4,101,337</u>

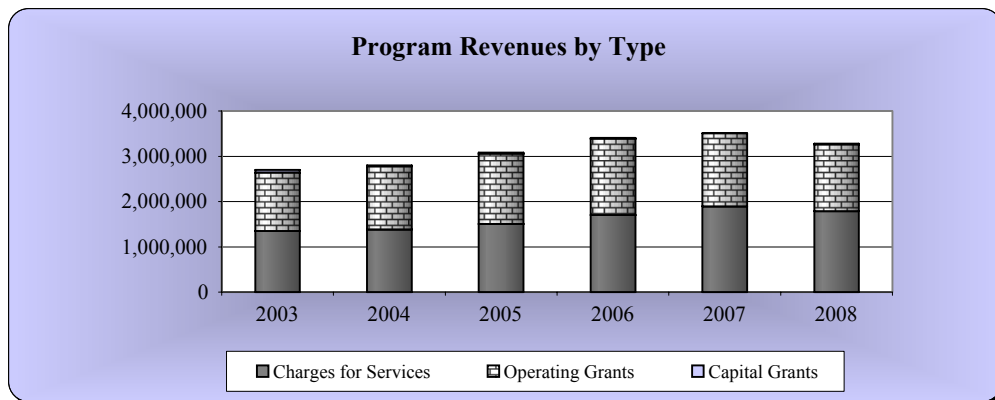
(1) Accrual basis of accounting. Will be reported for the last ten years when there are enough years of information available.

Twinsburg City School District

**Program Revenues of Governmental Activities by Function (1)
Last Six Fiscal Years**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities:						
<i>Function</i>						
Regular instruction	\$ 318,612	\$ 298,985	\$ 435,597	\$ 249,701	\$ 378,203	\$ 196,056
Special instruction	428,509	479,810	664,605	578,743	526,653	285,297
Adult/continuing	32,981	6,152	3,056	6,050	6,688	5,850
Other	-	-	-	78,123	80,550	61,829
Pupil support	282,778	378,134	270,973	392,253	440,961	562,994
Instructional staff support	223,074	168,323	73,819	254,449	158,868	185,942
Administration	11,868	24,189	16,544	85,064	126,433	161,324
Business	-	-	-	-	30,606	-
Operation and maintenance of plant	3,043	3,069	41,531	17,685	98,670	93,396
Pupil transportation	60,214	19,610	22,119	21,600	-	27,320
Operation of non-instructional services	78,359	93,211	81,623	83,876	77,296	132
Operation of food service	1,056,529	1,077,873	1,142,742	1,257,475	1,239,683	1,299,243
Extracurricular activities	203,138	247,288	325,783	380,070	343,263	402,220
Total program revenues	\$ 2,699,105	\$ 2,796,644	\$ 3,078,392	\$ 3,405,089	\$ 3,507,874	\$ 3,281,603

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



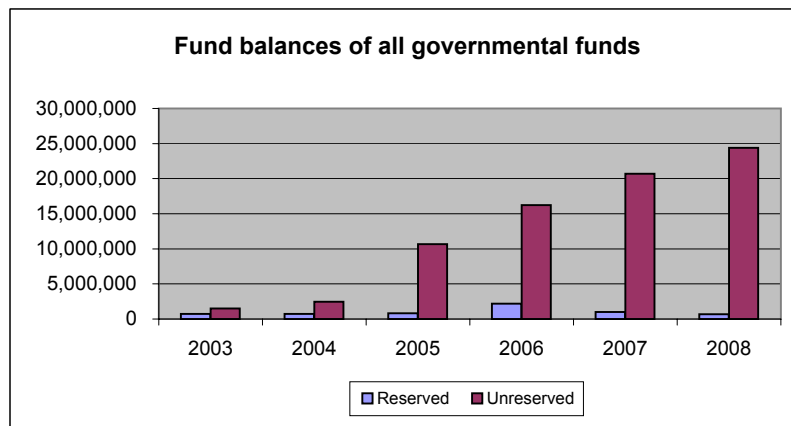
Twinsburg City School District

Fund Balances, Governmental Funds (1)

Last Six Fiscal Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund						
Reserved	\$ 424,079	\$ 368,704	\$ 524,590	\$ 826,510	\$ 438,531	\$ 363,354
Unreserved	(2,057,621)	(2,140,213)	1,243,286	9,426,710	15,371,908	19,627,307
<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>	<u>19,990,661</u>
All other governmental funds						
Reserved	323,822	353,557	286,549	1,353,096	564,043	326,056
Unreserved, undesignated, Reported in:						
Special revenue funds	934,145	888,378	940,370	1,022,396	1,194,503	1,246,070
Debt service funds	1,006,843	1,638,808	1,531,064	2,139,079	2,095,350	1,946,772
Capital projects funds	1,583,961	2,046,945	6,924,694	3,607,254	2,041,798	1,576,918
Permanent funds	19,540	19,693	19,065	17,783	17,710	16,886
<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>	<u>5,112,702</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>	<u>\$ 25,103,363</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>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>	<u>2008</u>
Revenues										
Property and other local taxes	\$ 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	\$ 32,112,894
Intergovernmental	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	13,484,609
Interest	1,224,511	456,746	303,569	256,155	147,646	108,457	320,728	874,314	1,366,841	1,166,797
Tuition and fees	313,123	279,449	314,416	377,348	319,907	288,670	302,215	417,627	543,853	384,273
Extracurricular activities	-	177,581	170,001	180,725	194,839	247,290	320,196	319,657	312,170	340,407
Contributions and donations	-	-	15,679	23,369	20,356	8,686	27,634	8,300	14,500	33,542
Charges for services	-	-	-	-	827,242	836,247	885,119	975,207	947,393	977,951
Rentals	-	-	22,501	28,149	59,369	49,416	44,669	57,190	105,358	76,148
Payment in lieu of taxes	-	-	-	-	166,822	118,004	36,233	113,531	77,803	97,402
Miscellaneous	4,512,266	58,938	123,540	945	92,196	50,270	32,575	42,379	67,034	133,095
<i>Total revenues</i>	<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>	<u>48,807,118</u>
Expenditures										
Current:										
Instruction:										
Regular	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	18,117,681
Special	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	2,980,329
Vocational	160,178	174,720	259,299	284,297	230,600	229,247	232,772	240,854	250,714	289,376
Other	-	-	-	-	1,838	-	-	70,292	68,973	75,275
Support services:										
Pupil	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	3,177,159
Instructional staff	679,688	791,163	879,597	802,519	819,000	777,053	867,334	814,048	715,629	819,080
Board of education	201,369	226,552	307,806	283,451	457,425	233,304	336,239	300,089	284,542	211,097
Administration	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	2,947,711
Fiscal	548,905	632,154	740,602	723,148	730,101	643,321	835,239	876,719	991,253	888,916
Business	254,397	312,308	178,165	92,647	90,936	101,072	86,201	82,737	118,697	113,089
Operation and maintenance										
of plant	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	4,996,414
Pupil transportation	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	2,443,990
Central	397,591	647,406	405,884	763,603	1,055,057	935,714	784,494	793,281	874,403	750,522
Facilities services	23,278,547	-	-	-	-	-	-	-	-	-
Operation of non-instructional										
services	27,337	38,584	102,322	164,118	88,192	64,444	96,340	73,261	76,297	30,219
Operation of food services	-	-	-	-	1,030,535	1,133,653	1,149,358	1,191,543	1,180,463	1,274,525
Extracurricular activities	628,591	765,105	983,279	836,974	770,495	888,048	907,041	947,102	940,776	1,122,224
Capital outlay	-	3,756,798	1,152,299	279,393	589,840	357,360	650,693	2,675,045	1,265,914	655,843

(continued)

Twinsburg City School District

Changes in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

	<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>	<u>2008</u>
Debt service:										
Principal retirement	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	2,968,507
Interest and fiscal charges	2,397,343	2,351,063	2,410,542	-	2,223,883	1,257,143	1,535,650	1,462,448	1,573,832	1,565,641
Issuance costs	-	-	-	2,213,939	-	413,907	-	-	-	-
<i>Total expenditures</i>	<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>	<u>45,427,598</u>
<i>Excess of revenues over (under) expenditures</i>	<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>	<u>3,379,520</u>
Other financing sources (uses)										
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	1,007
Transfers out	(3,000)	(254,000)	-	(582,418)	-	(29,294)	(6,124)	(2,600)	(800,000)	(1,007)
<i>Total other financing sources (uses)</i>	<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>	<u>-</u>
<i>Net change in fund balances</i>	<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>	<u>\$ 3,379,520</u>
Debt service as a percentage of noncapital expenditures	7.2%	11.3%	11.1%	9.1%	9.5%	9.1%	10.4%	11.0%	10.4%	10.1%

(1) Modified accrual basis of accounting.

Note: For 1999 - 2002, Governmental Funds includes governmental fund types and expendable trust funds; for 2003 - 2008, 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			Weighted Average Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	Ratio	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
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%	52.37
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%	54.77
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%	53.17
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%	59.32
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%	58.02
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%	58.35
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%	63.33
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%	63.05
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%	58.02
2008	563,154,630	222,756,950	2,245,461,657	11,546,480	13,121,000	46,565,793	186,263,172	844,023,853	2,444,845,829	34.52%	61.45

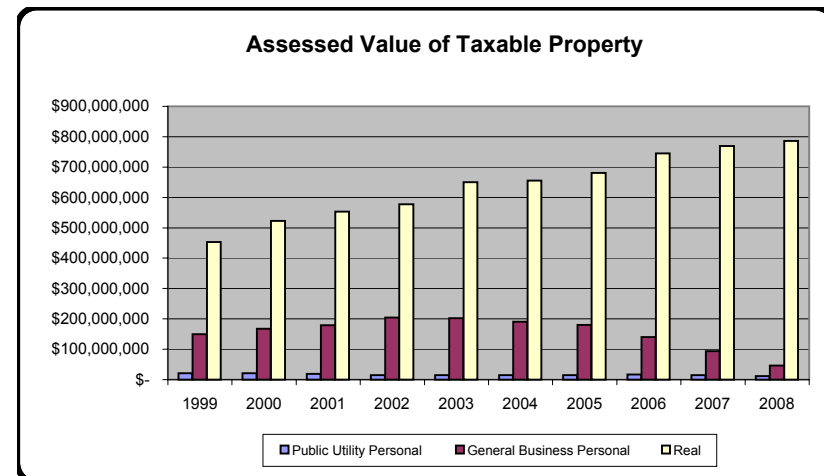
65

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. General business inventory 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
2008	Macedonia City	8.70	61.45	2.00	1.00	12.80	1.46	87.41
	Twinsburg Twp	12.86	61.45	2.00	1.00	12.80	1.46	91.57
	Twinsburg City	1.93	61.45	2.00	1.00	12.80	-	79.18
	Reminderville Village	5.20	61.45	2.00	1.00	12.80	1.46	83.91
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

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>
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
2007	31,617,656	30,557,630	96.65	1,179,985	31,737,615	100.38

Source: Summit County Fiscal Officer.

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

(2) The 2008 information cannot be presented because all collections have not been made by June 30, 2008.

(3) The County does not identify delinquent tax collections by tax year.

Twinsburg City School District

Principal Taxpayers

Real Estate Tax

2007 and 2000 (1)

Name of Taxpayer	Assessed Value	2007	
		Rank	Percent of Real Property Assessed Value
Chrysler Corporation	\$ 11,181,800	1	1.42%
Twinsburg Residential Associates	4,744,110	2	0.60%
Deer Run Apartments Limited	4,335,960	3	0.55%
RSV Twinsburg Hotel LTD	4,148,740	4	0.53%
Twinsburg Equities Group LLC	3,488,640	5	0.44%
Aveni Twinsburg I LTD	3,407,300	6	0.43%
Deer Run Apartments Limited	3,364,060	7	0.43%
Alliant Foodservice Inc.	3,278,290	8	0.42%
Coca Cola Bottling Compnay	3,082,760	9	0.39%
Pepsi Cola General Bottlers of Ohio Inc.	2,747,810	10	0.35%
Totals	<u>\$ 43,779,470</u>		<u>5.57%</u>
Total assessed valuation	<u>\$ 785,911,580</u>		

Name of Taxpayer	Assessed Value	2000	
		Rank	Percent of Real Property Assessed Value
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%
Totals	<u>\$ 42,079,080</u>		<u>8.06%</u>
Total assessed valuation	<u>\$ 522,365,440</u>		

Source: Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2007 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

2007 and 2003 (1)

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2007</u>	
		<u>Rank</u>	<u>Percent of Tangible Personal Property Assessed Value</u>
Daimler Chrysler Corporation	\$ 21,159,560	1	45.44%
Rockwell Automation, Inc.	7,035,370	2	15.11%
Reuter Stokes, Inc.	3,415,940	3	7.34%
Coca Cola Enterprises, Inc.	3,130,030	4	6.72%
Atlas Steel Products Co.	2,443,910	5	5.25%
Pepsi Cola General Bottlers of Ohio, Inc.	2,237,210	6	4.80%
United Stationers Supply Co.	1,617,000	7	3.47%
Contractors Steel Co.	1,583,550	8	3.40%
Hitachi Medical Systems	1,562,180	9	3.35%
Linde Gas LLC	1,494,440	10	3.21%
Totals	\$ 45,679,190		98.10%
Total assessed valuation	\$ 46,565,793		

<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%
Totals	\$ 108,948,480		53.89%
Total assessed valuation	\$ 202,151,778		

Source: Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2007 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

2007 and 2004 (1)

<u>Name of Taxpayer</u>	<u>2007</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Public Utility Assessed Value</u>
Ohio Edison	\$ 3,564,050	1	30.87%
American Transmission	504,310	2	4.37%
East Ohio Gas	470,320	3	4.07%
Western Reserve Telephone	469,820	4	4.07%
Totals	<u>\$ 5,008,500</u>		<u>43.38%</u>
Total assessed valuation	<u>\$ 11,546,480</u>		

<u>Name of Taxpayer</u>	<u>2004</u>		
	<u>Assessed Value</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%
Totals	<u>\$ 14,091,600</u>		<u>92.92%</u>
Total assessed valuation	<u>\$ 15,165,980</u>		

Source: Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2007 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			
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
2008	29,722,159	1,916,000	124,993	31,763,152	n/a	1,033.62

Source: School District Financial Records.

Twinsburg City School District
Computation of Direct and Overlapping Bonded Debt
June 30, 2008

Jurisdiction	Net General Tax Supported Debt (1)	Percent Overlapping	Amount Applicable Twinsburg City School District
Direct:			
Twinsburg City School District	\$ 31,638,159	100.00%	\$ 31,638,159
Overlapping:			
City of Twinsburg	12,590,139	100.00%	12,590,139
Twinsburg Township	-	100.00%	-
City of Macedonia	63,900	0.94%	601
Reminderville Village	1,158,600	90.53%	1,048,881
Twinsburg Library	-	100.00%	-
Metro Transit	650,000	6.91%	44,915
Cuyahoga Valley JVSD (2)	-	13.75%	-
Muskingum Watershed Conservancy District	-	2.24%	-
Summit Metro Park District	-	1.80%	-
Summit County	49,245,000	6.91%	3,402,830
Total overlapping:	63,707,639		17,087,365
Total direct and overlapping debt:	\$ 95,345,798		\$ 48,725,524

Sources: Summit County Fiscal Officer.

(1) All debt reported as of December 31, 2007, except for Twinsburg City School District which is reported as of June 30, 2008.

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

Twinsburg City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Tax Valuation	<u>\$ 624,356,148</u>	<u>\$ 710,883,349</u>	<u>\$ 751,386,855</u>	<u>\$ 797,339,929</u>	<u>\$ 867,689,728</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>56,192,053</u>	<u>63,979,501</u>	<u>67,624,817</u>	<u>71,760,594</u>	<u>78,092,076</u>
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
Various Purpose Notes	-	-	-	339,000	1,225,271
Less Amount Available in Debt Service	<u>(265,566)</u>	<u>(124,614)</u>	<u>(810,131)</u>	<u>(1,152,139)</u>	<u>(1,006,843)</u>
Amount of Debt Subject to Limit	<u>38,939,434</u>	<u>37,990,386</u>	<u>36,159,869</u>	<u>34,951,839</u>	<u>34,558,406</u>
Legal Debt Margin	<u>\$ 17,252,619</u>	<u>\$ 25,989,115</u>	<u>\$ 31,464,948</u>	<u>\$ 36,808,755</u>	<u>\$ 43,533,670</u>
Legal Debt Margin as a Percentage of the Debt Limit	30.70%	40.62%	46.53%	51.29%	55.75%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 624,356	\$ 710,883	\$ 751,387	\$ 797,340	\$ 867,690
Amount of Debt Subject to Limit	-	-	-	-	-
Unvoted Legal Debt Margin	<u>\$ 624,356</u>	<u>\$ 710,883</u>	<u>\$ 751,387</u>	<u>\$ 797,340</u>	<u>\$ 867,690</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	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.

Twinsburg City School District

Computation of Legal Debt Margin

Last Ten Fiscal Years (continued)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tax Valuation	<u>\$ 861,157,079</u>	<u>\$ 876,268,099</u>	<u>\$ 903,012,593</u>	<u>\$ 878,121,785</u>	<u>\$ 844,023,853</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>77,504,137</u>	<u>78,864,129</u>	<u>81,271,133</u>	<u>79,030,961</u>	<u>75,962,147</u>
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	36,655,125	34,344,324	32,510,312	31,099,005	29,722,159
Various Purpose Notes	1,189,000	5,124,000	4,057,000	2,988,000	1,916,000
Less Amount Available in Debt Service	<u>(1,638,808)</u>	<u>(1,531,064)</u>	<u>(2,139,079)</u>	<u>(2,095,350)</u>	<u>(1,946,772)</u>
Amount of Debt Subject to Limit	<u>36,205,317</u>	<u>37,937,260</u>	<u>34,428,233</u>	<u>31,991,655</u>	<u>29,691,387</u>
Legal Debt Margin	<u>\$ 41,298,820</u>	<u>\$ 40,926,869</u>	<u>\$ 46,842,900</u>	<u>\$ 47,039,306</u>	<u>\$ 46,270,760</u>
Legal Debt Margin as a Percentage of the Debt Limit	53.29%	51.90%	57.64%	59.52%	60.91%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 861,157	\$ 876,268	\$ 903,013	\$ 878,122	\$ 844,024
Amount of Debt Subject to Limit	-	-	-	-	-
Unvoted Legal Debt Margin	<u>\$ 861,157</u>	<u>\$ 876,268</u>	<u>\$ 903,013</u>	<u>\$ 878,122</u>	<u>\$ 844,024</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	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.

Twinsburg City School District

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
1999	21,174	\$ 526,628,522	\$ 24,871	4.2%
2000	30,730	568,444,166	18,498	4.0%
2001	30,730	561,361,309	18,268	4.3%
2002	30,730	555,172,932	18,066	5.5%
2003	30,730	590,186,763	19,206	5.7%
2004	30,730	636,083,035	20,699	6.1%
2005	30,730	680,701,468	22,151	5.8%
2006	30,730	729,357,509	23,734	4.9%
2007	30,730	n/a	n/a	5.3%
2008	30,730	n/a	n/a	6.2%

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 Seven Years Ago

Employer	Nature of Business	2008			2001		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
Daimler Chrysler Corp	Automotive stamping	1,100	1	25.17%	2,800	1	46.89%
Edgepark Surgical	Medical Supplies	720	2	16.48%	-		0.00%
Rockwell International/Allen Bradley	Programmable controls	600	3	13.73%	580	3	9.71%
The School District	Education	550	4	12.59%	405	4	6.78%
Pepsi-Cola Bottlers	Soft drink bottling	380	5	8.70%	300	5	5.02%
Alltel	Communications provider	280	6	6.41%	-		0.00%
Windsteam	Communications provider	220	7	5.03%	-		0.00%
GE Engery	Power Industry	180	8	4.12%	-		0.00%
Hitachi Medical Systems	Medical supplies	170	9	3.89%	-		0.00%
Ohio EPA	Environmental protection	170	10	3.89%	-		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%
Total		4,370		100.00%	5,971		100.00%

Source: 2007 Harris Ohio Industrial Directory.

The City of Twinsburg's Comprehensive Plan.

Information prior to 2001 is not available.

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Regular instruction					
Elementary classroom teachers	109	110	117	112	110
Intermediate classroom teachers	37	37	36	35	35
High school classroom teachers	55	55	55	60	62
Special instruction					
Multi handicapped teachers	6	7	12	23	21
Severe behavior handicapped teachers	5	5	5	5	5
Developmentally handicapped teachers	4	4	4	4	4
Specific learning disabled teachers	16	16	14	13	14
Other	4	5	6	3	4
Vocational instruction					
High school classroom teachers	3	3	3	3	3
Pupil support services					
Guidance counselors	10	12	11	11	10
Librarians	6	6	6	6	6
Psychologists	4	4	4	4	5
Speech and language pathologists	5	5	5	4	4
Aides	1	1	2	2	2
Computer	5	5	5	0	0
Other	50	52	63	52	58
Administrators					
Elementary	2	2	2	2	2
Intermediate	3	3	3	3	3
Middle School	2	2	2	2	2
High school	3	3	3	3	4
Operation of plant					
Custodians & Maintenance	35	36	38	36	36
Security	2	2	3	3	2
Pupil transportation					
Bus drivers	38	37	39	40	45
Bus aides	2	3	3	3	3
Maintenance	2	2	3	2	2
Food service program					
Director	1	1	1	1	1
Cooks	30	32	33	34	35
Totals:	<u>440</u>	<u>450</u>	<u>478</u>	<u>466</u>	<u>478</u>

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>
1999	n/a	3,371	n/a	n/a	n/a	n/a	12.14%
2000	n/a	3,675	n/a	n/a	n/a	n/a	12.42%
2001	n/a	3,710	n/a	n/a	229.9	16.1	10.62%
2002	n/a	3,754	n/a	n/a	230.0	16.3	10.59%
2003	\$ 37,968,392	3,807	\$9,973	n/a	232.7	16.4	11.86%
2004	\$ 42,000,077	3,953	\$10,625	6.53%	226.5	17.5	12.03%
2005	\$ 39,580,531	3,872	\$10,222	-3.79%	226.5	17.1	12.76%
2006	\$ 41,777,153	4,073	\$10,257	0.34%	225.4	18.1	13.55%
2007	\$ 43,242,939	4,181	\$10,343	0.83%	225.8	18.5	12.84%
2008	\$ 44,726,178	4,263	\$10,492	1.44%	234.0	18.2	13.02%

Source: School District Records, Ohio Department of Education.

Twinsburg City School District

Building Statistics

Last Ten Fiscal Years

	<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>	<u>2008</u>
Wilcox Elementary										
Constructed in 1960										
Total building square footage	67,356	85,350	85,350	85,350	85,350	85,350	85,350	85,350	85,350	85,350
Enrollment grades Pre K-1	612	609	617	595	564	567	594	628	641	641
Student capacity	925	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Regular instruction classrooms	37	43	43	43	43	43	43	43	43	43
Regular instruction teachers	26	27	28	27	27	27	28	28	28	30
Special instruction classrooms	8	8	7	5	5	5	5	5	5	5
Special instruction teachers	8	8	7	5	5	5	5	5	4	5
Bissell Elementary										
Constructed in 1963										
Total building square footage	73,309	73,684	73,684	73,684	73,684	73,684	73,684	73,684	73,684	73,684
Enrollment grades 2-3	833	615	608	603	598	611	623	581	612	612
Student capacity	965	975	975	975	975	975	975	975	975	975
Regular instruction classrooms	34	34	34	34	34	34	34	34	34	34
Regular instruction teachers	26	28	26	25	28	28	30	31	30	32
Special instruction classrooms	9	7	7	6	6	6	7	7	7	7
Special instruction teachers	9	7	7	6	6	6	7	7	7	7
Dodge Intermediate School										
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	1,034	829	899	940	939	951	943	982	977	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	41	40	41	46	47	47	49	47	46	46
Special instruction classrooms	7	7	7	8	8	8	9	9	9	9
Special instruction teachers	7	7	7	8	8	8	9	9	9	9
RB Chamberlin Middle School										
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	921	542	573	573	603	636	672	667	650	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	30	31	31	33	33	34	34	33	32	35
Special instruction classrooms	7	7	8	9	9	9	9	9	9	9
Special instruction teachers	7	7	8	9	9	9	9	9	7	8
Twinsburg High School										
Constructed in 1999										
Total building square footage	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719
Enrollment grades 9-12	n/a	934	999	1,057	1,103	1,119	1,208	1,187	1,305	1,305
Student capacity	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717
Regular instruction classrooms	52	52	52	52	52	52	52	64	64	64
Regular instruction teachers	51	51	51	51	51	51	52	56	55	62
Special instruction classrooms	6	6	6	6	7	7	8	8	8	8
Special instruction teachers	6	6	6	6	7	7	8	8	8	8

Twinsburg City School District

Teachers' Salaries

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Twinsburg City School District Average Salary</u>	<u>Statewide Average Salary (4)</u>
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
2008	59,562	53,410

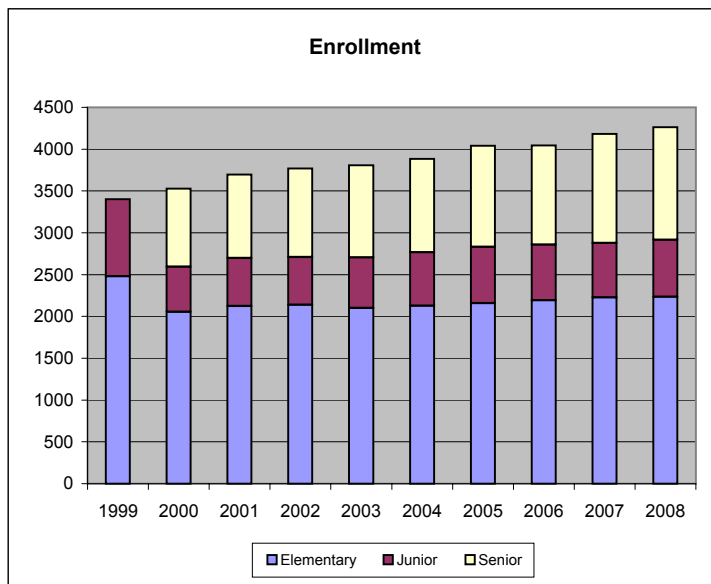
Source: Ohio Department of Education.

Twinsburg City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Junior High School	Senior High School	Total
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
2008	2,233	682	1,348	4,263



Source: Ohio Department of Education.

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

<u>Fiscal Year</u>	<u>Twinsburg City School District Average</u>	<u>State Average</u>
1999	19.3	18.6
2000	19.6	18.1
2001	19.1	18
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
2008	21.4	18.6

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>
1999	95.2%	93.5%	91.8%	80.60%
2000	95.9%	93.6%	91.5%	80.60%
2001	95.5%	93.9%	89.5%	81.10%
2002	95.7%	94.3%	93.1%	82.70%
2003	95.8%	94.5%	95.5%	84.30%
2004	96.1%	94.5%	95.9%	85.90%
2005	95.8%	94.3%	95.7%	86.20%
2006	95.8%	94.1%	90.1%	86.10%
2007	96.2%	94.1%	91.5%	86.90%
2008	96.0%	94.2%	n/a	n/a

Source: Ohio Department of Education Local Report Cards.

n/a - information is not available at this time.



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 10, 2009