



**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2002



**Auditor of State
Betty Montgomery**

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Twinsburg City School District
Summit County
11136 Ravenna Road
Twinsburg, Ohio 44087-1022

To the Board of Education:

We have audited the general purpose financial statements of Twinsburg City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2002, and have issued our report thereon dated February 21, 2003, in which we noted the District changed its accounting policy related to the capitalization threshold of fixed assets. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 2002-10977-001 and 2002-10977-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated February 21, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated February 21, 2003.

Twinsburg City School District
Summit County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

February 21, 2003



**Auditor of State
Betty Montgomery**

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

Twinsburg City School District
Summit County
11136 Ravenna Road
Twinsburg, Ohio 44087-1022

To the Board of Education:

Compliance

We have audited the compliance of Twinsburg City School District, Summit County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. 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, 2002.

Internal Control Over Compliance

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

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

Schedule of Receipts and Expenditures of Federal Awards

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated February 21, 2003, in which we noted the District changed its accounting policy related to the capitalization threshold for fixed assets. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

February 21, 2003

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grantor/ Pass Through Grantor/ Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. Department of Education</u>						
<i>Passed Through Ohio Department of Education:</i>						
Title 1 Grants to Local Educational Agencies	84.010	050070-C1-S1-02 050070-C1-S1-01	\$ 217,402		\$ 161,661	
Total Title 1 Grants to Local Educational Agencies			217,402		161,661	
Special Education Cluster:						
Special Education Grants to States	84.027	050070 6B-SF-02P 050070 6B-SF-01P	136,428 24,955		96,324 13,036	
Total Special Education Grants to States			161,383		109,360	
Special Education Preschool Grants	84.173	050070 PG-S1-02P 050070 PG-S1-01P	21,652		21,652 4,021	
Total Special Education Preschool Grants			21,652		25,673	
Total Special Education Cluster			183,035		135,033	
Title VI-R Class-Size Reduction	84.340	050070-CR-S1-02 050070-CR-S1-00	65,865		49,010	
Total Title VI-R Class-Size Reduction			65,865		49,010	
Eisenhower Professional Development State Grants	84.281	050070-MS-S1-02 050070-MS-S1-01	14,187 -		11,182 1,908	
Total Eisenhower Professional Development State Grants			14,187		13,090	
Innovative Education Program Strategies	84.298	050070-C2-S1-02 050070-C2-S1-01 050070-C2-S1-00	5,842		- 1,349 5,405	
Total Innovative Education Program Strategies			5,842		6,754	
Safe and Drug-Free Schools and Communities State Grants	84.186	050070-DR-S1-02 050070-DR-S1-01 050070-DR-S1-00 050070-DR-S1-99	3,265		8,559 3,071 4,158 893	
Total Safe and Drug-Free Schools and Communities State Grants			3,265		16,681	
School Renovation Grants	84.352	050070-AT-S1-02	11,704		10,557	
Total U.S. Department of Education			501,300		392,786	
<u>U.S. Department of Agriculture</u>						
<i>Passed Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
National School Lunch Program	10.555	N/A	158,131		158,131	
Food Distribution	10.550	N/A		\$ 60,962		\$ 60,058
Total U.S. Department of Agriculture - Child Nutrition Cluster			158,131	60,962	158,131	60,058
TOTALS			\$ 659,431	\$ 60,962	\$ 550,917	\$ 60,058

See Accompanying Notes to the Schedule of Receipts and Expenditures of Federal Awards.

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B – FOOD DISTRIBUTION

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed that federal monies are expended first. At June 30, 2002, the District had \$18,889 of food commodities in inventory.

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
JUNE 30, 2002**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Child Nutrition Cluster CFDA's 10.555 and 10.550
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

FINDING NUMBER 2002-10977-001

Finding for Recovery – Merit Pay

During August of 2000, the Superintendent, Jeffrey Miller, authorized \$1,500 payments to himself and Kathleen Bills, Administrative Assistant, as "merit pay" bonuses. The Board did not approve "merit" bonuses for the Superintendent or the Administrative Assistant.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, Findings for Recoveries for illegal expenditures are hereby issued against Jeffrey Miller, former Superintendent, and Ohio Casualty Group of Insurance Companies, jointly and severally, in the amount of \$1,500, and Kathleen Bills, Administrative Assistant, and Ohio Casualty Group of Insurance Companies, jointly and severally, in the amount of \$1,500 and, in favor of the Twinsburg City School District.

In addition, since these expenditures occurred during the tenures of Jeffrey Miller, Superintendent, and Joe Kay, Treasurer, findings for recoveries are issued against Jeffrey Miller, former Superintendent, and Joe Kay, former Treasurer, and their respective bonding companies, Ohio Casualty Group of Insurance Companies, and Todd and Associates through the Ohio School Board Association, in the full amount of \$3,000, and in favor of the Twinsburg City School District.

Jeffrey Miller repaid \$3,000 to the Twinsburg City School District as part of a court ordered restitution settlement. The settlement occurred during February 2003.

FINDING NUMBER 2002-10977-002

Finding for Recovery – Tuition Reimbursements

The District maintains a Professional Growth policy which provides certain financial assistance to professional staff. In short, the Board will reimburse 50% of the tuition cost of approved credits up to a maximum of \$300 for each professional staff each fiscal year.

During fiscal years 2002, 2001 and 2000, we noted certain professional staff including Jeffrey Miller, former Superintendent; Joe Kay, former Treasurer; and Judy Henning, Director of Pupil Personnel, were incorrectly reimbursed for 100% of their tuition costs. In addition, neither Jeffrey Miller's nor Judy Henning's employment contracts reflected any additional Professional Growth provisions. Meanwhile, Joe Kay's employment contract contained a Professional Growth provision which reflected in pertinent part, the Treasurer shall be encouraged to attend professional meetings, work shops, and the like. The Board agrees to pay annual professional dues for the Treasurer and limits the number of professional dues to three groups.

We asked the Board and District's attorney to interpret both the Board's Professional Growth policy and the Professional Growth provision reflected within Joe Kay's contract to determine whether Joe Kay's tuition costs were 100% reimbursable. The Board and the District's attorney were of the opinion that the Professional Growth provision included professional development seminars and conferences, but did not extend to college tuition or attainment of an advanced degree.

In addition to the individuals mentioned above, Stephen Marlow, Middle School Principal; Barbra Werstler, Elementary Principal; Andrew Wilson, Elementary Assistant Principal; Al Hodakievic, Teacher; Kimberly Hummel, Teachers Aid; and Nancy Dreiling, Secretary, were all reimbursed at various amounts greater than the maximum set by the Board of Education.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, Findings for Recoveries for public monies illegally expended are hereby issued jointly and severally against Jeffrey Miller, former Twinsburg Superintendent and the bonding company The Ohio Casualty Group of Insurance Companies in the amount of \$1,790; Judy Henning, Director of Pupil Personnel, and the bonding company The Midwestern Indemnity Company in the amount of \$6,886.50; Joe Kay, former Twinsburg Treasurer and the bonding company Todd and Associates through the Ohio School Board Association in the amount of \$3,940; Stephen Marlow, Middle School Principal, and the bonding company The Midwestern Indemnity Company in the amount of \$214.50; Barbra Werstler, Elementary Principal, and the bonding company The Midwestern Indemnity Company in the amount of \$182; Andrew Wilson, Elementary Assistant Principal, and the bonding company The Midwestern Indemnity Company in the amount of \$247; Al Hodakievic, Teacher, and the bonding company The Midwestern Indemnity Company in the amount of \$828.25; Kimberly Hummel, Teachers Aid, and the bonding company The Midwestern Indemnity Company in the amount of \$300; and Nancy Dreiling, Secretary, and the bonding company The Midwestern Indemnity Company in the amount of \$300.

In addition, since these expenditures occurred during the tenures of Jeffrey Miller, Superintendent, Joe Kay, Treasurer, and Mark Paprocki, Treasurer, findings for recoveries are issued against Jeffrey Miller, former Superintendent, Joe Kay, former Treasurer, and Mark Paprocki, former Treasurer, and their respective bonding companies jointly and severally in the full amount of \$14,688.25 and in favor of the Twinsburg City School District General Fund.

**FINDING NUMBER 2002-10977-002
(Continued)**

Finding for Recovery – Tuition Reimbursements (Continued)

Jeffery Miller repaid \$2,110 as part of a court ordered restitution settlement (\$1,790 noted above plus an additional \$320 as determined by the Court. The settlement occurred during February 2003. In addition, Joe Kay and Steve Marlow have repaid \$3,940 and \$214.50, respectively, under audit which was credited to the District's General Fund.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2002

TWINSBURG CITY SCHOOL DISTRICT

Twinsburg, Ohio



Twinsburg City School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2002

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, 2002

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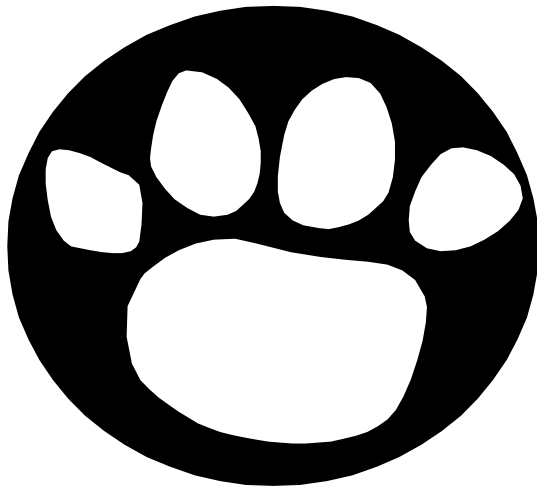
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INTRODUCTORY SECTION



Twinsburg City School District

11136 Ravenna Road • Twinsburg, Ohio 44087-1022

Phone: (330) 486-2000

Fax: (330) 425-7216

Mr. James G. Jones, Superintendent
Mr. Stephen Marlow, Assistant Superintendent
Mr. Martin Aho, Treasurer

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

February 21, 2003

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

The Comprehensive Financial Report (CAFR) of the Twinsburg City School District, the “School District” for the fiscal year ended June 30, 2002, 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 2001-2002 fiscal year.

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 and account groups of the School District.

This CAFR, which includes an opinion from the Auditor of the State of Ohio’s office, conforms to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) and is representative of the School District’s commitment to provide meaningful information to its’ stakeholders.

This CAFR is presented in three sections:

The Introductory Section, which is unaudited, includes a table of contents, this transmittal letter, a list of principal officials, and the organizational chart.

The Financial Section, includes the Report of Independent Accountants, the general purpose financial statements and explanatory notes, and combining and individual fund financial statements of which the combining and individual financial statements are unaudited.

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

The Reporting Entity

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

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

Description of the School District

The School District serves an area of approximately 30 square miles. It comprises 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. The estimated 2001 population in School District was 21,506.

As of October 2001, there were 3,696 students attending the five schools in the School District. They are: Wilcox Primary, Bissell Elementary, Dodge Intermediate, Chamberlin Middle School, and Twinsburg High School. The School District also owns a central office building, a bus garage, a football stadium, and various athletic fields.

There has been a steady growth in student population over the past ten years. The 1992-93 enrollment was 2,431 students. Over the past ten years the student population has increased nearly 55%. Most-likely enrollment projections completed by DeJong and Associates in December 2000 indicate continued growth over the next ten years. New projection studies are in progress that will take into consideration the changing economic factors in this post September 11 environment.

Organization of the School District

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

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board for all operations within the School District. In July 2001, James Jones was appointed Superintendent. He previously served the district as Assistant Superintendent and the High School Principal.

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. Mark Paprocki has served in this capacity since October 2000. He has over twenty years experience as a governmental fiscal officer, fifteen of which are in schools. He is a Registered School Business Official through the Association of School Business Officials International. The Treasurer's office employs three additional staff members. In July 2002, Martin Aho replaced Mark Paprocki as the School District Treasurer.

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

Economic Condition and Future Outlook

The City of Twinsburg is an enviable location as part of the metropolitan Cleveland-Akron area. There are two exits on Interstate 480, and in very close proximity to Interstate 271 and Interstate 80 (Ohio Turnpike). Four State-supported and six private colleges and universities are located a convenient driving distance from Twinsburg.

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. Daimler-Chrysler has plans to expand its equipment inventory, in spite of its own economic concerns. A well-managed tax incentive program has assisted the growth. The future benefits of such a plan are being realized at this point as most businesses are ending their abatement periods and remaining in the community.

The following list, provided by the Summit County Fiscal Officer's Office, indicates information on the largest taxpayers:

<u>Top Taxpayers</u>	<u>Total Assessed Valuation</u>	<u>Percent of Total</u>
<i>Daimler Chrysler Corp</i>	\$ 80,940,120	10.15%
<i>Rockwell International</i>	12,244,320	1.54%
<i>Deer Run Apts. Ltd.</i>	9,081,200	1.14%
<i>Alltel Corp.</i>	8,467,800	1.06%
<i>Ohio Edision Corp.</i>	7,476,000	0.94%
<i>Pepsi Cola Bottlers</i>	5,970,120	0.75%
<i>Coca-Cola Enterprises</i>	5,488,140	0.69%
<i>Western Reserve</i>	3,955,250	0.50%
<i>Quality Synthetic Rubber Company</i>	3,417,240	0.43%
<i>Twinsville Associates</i>	3,340,470	0.42%

Major Initiatives and Accomplishments

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

Students – Staff - District

- Local Report Card
The District achieved an Effective rating on the 2002 Report Card.
- Scholars
Numerous scholarships awarded for academics, athletics, and the arts.
One National Merit Finalist.
One National Achievement Finalist.
- High School Test Scores
Average SAT score of 1120.
Average ACT score 23.
- Helping Hands Project and Operation Christmas Child
Chamberlin and Dodge students assisted over 160 children with needs over the holidays.
- Power of the Pen Team
Placed in the top 10 in the Ohio state writing competition.
- Talent Show
Third Annual R.B. Chamberlin Middle School Talent show held.
- Mini-PANDA Program
Students and parents at Dodge Intermediate School participated in a program where students learn about the side effects of drugs and alcohol.
- Parent Guidance Workshops and Proficiency Nights
These workshops were among many of the opportunities available to parents to learn parenting skills and/or to learn about school requirements. Topics included peer pressure, anger management, school success, etc.
- Grandparent Days
Grandparents are invited to each of the schools through grade 8 for special programs of music, drama, and reading to their grandchildren.
- Fine Arts Festival in each school building
Held annually to display the works of students from throughout the School District.

- Information Literacy Academy
The weeklong Twinsburg Information Literacy Academy was held prior to the beginning of the school year to provide key resource people in each school to implement the Information Literacy Course of Study for 2001-2002.
- Gifted Identification
Students are identified in the areas of Superior Cognitive Ability, Specific Academic Ability, Creative Thinking Ability, and Visual-Performing Arts Ability. Two unique programs are in place for these students. A self-contained, team taught class exists at the fourth, fifth and sixth grade levels. Additionally, Project Plus is a seminar program for grades seven and eight taught by a national expert in gifted education. A comprehensive district plan was established during fiscal year 2002.
- Project Labs
Established at R.B. Chamberlin Middle School, Bissell Elementary and Wilcox Primary to enable students to work with the Internet and multimedia productions.
- Reading Wall of Fame at Wilcox Primary
Displays photos and descriptions of student who have become early readers.
- PAW (People for Animal Welfare)
- Parent-to-Parent Support Group
The parent mentorship program assists special education parents with the process of education of their children. Two parent mentors are hired through a state grant.
- Music Program
Great Expectations took many first place awards. The orchestra has grown from fourth to sixth grade level. The band continues to include student musicians from grade five and above. Joint concerts continue as a Twinsburg tradition around the holidays.
- Video Technology Program
The first class for Video Technology was introduced at the High School. This class has changed the meaning of “morning announcements”. Students cannot wait to see the creative, innovative energy that this addition has brought to the school.
- The third Summer Institute for Reading Intervention took place in August welcoming Twinsburg teachers and those in neighboring districts.

Plant and Educational Support

- Facilities
All school buildings are in excellent physical condition. A 2.75 mill Permanent Improvement levy supports the building program. The Twinsburg High School was opened in January 1999. It includes a Fitness Center that is run by the City of Twinsburg Parks and Recreation Department. This was a joint venture between the City and the School District.

- Technology
All buildings are wired, networked, and have Internet access. The School District has approximately 900 computers for student and staff use. Other technologies that support education are also available. All staff and students have e-mail access. The School District utilized State SchoolNet monies to enhance the technology.
- Security
The School District has implemented a School District-wide security plan to protect the students and the staff. All buildings have security equipment and procedures. The Supervisor of Protective Services monitors the plan.
- 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 December 2000, DeJong and Associates completed enrollment projections for the School District. Enrollment projections are reviewed and updated as needed and are used to guide the School District’s planning in this time of growth.
 - Facilities Planning –The District is working with the Ohio School Facilities Commission in their Expedited Local Share Program to identify future facilities needs and repairs.
 - Five-Year Financial Forecast – Each School District in Ohio is required to complete a five-year financial forecast annually. This School District completed the forecast in December 2001 as required by law. This document is updated regularly and serves as a financial roadmap for the School District.

Financial Information

The School District’s accounting system is organized on a “fund” basis. Each fund and account group is a distinct, self-balancing accounting entity. Reports for general governmental operations and expendable trusts are reported on the modified accrual basis whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Reports of the School District’s proprietary operations are presented on the accrual basis whereby revenues are recognized when earned and expenses when accrued.

Internal Controls

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

Single Audit Act

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

Budgetary Controls

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

The level of budgetary control is established by function and object of expenditure within for the General Fund and at the fund level for all other funds. 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 are not reappropriated.

General Governmental Functions

The general governmental funds encompass the General, Special Revenue, Debt Service, Capital Projects fund types, and Expendable Trust funds of the School District. The following schedule presents a summary of revenues for all general governmental funds for the fiscal year ended June 30, 2002, and the amount percentage of increases (decreases) in relation to the 2001 fiscal year.

<i>Revenue by Source</i>	<i>2001 Amount</i>	<i>2002 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
<i>Taxes</i>	\$ 25,812,191	\$ 28,622,414	80.02%	\$ 2,810,223	10.89%
<i>Intergovernmental</i>	5,183,675	6,271,015	17.54%	1,087,340	20.98%
<i>Interest</i>	303,569	256,155	0.72%	(47,414)	-15.62%
<i>Tuition and fees</i>	314,416	377,348	1.06%	62,932	20.02%
<i>Extracurricular activities</i>	170,001	180,725	0.51%	10,724	6.31%
<i>Gifts and donations</i>	15,679	23,369	0.07%	7,690	0.00%
<i>Rent</i>	22,501	28,149	0.08%	5,648	0.00%
<i>Miscellaneous</i>	123,540	945	0.00%	(122,595)	-99.24%
<i>Total revenues</i>	<u>\$ 31,945,572</u>	<u>\$ 35,760,120</u>	<u>100.00%</u>	<u>\$ 3,814,548</u>	<u>11.94%</u>

Tax revenues increased due to the School District realizing a 6.12% increase in the total valuation or a dollar amount of \$45,953,074. As property values increased, the state property tax relief increased.

Intergovernmental revenue from state sources increased due the formula funding method for state foundation basic aid and homestead and rollback growth.

Interest income was reduced as interest rates declined to their lowest level in 41 years.

Tuition and fees increased because more children from other districts were served by the School District.

Changes in Extracurricular activities, Gifts and Donations, and Rental revenues are due to changes in the reporting of these accounts, where in prior years they were reported with miscellaneous revenues. Miscellaneous revenues decreased for the same reason.

The following schedule presents a summary of expenditures for all general governmental funds for the fiscal year ended June 30, 2002, and the amount and percentage of increases (decreases) in relation to the 2001 fiscal year.

<i>Expenditures by Function</i>	<i>2001 Amount</i>	<i>2002 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease)</i>	<i>Percent of Increase (Decrease)</i>
<i>Instruction</i>	\$ 15,172,108	\$ 16,269,211	48.79%	\$ 1,097,103	7.23%
<i>Pupil support</i>	2,179,979	2,536,467	7.61%	356,488	16.35%
<i>Instructional staff</i>	879,597	802,519	2.41%	(77,078)	-8.76%
<i>Administration</i>	2,689,366	2,660,045	7.98%	(29,321)	-1.09%
<i>Fiscal</i>	740,602	723,148	2.17%	(17,454)	-2.36%
<i>Business</i>	178,165	92,647	0.28%	(85,518)	-48.00%
<i>Plant operation</i>	3,737,020	3,752,609	11.25%	15,589	0.42%
<i>Pupil transportation</i>	1,552,209	1,455,400	4.36%	(96,809)	-6.24%
<i>Central</i>	405,884	763,603	2.29%	357,719	88.13%
<i>Extracurricular</i>	983,279	836,974	2.51%	(146,305)	-14.88%
<i>Capital outlay</i>	1,152,299	279,393	0.84%	(872,906)	-75.75%
<i>Debt service</i>	3,588,875	3,007,177	9.02%	(581,698)	-16.21%
<i>Other</i>	102,322	164,118	0.49%	61,796	60.39%
<i>Total expenditures</i>	<u>\$ 33,361,705</u>	<u>\$ 33,343,311</u>	<u>100.00%</u>	<u>\$ (18,394)</u>	<u>-0.06%</u>

In fiscal year 2001, the final payments for the Twinsburg High School construction project were made. Also, due to fiscal cut backs, expenditures in other areas were reduced as much as possible. Significant activity in the major fund types and account groups is highlighted below:

General Fund

The General Fund ended the year with a fund balance (budgetary basis) of \$4,436,056, its revenues for the year exceeded expenditures by \$552,628. The General Fund in June 2001 borrowed \$5.1 million to ensure cash flow and begin the plan to balance revenues and expenditures. The borrowed funds are to be paid back through its five-year emergency levy passed in May 2001.

Special Revenue Funds

The Special Revenue Funds accounted for over \$1,226,000 in revenues (budgetary basis) to the School District. There was \$1,023,000 in expenditures (budgetary basis) for these grants and similar funds. At the end of the fiscal year, there was \$842,029 as a fund balance. These funds are legally restricted for specific purposes as indicated in grant applications and/or other formal actions.

Capital Projects Funds

Capital project funds are used to account financial transactions related to the acquisition, construction, and/or maintenance of district fixed assets. The district has a Permanent Improvement Fund for this purpose that is supported by a levy.

Enterprise Funds

Enterprise Funds are the Food Service Fund, the Uniform School Supply Fund, and the Adult Education Fund. These operations are similar to activities found in the private sector and it is management's desire to track profit and loss for these activities. For the year ended June 30, 2002, these funds showed a combined net income of \$27,313.

Internal Service Fund

The Employee Benefits Self-Insurance Fund is the School District's Internal Service Fund. During the year the fund showed a loss of \$766,810. The School District has put in place a plan to replenish this Fund over the next several years.

Trust and Agency Funds

The funds that comprise this group are expendable Trust Fund, Endowment, District Agency Fund and Student-Managed Activity Funds. Within each Fund there may be sub-funds for each separate activity. The assets at the end of the year consisted of \$200,577 in cash.

General Fixed Assets

The General Fixed Assets of the School District are used to carry on the main educational and support functions of the School District and as such are not financial resources available for expenditure. Total assets were valued at \$65,281,747 on June 30, 2002.

Debt Administration

At June 30, 2002, the School District had outstanding debt of \$41,867,978. This is \$31 million under the voted debt margin of 9% of assessed valuation under Ohio Bond Law. The debt is comprised of the 1991 Library and Facilities bond issue, the 1995 New High School bond issue, the 2001 Permanent Improvement Tax Anticipation Note, the 2002 General Fund Tax Anticipation Note and an OASBO Asset pool note. The 1991 Library and Facilities bond issues were refunded in November of 2001 resulting in saving \$773,731 in interest payments over the remaining loan period. These savings are passed on to taxpayers as the millage needed to pay interest is reduced.

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 attending an annual one-day workshop provided by the State Treasurer. The fiscal officer has complied with this obligation. During the year, the School District invested in Certificates of Deposit and an overnight "sweep" account that provide competitive rates for public entities. The Federal Deposit Insurance Corporation and/or collateral pledges of government securities protect all investments.

Risk Management

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

The School District operates and manages its hospital and medical health benefits, dental benefits, and prescription drug benefits for employees on a self-insurance basis. A Third Party administers the program and an aggregate stop-loss insurance coverage is purchased as well so as to control the potential liabilities. Benefits are itemized in the plan booklet. Employee life insurance is purchased through a private company. Coverage and co-payments for all insurances are provided under negotiated agreements and/or board policy. All employees of the School District are covered by Ohio Workers' Compensation. The School District is part of a group-rating program through the Ohio School Boards Association as allowed under current law. The program has benefited the School District by lower premiums and by providing workplace training information and support.

Pension Plans

All School District employees are covered by either the State Teachers Retirement System of Ohio (STRS) or the School Employees Retirement System of Ohio (SERS). Membership is mandatory for virtually all employees and law dictates which system an employee is to become a member. Members of STRS are required to contribute 9.3% of salaries and wages to the system. This is matched by 14% by the School District. Members of SERS are required to contribute 9% of salary and wages and the School District provides a 14% match. For employees under SERS who earn \$12,400 working a defined full year, the School District must pay the difference of the employers share as a surcharge. Membership in either plan excludes employees from Social Security payments. Employees hired after July 1, 1987 must pay 1.45% for Medicaid and this amount is matched by 1.45% by the School District.

Other Information

Independent Audit

Provisions of the State statute require the School District's financial statements to be audited annually by the Ohio Auditor of State. This audit is also designed to meet the Federal Single Audit Act amendment of 1996. The Ohio Auditor of State performed the audit for the year ended June 30, 2002. The auditor's unqualified opinion rendered on the School District's general purpose 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.

Reporting Achievement

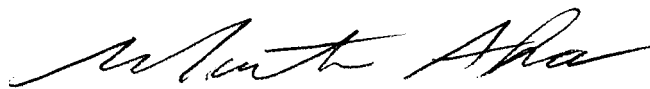
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its CAFR for the fiscal year ended June 30, 2001. The Certificate of Achievement is a prestigious national award, recognizing 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 Certificate of Achievement Program Requirements, and it is being submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgements

I wish to express my appreciation and thanks to the individuals who assisted with the preparation of this Comprehensive Annual Financial Report. It is with great pride that the Twinsburg City School District presents the 2002 Comprehensive Annual Financial Report to the citizens and taxpayers of the School District.

Respectfully Submitted,



Martin Aho
Director of Finance/Treasurer



James G. Jones
Superintendent

Twinsburg City School District
Public Officials Roster
Year Ended June 30, 2002

Board of Education

Mr. John Seese	President
Mr. Phil Studer	Vice President
Mr. William Buzulence	Member
Ms. Pamela Dombeck	Member
Mr. Steve Shebeck	Member

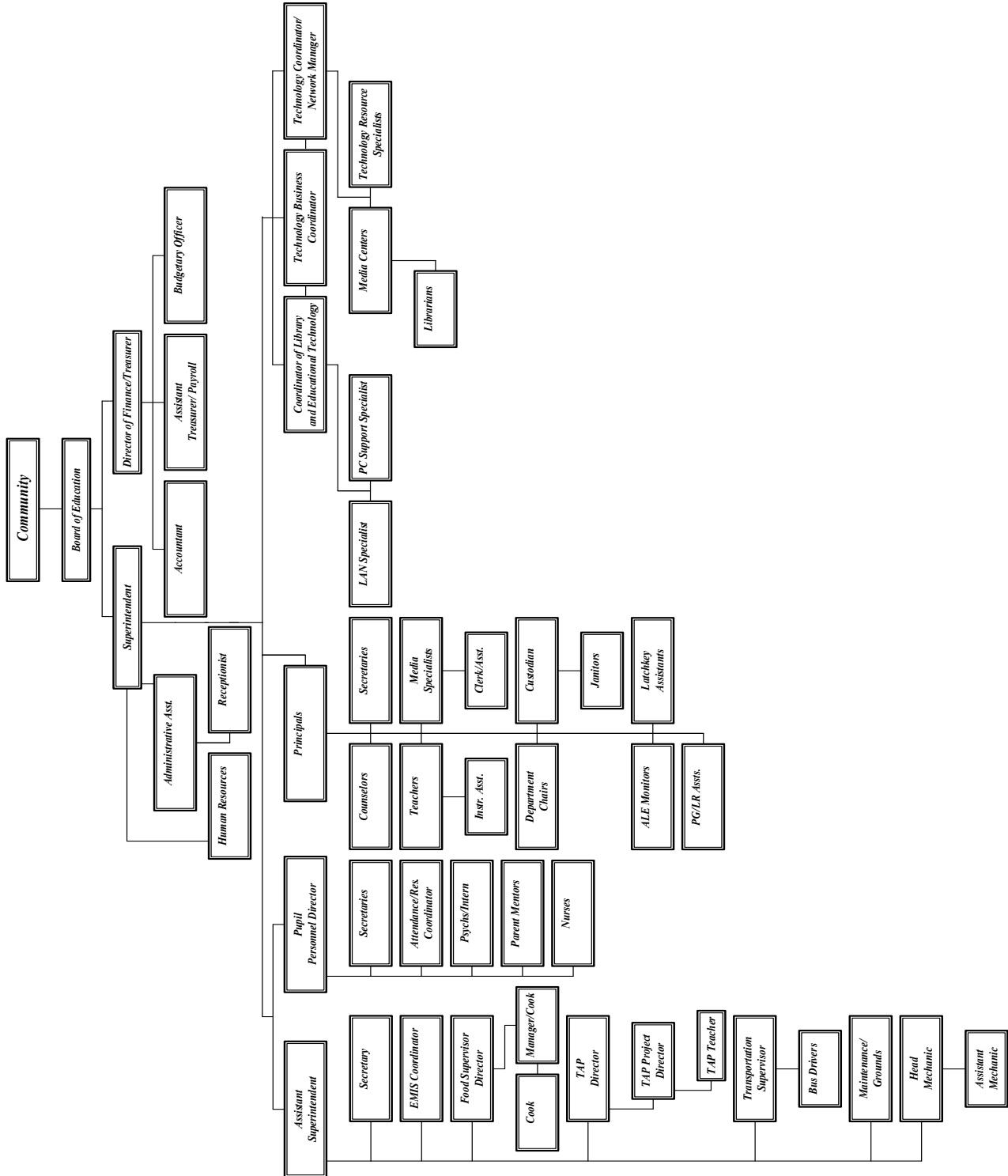
Director of Finance/ Treasurer

Mr. Mark Paprocki

Administration

Mr. James Jones	Superintendent
Mr. Stephen Marlow	Assistant Superintendent
Ms. Judy Henning	Director of Pupil Personnel
Ms. Susan Buckbee	Director of Curriculum/Staff Development
Mr. Todd Thieken	Director of Technology

Twinsburg City School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Twinsburg City School
District, Ohio

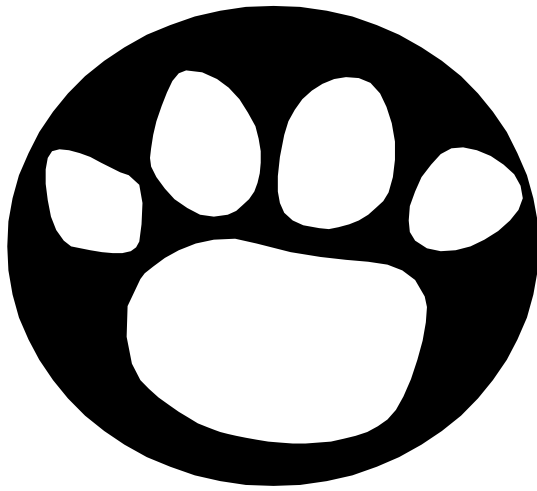
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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.



Imelda Aruete
President

Jeffrey L. Esser
Executive Director



FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

111 Second Street, NW
Fourth Floor
Canton, Ohio 44702
Telephone 330-438-0617
800-443-9272
Facsimile 330-471-0001
www.auditor.state.oh.us

INDEPENDENT ACCOUNTANTS' REPORT

Twinsburg City School District
Summit County
11136 Ravenna Road
Twinsburg, Ohio 44087-1022

To the Board of Education:

We have audited the accompanying general purpose financial statements of Twinsburg City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2002, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose 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 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.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Twinsburg City School District, Summit County, Ohio, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 20, the District changed its accounting policy related to the capitalization threshold for fixed assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2003 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. 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.

The combining and individual fund and account group financial statements and schedules listed in the Table of Contents are presented for additional analysis and are not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

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

Betty Montgomery
Auditor of State

February 21, 2003

General Purpose Financial Statements

Twinsburg City School District
Combined Balance Sheet
All Fund Types and Account Groups
As of June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 4,582,055	\$ 908,046	\$ 1,075,644	\$ 1,621,555
<u>Receivables:</u>				
Taxes	26,519,519	-	4,883,363	1,232,328
Accounts	9,664	400	-	-
Intergovernmental	-	126,126	-	53,271
Accrued interest	10,787	-	-	-
Interfund receivable	5,294	-	-	27,501
Inventory held for resale	-	-	-	-
Materials and supplies inventory	10,639	-	-	-
Equity in pooled cash and cash equivalents (restricted)	62,532	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	-
<u>Other debits:</u>				
Amount available in debt service fund for retirement of general long-term obligations	-	-	-	-
Amount to be provided from general government resources	-	-	-	-
Total assets and other debits	<u>\$ 31,200,490</u>	<u>\$ 1,034,572</u>	<u>\$ 5,959,007</u>	<u>\$ 2,934,655</u>
<u>Liabilities, fund equity and other credits:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 67,549	\$ 18,773	\$ -	\$ 76,531
Accrued wages	2,800,386	27,668	-	-
Compensated absences payable	170,347	-	-	-
Interfund payable	-	32,795	-	-
Intergovernmental payable	871,965	387	-	-
Deferred revenue	25,767,851	124,565	4,806,868	1,182,213
Undistributed monies	-	-	-	-
Due to students	-	-	-	-
Notes payable	5,100,000	-	-	664,000
Claims payable	-	-	-	-
Capital leases payable	-	-	-	-
General obligation bonds payable	-	-	-	-
Total liabilities	<u>34,778,098</u>	<u>204,188</u>	<u>4,806,868</u>	<u>1,922,744</u>
<u>Fund equity and other credits:</u>				
Investment in general fixed assets	-	-	-	-
Contributed capital, as restated	-	-	-	-
<u>Retained earnings:</u>				
Unreserved	-	-	-	-
<u>Fund balance:</u>				
Reserved for encumbrances	134,894	47,244	-	32,354
Reserved for inventory	10,639	-	-	-
Reserved for endowment	-	-	-	-
Reserved for debt service	-	-	1,075,644	-
Reserved for property taxes	751,668	-	76,495	50,115
Reserved for textbooks/instructional material	62,532	-	-	-
<u>Unreserved:</u>				
Undesignated	(4,537,341)	783,140	-	929,442
Total fund equity (deficit) and other credits	<u>(3,577,608)</u>	<u>830,384</u>	<u>1,152,139</u>	<u>1,011,911</u>
Total liabilities, fund equity (deficit) and other credits	<u>\$ 31,200,490</u>	<u>\$ 1,034,572</u>	<u>\$ 5,959,007</u>	<u>\$ 2,934,655</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$ 209,319	\$ 30,256	\$ 200,577	\$ -	\$ -	\$ 8,627,452
-	-	-	-	-	32,635,210
-	-	-	-	-	10,064
22,569	-	-	-	-	201,966
-	-	-	-	-	10,787
-	-	-	-	-	32,795
32,829	-	-	-	-	32,829
5,562	-	-	-	-	16,201
-	-	-	-	-	62,532
223,337	-	-	65,281,747	-	65,505,084
-	-	-	-	1,152,139	1,152,139
-	-	-	-	36,384,292	36,384,292
<u>\$ 493,616</u>	<u>\$ 30,256</u>	<u>\$ 200,577</u>	<u>\$ 65,281,747</u>	<u>\$ 37,536,431</u>	<u>\$ 144,671,351</u>
\$ 815	\$ -	\$ -	\$ -	\$ -	\$ 163,668
76,204	-	-	-	-	2,904,258
19,030	-	-	-	1,169,726	1,359,103
-	-	-	-	-	32,795
17,161	-	-	-	260,323	1,149,836
18,889	-	-	-	-	31,900,386
-	-	2,631	-	-	2,631
-	-	158,009	-	-	158,009
-	-	-	-	339,000	6,103,000
-	608,759	-	-	-	608,759
-	-	-	-	2,404	2,404
-	-	-	-	35,764,978	35,764,978
<u>132,099</u>	<u>608,759</u>	<u>160,640</u>	<u>-</u>	<u>37,536,431</u>	<u>80,149,827</u>
-	-	-	65,281,747	-	65,281,747
342,259	-	-	-	-	342,259
19,258	(578,503)	-	-	-	(559,245)
-	-	-	-	-	214,492
-	-	-	-	-	10,639
-	-	16,163	-	-	16,163
-	-	-	-	-	1,075,644
-	-	-	-	-	878,278
-	-	-	-	-	62,532
-	-	23,774	-	-	(2,800,985)
<u>361,517</u>	<u>(578,503)</u>	<u>39,937</u>	<u>65,281,747</u>	<u>-</u>	<u>64,521,524</u>
<u>\$ 493,616</u>	<u>\$ 30,256</u>	<u>\$ 200,577</u>	<u>\$ 65,281,747</u>	<u>\$ 37,536,431</u>	<u>\$ 144,671,351</u>

Twinsburg City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Revenues:</u>				
Taxes	\$ 23,416,508	\$ -	\$ 3,392,266	\$ 1,813,640
Intergovernmental	4,879,951	807,523	295,929	287,612
Interest	254,352	1,803	-	-
Tuition and fees	166,522	210,826	-	-
Extracurricular activities	22,035	158,690	-	-
Gifts and donations	-	23,369	-	-
Rent	28,149	-	-	-
Miscellaneous	945	-	-	-
Total revenues	<u>28,768,462</u>	<u>1,202,211</u>	<u>3,688,195</u>	<u>2,101,252</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	13,476,845	81,126	-	15,744
Special	2,106,309	304,179	-	711
Vocational	282,198	2,099	-	-
Support services:				
Pupils	2,369,152	162,775	-	4,540
Instructional staff	689,490	113,029	-	-
Board of education	283,451	-	-	-
Administration	2,349,527	21,498	-	5,569
Fiscal	723,148	-	-	-
Business	92,647	-	-	-
Operation and maintenance of plant	3,740,375	5,493	-	6,741
Pupil transportation	1,455,400	-	-	-
Central	281,809	-	-	481,794
Operation of non-instructional services	15	164,103	-	-
Extracurricular activities	726,812	110,162	-	-
Capital outlay	-	-	-	279,393
Debt service:				
Principal retirement	28,238	-	765,000	-
Interest and fiscal charges	1,985	-	2,150,281	61,673
Total expenditures	<u>28,607,401</u>	<u>964,464</u>	<u>2,915,281</u>	<u>856,165</u>
Excess of revenues over (under) expenditures	<u>161,061</u>	<u>237,747</u>	<u>772,914</u>	<u>1,245,087</u>
<u>Other financing sources (uses):</u>				
Proceeds of refunding bonds	-	-	6,733,542	-
Proceeds of notes	-	-	-	339,000
Proceeds from sale of fixed assets	-	-	-	9,900
Payment to refunded bond escrow agent	-	-	(7,164,448)	-
Operating transfers in	-	-	-	7,418
Operating transfers out	(575,000)	-	-	(7,418)
Total other financing sources (uses)	<u>(575,000)</u>	<u>-</u>	<u>(430,906)</u>	<u>348,900</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(413,939)	237,747	342,008	1,593,987
Fund balances (deficit) at beginning of year , as restated (Note 20)	(3,132,348)	592,637	810,131	(582,076)
Decrease in reserve for inventory	(31,321)	-	-	-
Fund balances (deficit) at end of year	<u>\$ (3,577,608)</u>	<u>\$ 830,384</u>	<u>\$ 1,152,139</u>	<u>\$ 1,011,911</u>

See accompanying notes to the general purpose financial statements.

Fiduciary Fund	Expendable Trust	Totals (Memorandum Only)
\$	-	\$ 28,622,414
	-	6,271,015
	-	256,155
	-	377,348
	-	180,725
	-	23,369
	-	28,149
	-	945
	-	<u>35,760,120</u>
	-	13,573,715
	-	2,411,199
	-	284,297
	-	2,536,467
	-	802,519
	-	283,451
	-	2,376,594
	-	723,148
	-	92,647
	-	3,752,609
	-	1,455,400
	-	763,603
	-	164,118
	-	836,974
	-	279,393
	-	793,238
	-	<u>2,213,939</u>
	-	<u>33,343,311</u>
	-	<u>2,416,809</u>
	-	6,733,542
	-	339,000
	-	9,900
	-	(7,164,448)
	-	7,418
	-	<u>(582,418)</u>
	-	<u>(657,006)</u>
	-	1,759,803
190		(2,311,466)
	-	(31,321)
<u>\$</u>	<u>190</u>	<u>\$ (582,984)</u>

Twinsburg City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002

	Governmental Fund Types		
	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues:</u>			
Taxes	\$ 23,378,790	\$ 23,330,866	\$ (47,924)
Intergovernmental	5,018,042	4,879,951	(138,091)
Interest	215,854	248,050	32,196
Tuition and fees	138,147	173,027	34,880
Extracurricular activities	21,585	22,035	450
Gifts and donations	-	-	-
Rent	26,982	29,755	2,773
Miscellaneous	5,720	945	(4,775)
Total revenues	<u>28,805,120</u>	<u>28,684,629</u>	<u>(120,491)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	14,143,030	12,986,085	1,156,945
Special	1,998,009	1,985,097	12,912
Vocational	271,165	271,136	29
Support services:			
Pupils	2,342,233	2,330,880	11,353
Instructional staff	731,556	699,751	31,805
Board of education	305,606	294,905	10,701
Administration	2,371,699	2,331,554	40,145
Fiscal	752,289	728,275	24,014
Business	124,359	101,927	22,432
Operation and maintenance of plant	4,067,907	3,943,590	124,317
Pupil transportation	1,459,147	1,459,146	1
Central	310,737	280,640	30,097
Operation of non-instructional services	-	-	-
Extracurricular activities	777,060	719,015	58,045
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>29,654,797</u>	<u>28,132,001</u>	<u>1,522,796</u>
Excess of revenues over (under) expenditures	<u>(849,677)</u>	<u>552,628</u>	<u>1,402,305</u>
<u>Other financing sources (uses):</u>			
Proceeds of sale of bonds	-	-	-
Proceeds of sale of notes	-	-	-
Proceeds from sale of fixed assets	-	-	-
Advances in	39,000	39,420	420
Advances out	(39,000)	(5,294)	33,706
Operating transfers in	-	-	-
Operating transfers out	(575,000)	(575,000)	-
Total other financing sources (uses)	<u>(575,000)</u>	<u>(540,874)</u>	<u>34,126</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,424,677)	11,754	1,436,431
Fund balances at beginning of year	4,256,700	4,256,700	-
Prior year encumbrances appropriated	167,602	167,602	-
Fund balances at end of year	<u>\$ 2,999,625</u>	<u>\$ 4,436,056</u>	<u>\$ 1,436,431</u>

Governmental Fund Types

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 4,164,469	\$ 4,142,864	\$ (21,605)
874,423	830,917	(43,506)	296,315	295,929	(386)
1,213	1,803	590	-	-	-
153,543	210,826	57,283	-	-	-
138,413	159,576	21,163	-	-	-
21,699	23,369	1,670	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,189,291	1,226,491	37,200	4,460,784	4,438,793	(21,991)
138,002	95,529	42,473	-	-	-
488,553	299,530	189,023	-	-	-
2,100	2,099	1	-	-	-
-	-	-	-	-	-
228,376	162,847	65,529	-	-	-
185,446	122,554	62,892	-	-	-
-	-	-	-	-	-
46,802	21,498	25,304	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,922	5,493	429	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
197,341	170,305	27,036	-	-	-
233,188	143,524	89,664	-	-	-
-	-	-	-	-	-
-	-	-	8,153,000	8,153,000	-
-	-	-	2,554,043	2,544,360	9,683
1,525,730	1,023,379	502,351	10,707,043	10,697,360	9,683
(336,439)	203,112	539,551	(6,246,259)	(6,258,567)	(12,308)
-	-	-	6,627,457	6,627,500	43
-	-	-	-	-	-
-	-	-	-	-	-
32,795	32,795	-	-	-	-
(39,420)	(39,420)	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(6,625)	(6,625)	-	6,627,457	6,627,500	43
(343,064)	196,487	539,551	381,198	368,933	(12,265)
620,964	620,964	-	706,711	706,711	-
24,578	24,578	-	-	-	-
\$ 302,478	\$ 842,029	\$ 539,551	\$ 1,087,909	\$ 1,075,644	\$ (12,265)

Twinsburg City School District
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2002 - (Continued)

	Governmental Fund Types		
	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 789,450	\$ 1,096,361	\$ 306,911
Intergovernmental	175,340	234,341	59,001
Interest	-	-	-
Tuition and fees	-	-	-
Extracurricular activities	-	-	-
Gifts and donations	-	-	-
Rent	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>964,790</u>	<u>1,330,702</u>	<u>365,912</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	35,360	15,744	19,616
Special	711	711	-
Vocational	-	-	-
Support services:			
Pupils	5,254	4,540	714
Instructional staff	-	-	-
Board of education	-	-	-
Administration	5,855	5,569	286
Fiscal	-	-	-
Business	-	-	-
Operation and maintenance of plant	10,000	6,741	3,259
Pupil transportation	82,923	-	82,923
Central	617,208	482,067	135,141
Operation of non-instructional services	-	-	-
Extracurricular activities	-	-	-
Capital outlay	1,123,448	311,475	811,973
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,880,759</u>	<u>826,847</u>	<u>1,053,912</u>
Excess of revenues over (under) expenditures	<u>(915,969)</u>	<u>503,855</u>	<u>1,419,824</u>
<u>Other financing sources (uses):</u>			
Proceeds of sale of bonds	-	-	-
Proceeds of sale of notes	333,000	333,000	-
Proceeds from sale of fixed assets	9,900	9,900	-
Advances in	-	-	-
Advances out	(28,000)	(27,501)	499
Operating transfers in	7,418	7,418	-
Operating transfers out	(7,418)	(7,418)	-
Total other financing sources (uses)	<u>314,900</u>	<u>315,399</u>	<u>499</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(601,069)	819,254	1,420,323
Fund balances at beginning of year	617,762	617,762	-
Prior year encumbrances appropriated	75,652	75,652	-
Fund balances at end of year	<u>\$ 92,345</u>	<u>\$ 1,512,668</u>	<u>\$ 1,420,323</u>

Fiduciary Fund Type Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ 28,332,709	\$ 28,570,091	\$ 237,382
-	-	-	6,364,120	6,241,138	(122,982)
-	-	-	217,067	249,853	32,786
-	-	-	291,690	383,853	92,163
-	-	-	159,998	181,611	21,613
-	-	-	21,699	23,369	1,670
-	-	-	26,982	29,755	2,773
-	-	-	5,720	945	(4,775)
-	-	-	35,419,985	35,680,615	260,630
-	-	-	14,316,392	13,097,358	1,219,034
-	-	-	2,487,273	2,285,338	201,935
-	-	-	273,265	273,235	30
-	-	-	2,575,863	2,498,267	77,596
-	-	-	917,002	822,305	94,697
-	-	-	305,606	294,905	10,701
-	-	-	2,424,356	2,358,621	65,735
-	-	-	752,289	728,275	24,014
-	-	-	124,359	101,927	22,432
-	-	-	4,083,829	3,955,824	128,005
-	-	-	1,542,070	1,459,146	82,924
-	-	-	927,945	762,707	165,238
-	-	-	197,341	170,305	27,036
-	-	-	1,010,248	862,539	147,709
-	-	-	1,123,448	311,475	811,973
-	-	-	8,153,000	8,153,000	-
-	-	-	2,554,043	2,544,360	9,683
-	-	-	43,768,329	40,679,587	3,088,742
-	-	-	(8,348,344)	(4,998,972)	3,349,372
-	-	-	6,627,457	6,627,500	43
-	-	-	333,000	333,000	-
-	-	-	9,900	9,900	-
-	-	-	71,795	72,215	420
-	-	-	(106,420)	(72,215)	34,205
-	-	-	7,418	7,418	-
-	-	-	(582,418)	(582,418)	-
-	-	-	6,360,732	6,395,400	34,668
-	-	-	(1,987,612)	1,396,428	3,384,040
190	190	-	6,202,327	6,202,327	-
-	-	-	267,832	267,832	-
\$ 190	\$ 190	\$ -	\$ 4,482,547	\$ 7,866,587	\$ 3,384,040

Twinsburg City School District
Combined Statement of Revenues,
Expenses and Changes in Retained Earnings/Fund Balance
All Proprietary Fund Types and Nonexpendable Trust Fund
For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Nonexpendable Trust	
<u>Operating revenues:</u>				
Tuition	\$ 1,764	\$ -	\$ -	\$ 1,764
Charges for services	838,641	2,463,728	-	3,302,369
Interest	-	-	915	915
Contributions and donations	-	-	13,266	13,266
Other operating revenues	4,729	-	-	4,729
Total operating revenue	<u>845,134</u>	<u>2,463,728</u>	<u>14,181</u>	<u>3,323,043</u>
<u>Operating expenses:</u>				
Salaries	448,803	-	-	448,803
Fringe benefits	63,172	-	-	63,172
Purchased services	6,179	325,120	-	331,299
Materials and supplies	46,363	-	-	46,363
Cost of sales	464,307	-	-	464,307
Depreciation	18,985	-	-	18,985
Claims	-	2,905,418	-	2,905,418
Other operating expenses	-	-	1,000	1,000
Total operating expenses	<u>1,047,809</u>	<u>3,230,538</u>	<u>1,000</u>	<u>4,279,347</u>
Operating income (loss)	<u>(202,675)</u>	<u>(766,810)</u>	<u>13,181</u>	<u>(956,304)</u>
<u>Non-operating revenues:</u>				
Federal donated commodities	60,058	-	-	60,058
Operating grants	167,074	-	-	167,074
Interest	2,856	-	-	2,856
Total non-operating revenues	<u>229,988</u>	<u>-</u>	<u>-</u>	<u>229,988</u>
Income (loss) before operating transfers	<u>27,313</u>	<u>(766,810)</u>	<u>13,181</u>	<u>(726,316)</u>
Operating transfers in	<u>-</u>	<u>575,000</u>	<u>-</u>	<u>575,000</u>
Net income (loss)	<u>27,313</u>	<u>(191,810)</u>	<u>13,181</u>	<u>(151,316)</u>
Retained earnings/fund balance (deficit) at beginning of year, as restated (Note 20)	<u>(8,055)</u>	<u>(386,693)</u>	<u>26,566</u>	<u>(368,182)</u>
Retained earnings/fund balance (deficit) at end of year	<u>\$ 19,258</u>	<u>\$ (578,503)</u>	<u>\$ 39,747</u>	<u>\$ (519,498)</u>

See accompanying notes to the general purpose financial statements.

Twinsburg City School District
Combined Statement of Cash Flows
All Proprietary Fund Types and Nonexpendable Trust Fund
For the Fiscal Year Ended June 30, 2002

	Proprietary Fund Types		Fiduciary	Totals
	Enterprise	Internal Service	Fund Type Nonexpendable Trust	(Memorandum Only)
<u>Cash flows from operating activities:</u>				
Cash received from customers	\$ 840,405	\$ -	\$ -	\$ 840,405
Cash received from other operating sources	4,729	-	13,266	17,995
Cash received from quasi-external transaction with other funds	-	2,463,728	-	2,463,728
Cash payments to suppliers for goods and services	(459,026)	(325,120)	-	(784,146)
Cash payments to employees for services	(438,302)	-	-	(438,302)
Cash payments for employee benefits	(60,712)	-	-	(60,712)
Cash payments for claims	-	(2,722,808)	-	(2,722,808)
Cash payments for other operating expenses	-	-	(1,000)	(1,000)
Net cash provided by (used for) operating activities	<u>(112,906)</u>	<u>(584,200)</u>	<u>12,266</u>	<u>(684,840)</u>
<u>Cash flows from noncapital financing activities:</u>				
Operating grants	164,672	-	-	164,672
Transfer in	-	575,000	-	575,000
Net cash provided by noncapital financing activities	<u>164,672</u>	<u>575,000</u>	<u>-</u>	<u>739,672</u>
<u>Cash flows from investing activities:</u>				
Interest on investments	2,856	-	915	3,771
Net cash provided by investing financing	<u>2,856</u>	<u>-</u>	<u>915</u>	<u>3,771</u>
Net increase (decrease) in cash and cash equivalents	54,622	(9,200)	13,181	58,603
Cash and cash equivalents at beginning of year	154,697	39,456	26,566	220,719
Cash and cash equivalents at end of year	<u>\$ 209,319</u>	<u>\$ 30,256</u>	<u>\$ 39,747</u>	<u>\$ 279,322</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	<u>\$ (202,675)</u>	<u>\$ (766,810)</u>	<u>\$ 13,181</u>	<u>\$ (956,304)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	18,985	-	-	18,985
Federal donated commodities	60,058	-	-	60,058
Interest reported as operating income	-	-	(915)	(915)
Change in assets and liabilities:				
(Increase) decrease in assets:				
Inventory	(3,717)	-	-	(3,717)
Increase (decrease) in liabilities:				
Accounts payable	815	-	-	815
Accrued wages	11,586	-	-	11,586
Compensated absences payable	(1,085)	-	-	(1,085)
Intergovernmental payable	2,460	-	-	2,460
Claims payable	-	182,610	-	182,610
Deferred revenue	667	-	-	667
Total adjustments	<u>89,769</u>	<u>182,610</u>	<u>(915)</u>	<u>271,464</u>
Net cash provided by (used for) operating activities	<u>\$ (112,906)</u>	<u>\$ (584,200)</u>	<u>\$ 12,266</u>	<u>\$ (684,840)</u>
Non-cash operating activities				
Donated commodities received	<u>\$ 60,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,058</u>
Reconciliation of combined balance sheet:				
Equity in pooled cash and cash equivalents, nonexpendable trust fund		\$ 39,747		
Equity in pooled cash and cash equivalents, expendable trust fund		190		
Equity in pooled cash and cash equivalents, agency fund		160,640		
Total equity in pooled cash and cash equivalents, fiduciary fund type		<u>\$ 200,577</u>		

See accompanying notes to the general purpose financial statements.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 1 - Description of the School District and Reporting Entity

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. Each member is elected to a four-year term. The School District provides educational services as mandated by State and/or Federal agencies. The Board of Education controls the School District's five instructional facilities staffed by 215 non-certificated employees, 268 certificated (including administrative) full-time and part-time employees to provide services to 3,754 students and other community members.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Twinsburg City 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 organization's 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 organization's 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 the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

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

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 2 - Summary of Significant Accounting Policies

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

**A. Basis Of Presentation -
Fund Accounting**

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self - balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Special Revenue Funds The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

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

Proprietary Fund Types Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

Enterprise Funds The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the Board of Education is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the Board of Education has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost-reimbursement basis.

Fiduciary Fund Type Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. The School District's fiduciary funds include expendable trust, nonexpendable trust and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

**B. Measurement Focus
and Basis of
Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Revenue resulting from exchange transactions, in which party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). 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 provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2002, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2002 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized when they are incurred, if measurable. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

C. Budgetary Data

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 Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations 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 legal level of budgetary control is established by function and object of expenditure 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.

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Summit County Budget Commission for rate determination.

Estimated Resources By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the County Fiscal Officer's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year.

The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during the fiscal year.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Appropriations Upon receipt from the County Fiscal Officer of an amended Certificate of Estimated Resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual Appropriation Resolution must be legally enacted by the Board of Education at the function and object level in the general fund and at the fund level for all other funds which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The Appropriation Resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations At the close of each fiscal 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.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

D. Cash and Investments

To improve cash management, cash received by the School District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet. During fiscal year 2002, investments were limited to repurchase agreements and certificates of deposits. Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit are reported at cost. Under existing Ohio statutes, all investment earnings accrued to the general fund except those specifically related to certain trust funds, unless the Board specifically allows the interest to be recorded in other funds.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2002 amounted to \$254,352, which includes \$91,095 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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 are reported as investments.

E. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of food, purchased food, and school supplies held for resale and are expensed when used.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

F. Restricted Assets

Restricted assets in the general fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for amounts required by statute to be set-aside by the School District for the purchase of textbooks, and for the acquisition or construction of capital assets. See Note 19 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the enterprise funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$5,000 and a useful life of greater than five years. The School District does not possess any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, if applicable.

Assets in the general fixed assets account group are not depreciated. Depreciation of equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life of five to twenty years, respectively.

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Special Revenue Fund

State Foundation Program

Debt Service Fund

State Property Tax Relief

Capital Projects Fund

State Property Tax Relief

Non-Reimbursable Grants

Special Revenue Funds

Teacher Development
Management Information System
Data Communications
Title VI-B
Title I
Title VI
Drug Free Schools
Preschool for the Handicapped
Disadvantaged Pupil Impact Aid
Alternative School
Title II Eisenhower
SchoolNet Professional Development
Ohio Reads
Summer Intervention

Capital Projects Funds

School Net

Reimbursable Grants

General Fund

School bus Purchases
Vocational Education Travel/Salary

Capital Projects Fund

Vocational Educational Equipment

Proprietary Funds

National School Lunch Program
National School Milk Program
Adult Education

Pass-Through Grants

Special Revenue Fund

Auxiliary Services

Grants and entitlements amounted to approximately 16% of the School District's operating revenue during the 2002 fiscal year.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

***I. Interfund
Assets/Liabilities***

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet where applicable. Short-term interfund loans are classified as “interfund receivables” and “interfund payables.”

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the 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 vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick pay on employees expected to become eligible to retire in the future, all employees age fifty or greater with at least ten years of service; or twenty years’ service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

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

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term debt account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

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

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are generally considered not to have been paid with current available financial resources. Capital leases are reported as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

L. Interfund Transactions Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Fund Balance Reserves The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Designations represent tentative plans for future use of financial resources. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventory, property taxes, endowment, textbooks/instructional material and debt service.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

N. Contributed Capital Contributed capital represents donations from governmental funds. These assets are recorded at their fair market value on the date contributed and are not subject to repayment. There was a change in contributed capital during the year due to a restatement of fixed assets. Information regarding the restatement is presented in Note 20.

O. Estimates The preparation of the 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.

P. Memorandum Only - Total Columns Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 3 – Budgetary Basis of Accounting

While the School District is reporting its financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types and Expendable Trust 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 are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balances for governmental fund types and as a note disclosure in the proprietary fund type (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type.

*Excess of Revenue and Other Financing Sources Over (Under)
Expenditures and Other Financing Uses
Governmental Fund Types*

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<i>GAAP Basis</i>	\$ (413,939)	\$ 237,747	\$ 342,008	\$ 1,593,987
<i>Revenue accruals</i>	(44,413)	57,075	644,556	(776,550)
<i>Expenditure accruals</i>	678,637	(32,318)	(617,631)	110,703
<i>Encumbrances (Budget Basis)</i>				
<i>Outstanding at year end</i>	<u>(208,531)</u>	<u>(66,017)</u>	<u>-</u>	<u>(108,886)</u>
<i>Budget Basis</i>	<u>\$ 11,754</u>	<u>\$ 196,487</u>	<u>\$ 368,933</u>	<u>\$ 819,254</u>

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 4 - 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 two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Protection of 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.

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

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

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2% and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section 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,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$4,819,984 and the bank balance was \$4,950,244. Of the bank balance, \$200,000 was covered by federal depository insurance and \$4,750,244 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School District's name.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Investments GASB Statement No. 3 “Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements” requires that the School District’s investments be classified in categories of custodial credit risk. Category 1 includes investments that are insured or registered or for which securities are held by the School District or its agent in the School District’s name. Category 2 includes uninsured and unregistered investments which are held by the counter-party’s trust department or agent in the School District’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter-party, or by its trust department or agent but not in the School District’s name.

	<i>Category</i>	<i>Carrying</i>	<i>Fair</i>
	<u>3</u>	<u>Value</u>	<u>Value</u>
<i>Repurchase Agreement</i>	\$ 3,870,000	\$ 3,870,000	\$ 3,870,000

Note 5 – Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. Real property tax collections by the County are remitted to the School District a year after they are assessed by the County. Second half tax 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 in 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 on tangible personal property at 88% of true value (with certain exceptions) and on real property at 35% of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25% of true value.

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 21. Under certain circumstances, State statute permits alternative payment dates to be established.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

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 Summit 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 June 30 are available to finance current year operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which become measurable as of June 30. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 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 to the School District as an advance and recognized as revenue at June 30, 2002, was \$751,668 available in the general fund and \$50,115 available in the permanent improvements capital projects fund, and \$76,495 in the Bond Retirement debt service fund.

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

<u>Property Category</u>	<u>2001</u> <u>Assessed Value</u>	<u>2000</u> <u>Assessed Value</u>
<u>Real Property</u>		
Residential and Agricultural	\$ 397,998,420	\$ 380,975,130
Commercial and Industrial/Utilities/Minerals	179,515,110	172,665,660
<u>Tangible Personal Property</u>		
General	204,899,609	178,844,595
Public Utilities	<u>14,926,790</u>	<u>18,901,470</u>
Total	<u>\$ 797,339,929</u>	<u>\$ 751,386,855</u>

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 6 - Receivables

Receivables at June 30, 2002, consisted of taxes, accounts intergovernmental grants and accrued interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. The special revenue, capital projects and enterprise fund's intergovernmental receivable at June 30, consisted of \$126,126, \$53,271 and \$22,569, respectively.

Note 7 - Fixed Assets

Enterprise Fund: A summary of the enterprise funds' fixed assets at year end follows:

<u>Classification</u>	<u>Balance</u>
Equipment	\$ 379,691
Less accumulated depreciation	<u>(156,354)</u>
Net fixed assets	<u>\$ 223,337</u>

General Fixed Assets: A summary of the changes in general fixed assets during fiscal year 2002 follows:

<u>Asset Category</u>	<u>Balance at July 1, 2001</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2002</u>
Land and land improvements	\$ 3,635,959	\$ 7,500	\$ -	\$ 3,643,459
Buildings	58,294,535	114,281	-	58,408,816
Furniture, fixtures and equipment	693,797	433,204	-	1,127,001
Vehicles	<u>2,104,170</u>	<u>22,172</u>	<u>(23,871)</u>	<u>2,102,471</u>
Totals	<u>\$ 64,728,461</u>	<u>\$ 577,157</u>	<u>\$ (23,871)</u>	<u>\$ 65,281,747</u>

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 8 – Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District has established a Self-Insurance Fund (an internal service fund) to account for and finance its employee health benefits plan. Under this program, the Self-Insurance Fund provides coverage for up to an annual maximum of \$35,000 for each health benefits claim, capped at \$2,953,090 annually for all claims. The plan is administered by Benefit Services, Incorporated. The School District purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded this commercial coverage, nor have there been any significant reductions in coverage in any of the past three fiscal years.

All funds of the School District participate in the program and make payments to the Self-Insurance Fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). The School District's independent third-party administrator has actuarially determined that \$608,759 is a good and sufficient provision for all un-matured claim obligations (including both reported but unpaid claims and incurred but not reported claims, as well as an allowance for claim settlement expenses on the estimated unpaid claims) as of June 30, 2002.

The claims liability of \$608,759 reported in the Fund at June 30, 2002 is based on the provisions of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability for the current and prior fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at</u> <u>Beginning</u> <u>of Year</u>	<u>Current Year</u> <u>Claims</u>	<u>Claim</u> <u>Payments</u>	<u>Balance at</u> <u>End of Year</u>
2001	\$ 372,009	2,216,606	(2,162,466)	\$ 426,149
2002	\$ 426,149	2,905,418	(2,722,808)	\$ 608,759

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

B. Workers' Compensation The School District is a member of the OSBA Workers' Compensation Group Rating Program established in April 1991. The program was created by the Ohio School Boards Association as a result of the Workers' Compensation group rating plan as defined in Section 4123.29 of the Ohio Revised Code. The group rating program allows school districts to group together to potentially achieve a lower premium rate than they may otherwise be able to acquire as individual employers.

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 9 - Defined Benefit Pension Plans

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit 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 from the School Employees Retirement System, 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate of 14% of annual covered payroll, which includes 5.46% for pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$266,601, \$270,833 and \$237,731, respectively; 47% has been contributed for fiscal year 2002 and 100% for fiscal years 2001 and 2000. \$151,884 representing the unpaid contribution for fiscal year 2002, is recorded as a liability within the respective funds and the general long-term debt account group.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost - sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Plan members are required to contribute 9.3% of their annual covered salaries. The School District was required to contribute an actuarially determined rate of 14% of annual covered payroll; which includes 9.5% for pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were \$1,601,371, \$1,366,409 and \$743,859, respectively; 73% has been contributed for fiscal year 2002 and 100% for fiscal years 2001 and 2000. \$437,846 represents the unpaid contribution for fiscal year 2002 and is recorded as a liability within the respective funds.

Note 10 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium.

By Ohio law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District, this amount equaled \$758,544 for fiscal year 2002. The balance in the Health Care Reserve Fund for the STRS was \$3.256 billion at June 30, 2001, (latest information available). For the year ended June 30, 2001, the net health care costs paid by the STRS were \$300,772,000 and eligible benefit recipients totaled 102,132.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75% of the premium. For the fiscal year ended June 30, 2002, employer contributions to fund health care benefits were 8.54% of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

For fiscal year 2002, the minimum pay was established at \$12,400. The surcharge, added to the unallocated portion of the 14% contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount contributed to fund health care benefits equaled \$464,640, which includes a surcharge of \$47,649 during the fiscal year 2002.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2002, (latest information available) were \$182,946,777 and the target level was \$274.4 million. At June 30, 2001, the SERS's net assets available for payment of health care benefits was \$335.2 million, at cost. The number of participants receiving health care benefits was approximately 50,000.

Note 11 – Capitalized Leases - Lessee Disclosure

In prior years, the School District entered into capitalized leases for the acquisition of computers and copiers. Capital lease payments are reflected as debt service expenditures in the general purpose financial statements. These expenditures are reflected as function expenditures on a budgetary basis.

Fixed assets acquired by lease have been capitalized in the general fixed assets account group in the amount equal to the present value of the future minimum lease payments as of the date of their inception. A corresponding liability was recorded in the general long-term debt account group in the amount of \$418,730. Principal payments in fiscal year 2002 totaled \$28,238 in the governmental funds.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2002.

<u>Year</u>	<u>Amount</u>
2003	\$ 2,450
<i>Total minimum lease payments</i>	<i>2,450</i>
<i>Less: Amount representing interest</i>	<i>(46)</i>
<i>Present value of minimum lease payments</i>	<u><u>\$ 2,404</u></u>

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 12- Long-term Obligations

The changes in the School District's long-term obligations during fiscal year 2002 were as follows:

	<i>Balance July 1, 2001</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance June 30, 2002</i>
<u>Tax Anticipation Notes</u>				
<i>Permanent Improvement TAN, 5.97%</i>				
<i>maturing on June 1, 2003</i>	\$ 1,332,000	\$ -	\$ (668,000)	\$ 664,000
<i>General Fund TAN, 4.90%</i>				
<i>maturing on December 1, 2006</i>	5,100,000	-	-	5,100,000
<u>General Long-term Obligations Account Group</u>				
<u>Bonds</u>				
<i>Elementary Renovation and Library, 6.34%</i>				
<i>maturing on December 1, 2011</i>	6,720,000	-	(6,720,000)	-
<i>Various Purpose Improvement Refunding Bonds,</i>				
<i>3% maturing on December 1, 2011</i>	-	6,279,978	-	6,279,978
<i>New High School Bond, 5.80%</i>				
<i>maturing on December 1, 2021</i>	30,250,000	-	(765,000)	29,485,000
<i>Total Bonds</i>	<u>36,970,000</u>	<u>6,279,978</u>	<u>(7,485,000)</u>	<u>35,764,978</u>
<u>Notes</u>				
<i>OASBO Asset Pool Note, 3.53%</i>				
<i>maturing on April 28, 2004</i>	-	339,000	-	339,000
<u>Other Obligations</u>				
<i>Capital leases payable</i>	30,642	-	(28,238)	2,404
<i>Compensated absences</i>	1,216,926	-	(47,200)	1,169,726
<i>Employer pension obligations</i>	325,329	260,323	(325,329)	260,323
<i>Total Other Obligations</i>	<u>1,572,897</u>	<u>260,323</u>	<u>(400,767)</u>	<u>1,432,453</u>
<i>Total General Long-term Obligations</i>	<u>38,542,897</u>	<u>6,879,301</u>	<u>(7,885,767)</u>	<u>37,536,431</u>
<i>Total Long-term Obligations</i>	<u>\$ 44,974,897</u>	<u>\$ 6,879,301</u>	<u>\$ (8,553,767)</u>	<u>\$ 43,300,431</u>

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

All current obligation bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the School District for which the full faith and credit of the School District is pledged for repayment. Accordingly, such unmatured obligations of the School District are accounted for in the general long-term obligations account group. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service fund. The source of payment is derived from a current 3.50 mill bonded debt tax levy for the School District, and a 0.4 mill bonded debt tax levy for the Library.

On May 1, 1996 the School District issued \$32,700,000 in general obligation bonds for the construction of a new high school. The School District previously issued general obligation bonds on December 1, 1991 for elementary school renovations and construction of the Twinsburg Public Library.

On November 29, 2001, the District issued \$6,279,978 in General Obligation Bonds with an average interest rate of 3% to advance refund \$6,720,000 of outstanding elementary renovation and library bonds with an average interest rate of 6.34%. The bond proceeds consisted of bond principal and \$453,564 of premium. The net proceeds of \$6.7 million (after payment of \$106,042 in underwriting fees, insurance, and other issuance costs) was deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the portion of elementary renovation and library bonds refunded. As a result, the elementary renovation and library bonds are considered to defeased and the liability has been removed from the general long-term account group.

The District advance refunded the elementary renovation and library bonds to reduce their total debt service payments over the next 10 years by almost \$875,771 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$773,731.

The Ohio Revised Code allows for the issuance of tax anticipation notes with a maximum maturity not exceeding five years. On June 7, 2001 the School District issued tax anticipation notes at an interest rate of 4.90%. The note is reflected as a liability of the general fund and will be retired with tax revenues with the final payment due in fiscal year 2007. The School District previously issued \$2,000,000 tax anticipation notes at an interest rate of 5.97% on June 29, 2000. This note is reflected as a liability of the Permanent Improvement capital project fund and will be retired with tax revenues with the final payment due in fiscal year 2003.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

The annual requirements to amortize all bonds and notes outstanding as of year end including interest payments of \$21,842,939 are as follows:

<i>Fiscal Year</i>	<i>Elementary Renovations and Library Bond</i>	<i>New High School Bond</i>	<i>OASBO Notes</i>	<i>Total Debt</i>
2003	\$ 1,059,447	\$ 2,504,006	\$ 13,058	\$ 3,576,511
2004	825,372	2,505,616	352,092	3,683,080
2005	826,548	2,503,719	-	3,330,267
2006	823,532	2,498,316	-	3,321,848
2007	516,629	2,499,087	-	3,015,716
2008-2012	3,765,791	12,485,055	-	16,250,846
2013-2017	15,308	12,418,912	-	12,434,220
2018-2022	-	12,334,429	-	12,334,429
<i>Total</i>	<u>\$ 7,832,627</u>	<u>\$ 49,749,140</u>	<u>\$ 365,150</u>	<u>\$ 57,946,917</u>

Compensated absences, the pension obligation, and the retirement incentive bonus will be paid from the fund from which the person is paid.

Note 13 - Segment Information for Enterprise Funds

The School District maintains three enterprise funds to account for the operations of food service, uniform school supplies and adult education. The table below reflects the more significant financial data relating to the enterprise funds of and for the fiscal year ended June 30, 2002.

	<i>Food Service</i>	<i>Uniform School Supply</i>	<i>Adult Education</i>	<i>Totals</i>
<i>Operating revenues</i>	\$ 831,396	\$ 7,245	\$ 6,493	\$ 845,134
<i>Depreciation expense</i>	18,985	-	-	18,985
<i>Operating income (loss)</i>	(208,136)	168	5,293	(202,675)
<i>Donated commodities</i>	60,058	-	-	60,058
<i>Operating grants</i>	167,074	-	-	167,074
<i>Net income</i>	21,852	168	5,293	27,313
<i>Net working capital</i>	102,785	15,565	38,860	157,210
<i>Total assets</i>	439,191	15,565	38,860	493,616
<i>Total equity</i>	307,092	15,565	38,860	361,517
<i>Encumbrances outstanding at June 30, 2002</i>	1,750	-	-	1,750

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 14 – Fund Deficit

As of June 30, 2002, the General fund, and the Drug Free School Grant special revenue fund had deficit fund balances of \$3,577,608, and \$2,194 respectively. Also, the Employee Benefits Self-Insurance internal service fund and Food Service enterprise fund had negative retained earnings of \$578,503 and \$35,167, respectively. These deficits were caused by the application of generally accepted accounting principles. The general fund provides transfers to cover deficit balances in other funds; however, this is done when cash is needed rather than when accruals occur.

Note 15 – Interfund Transactions

Interfund balances at June 30, 2002, consist of the following interfund receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
<i>General Fund</i>	\$ 5,294	\$ -
<i>Permanent Improvement capital projects</i>	27,501	-
<i>Public School Support special revenue</i>	-	27,501
<i>Drug Free School Grant special revenue</i>	-	5,294
	\$ 32,795	\$ 32,795

Note 16 – Related Organization

The Twinsburg Public Library is a distinct subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The School District is not involved in the budgeting process or operational management of the Library, nor does it subsidize or finance its operations. The selection of directors and approval of the annual budget by the School District is conducted only to comply with statutory requirements.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Note 17 – Jointly Governed Organization

The Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is a jointly governed organization among seventeen school districts. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The School District does not retain an ongoing financial interest or an ongoing financial responsibility in NEONET. Payments to NEONET are made from the general fund. During the current fiscal year, the School District contributed \$23,436 to NEONET.

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

Note 18 – Contingent Liabilities

A. School Funding

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

The Supreme Court relinquished jurisdiction over the case and directed the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

B. Grants

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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2002.

C. Litigation

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

Note 19 – Set Aside Requirements

The School District is required by State statute to annually set aside monies for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of 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 only be used to reduce the set aside requirements of future years for the purchase of textbooks. Negative amounts are therefore not presented as being carried forward to the next fiscal year for the other set-asides. The School District was required to set aside additional monies for textbooks and other instructional materials. 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.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks and capital acquisitions. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>
<i>Set-aside cash balance</i>		
<i>as of June 30, 2001</i>	\$ (46,220)	\$ -
<i>Current year set-aside requirement</i>	471,803	471,803
<i>Qualifying disbursements</i>	<u>(363,051)</u>	<u>(696,532)</u>
<i>Total</i>	<u>62,532</u>	<u>(224,729)</u>
<i>Cash balance carried</i>		
<i>forward to fiscal year 2003</i>	<u>\$ 62,532</u>	<u>\$ -</u>

TWINSBURG CITY SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2002

Although the School District had qualifying expenditures during the year that reduced the set-aside amounts below zero, these amounts may not be used to reduce the set-aside requirements of future years. Negative amounts are not presented as being carried forward to the next fiscal year.

Note 20 – Restatement Note

During the prior fiscal year the School District recorded an intergovernmental receivable in the Title VI special revenue fund that they will not be receiving. Due to the overstatement of receivables a restatement of the beginning fund balance is necessary. The restatement is as follows:

	<i>Special</i>	<u><i>Revenue</i></u>
<i>Fund balance as previously stated,</i>		
<i>June 30, 2001</i>	\$	607,724
<i>Restatement</i>		<u>(15,087)</u>
<i>Restated July 1, 2001</i>	\$	<u>592,637</u>

During the fiscal year, the School District had an update preformed on the School District's fixed assets and a Board Resolution was passed to increase the fixed asset threshold. As a result, the General Fixed Asset Account Group and the enterprise funds were restated as follows:

	<i>General</i>		<i>Enterprise</i>
	<u><i>Fixed Asset</i></u>		
	<u><i>Account Group</i></u>		<u><i>Enterprise</i></u>
<i>Account balance/Retained earnings</i>			
<i>as previously stated June 30, 2001</i>	\$	71,024,216	\$ (178,038)
<i>Restatement</i>		<u>(6,295,755)</u>	<u>169,983</u>
<i>Restated July 1, 2001</i>	\$	<u>64,728,461</u>	<u>(8,055)</u>

Contributed capital in the enterprise funds was also restated as of July 1, 2001 from \$642,760 to \$342,259.

**Combining, Individual Fund and
Account Group
Financial Statements and Schedules**

GENERAL FUND

The General Fund is used to account for resources traditionally associated with a school district which are not required legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration.

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 23,378,790	\$ 23,330,866	\$ (47,924)
Intergovernmental	5,018,042	4,879,951	(138,091)
Interest	215,854	248,050	32,196
Tuition and fees	138,147	173,027	34,880
Rent	26,982	29,755	2,773
Extracurricular activities	21,585	22,035	450
Miscellaneous	5,720	945	(4,775)
Total revenues	<u>28,805,120</u>	<u>28,684,629</u>	<u>(120,491)</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	9,582,775	9,303,047	279,728
Fringe benefits	3,624,744	3,103,732	521,012
Purchased services	131,245	131,245	-
Materials and supplies	706,426	352,976	353,450
Capital outlay - new	10,836	9,528	1,308
Other	87,004	85,557	1,447
Total regular	<u>14,143,030</u>	<u>12,986,085</u>	<u>1,156,945</u>
Special:			
Salaries and wages	1,466,086	1,466,086	-
Fringe benefits	460,501	460,501	-
Purchased services	54,396	48,763	5,633
Materials and supplies	17,026	9,747	7,279
Total special	<u>1,998,009</u>	<u>1,985,097</u>	<u>12,912</u>
Vocational:			
Salaries and wages	206,046	206,044	2
Fringe benefits	64,719	64,719	-
Materials and supplies	400	373	27
Total vocational	<u>271,165</u>	<u>271,136</u>	<u>29</u>
Total instruction	<u>16,412,204</u>	<u>15,242,318</u>	<u>1,169,886</u>
Support services:			
Pupils:			
Salaries and wages	1,582,359	1,582,355	4
Fringe benefits	522,084	522,084	-
Purchased services	212,684	212,684	-
Materials and supplies	24,786	13,472	11,314
Other	320	285	35
Total pupils	<u>2,342,233</u>	<u>2,330,880</u>	<u>11,353</u>

(Continued)

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Instructional staff:			
Salaries and wages	435,205	429,913	5,292
Fringe benefits	135,036	135,036	-
Purchased services	78,921	69,012	9,909
Materials and supplies	81,394	65,170	16,224
Other	1,000	620	380
Total instructional staff	<u>731,556</u>	<u>699,751</u>	<u>31,805</u>
Board of education:			
Salaries and wages	7,600	7,280	320
Fringe benefits	14,816	14,816	-
Purchased services	253,740	244,494	9,246
Materials and supplies	2,500	1,376	1,124
Other	26,950	26,939	11
Total board of education	<u>305,606</u>	<u>294,905</u>	<u>10,701</u>
Administration:			
Salaries and wages	1,615,698	1,603,357	12,341
Fringe benefits	659,185	659,184	1
Purchased services	47,646	33,256	14,390
Materials and supplies	45,301	32,998	12,303
Other	3,869	2,759	1,110
Total administration	<u>2,371,699</u>	<u>2,331,554</u>	<u>40,145</u>
Fiscal:			
Salaries and wages	187,991	186,804	1,187
Fringe benefits	73,409	73,408	1
Purchased services	42,483	30,649	11,834
Materials and supplies	6,200	2,731	3,469
Capital outlay - new	4,908	-	4,908
Other	437,298	434,683	2,615
Total fiscal	<u>752,289</u>	<u>728,275</u>	<u>24,014</u>
Business:			
Salaries and wages	33,109	25,938	7,171
Fringe benefits	13,800	10,640	3,160
Purchased services	1,200	574	626
Materials and supplies	76,250	64,775	11,475
Total business	<u>124,359</u>	<u>101,927</u>	<u>22,432</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Operation and maintenance of plant:			
Salaries and wages	1,301,753	1,283,315	18,438
Fringe benefits	403,092	403,092	-
Purchased services	2,172,283	2,078,047	94,236
Materials and supplies	190,779	179,136	11,643
Total operation and maintenance of plant	4,067,907	3,943,590	124,317
Pupil transportation:			
Salaries and wages	917,461	917,460	1
Fringe benefits	288,176	288,176	-
Purchased services	87,074	87,074	-
Materials and supplies	163,844	163,844	-
Capital outlay - new	2,592	2,592	-
Total pupil transportation	1,459,147	1,459,146	1
Central:			
Salaries and wages	137,663	137,663	-
Fringe benefits	43,240	43,240	-
Purchased services	80,159	66,010	14,149
Materials and supplies	49,675	33,727	15,948
Total central	310,737	280,640	30,097
Total support services	12,465,533	12,170,668	294,865
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	460,909	408,642	52,267
Fringe benefits	128,355	128,355	-
Materials and supplies	1,000	566	434
Other	1,265	545	720
Total academic and subject oriented activities	591,529	538,108	53,421
Sports oriented activities:			
Salaries and wages	98,925	98,924	1
Fringe benefits	31,072	31,072	-
Purchased services	23,229	23,192	37
Materials and supplies	30,805	26,219	4,586
Total sports oriented activities	184,031	179,407	4,624
School and public service co-curricular activities:			
Purchased services	1,500	1,500	-
Total extracurricular activities	777,060	719,015	58,045
Total expenditures	29,654,797	28,132,001	1,522,796
Excess of revenues over (under) expenditures	(849,677)	552,628	1,402,305

(Continued)

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other financing sources (uses):</u>			
Advances in	39,000	39,420	420
Advances out	(39,000)	(5,294)	33,706
Operating transfers out	(575,000)	(575,000)	-
Total other financing sources (uses)	(575,000)	(540,874)	34,126
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(1,424,677)	11,754	1,436,431
Fund balance at beginning of year	4,256,700	4,256,700	-
Prior year encumbrances appropriated	167,602	167,602	-
Fund balance at end of year	<u>\$ 2,999,625</u>	<u>\$ 4,436,056</u>	<u>\$ 1,436,431</u>

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. The title of each special revenue fund is descriptive of the activities accounted for therein. The special revenue funds are:

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.

Miscellaneous Local Grants

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

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 System

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.

Disadvantaged Pupil Impact Aid (DPIA)

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

Data Communications

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

SchoolNet Professional Development

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

Ohio Reads

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

Summer Intervention

To account for summer intervention services.

Alternative Schools

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

Miscellaneous State Grants

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

Title II - Eisenhower

To account for federal funds used in the training of teachers in new techniques and methodologies in the areas of mathematics and science.

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 I

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

Title VI

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 Grants

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

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.

Twinsburg City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2002

	<u>Public School Support</u>	<u>Miscellaneous Local Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 648,182	\$ 14,388	\$ 61,986	\$ 31,852
Receivables:				
Accounts	300	-	100	-
Intergovernmental	-	-	-	-
Total assets	<u>\$ 648,482</u>	<u>\$ 14,388</u>	<u>\$ 62,086</u>	<u>\$ 31,852</u>
 <u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 580	\$ -	\$ 564	\$ 12,821
Accrued wages	18,622	-	-	-
Interfund payable	27,501	-	-	-
Intergovernmental payable	256	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>46,959</u>	<u>-</u>	<u>564</u>	<u>12,821</u>
 <u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	2,255	451	31,107	6,202
Unreserved, undesignated	599,268	13,937	30,415	12,829
Total fund equity	<u>601,523</u>	<u>14,388</u>	<u>61,522</u>	<u>19,031</u>
Total liabilities and fund equity	<u>\$ 648,482</u>	<u>\$ 14,388</u>	<u>\$ 62,086</u>	<u>\$ 31,852</u>

<u>Teacher Development</u>	<u>Management Information System</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Summer Intervention</u>
\$ 2,589	\$ 2,515	\$ 1,053	\$ 64	\$ 7,450	\$ 3,750	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,589</u>	<u>\$ 2,515</u>	<u>\$ 1,053</u>	<u>\$ 64</u>	<u>\$ 7,450</u>	<u>\$ 3,750</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,750	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	3,750	-
-	-	-	-	-	-	-
2,589	2,515	1,053	64	7,450	-	-
<u>2,589</u>	<u>2,515</u>	<u>1,053</u>	<u>64</u>	<u>7,450</u>	<u>-</u>	<u>-</u>
<u>\$ 2,589</u>	<u>\$ 2,515</u>	<u>\$ 1,053</u>	<u>\$ 64</u>	<u>\$ 7,450</u>	<u>\$ 3,750</u>	<u>\$ -</u>

(Continued)

Twinsburg City School District
Combining Balance Sheet
All Special Revenue Funds
June 30, 2002

	Alternative Schools	Miscellaneous State Grants	Title II Eisenhower	Title VI-B
<u>Assets and other debits:</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ -	\$ 5,238	\$ 3,005	\$ 40,104
Receivables:				
Accounts	-	-	-	-
Intergovernmental	-	-	1,561	98,683
Total assets	<u>\$ -</u>	<u>\$ 5,238</u>	<u>\$ 4,566</u>	<u>\$ 138,787</u>
<u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,058
Accrued wages	-	-	-	2,814
Interfund payable	-	-	-	-
Intergovernmental payable	-	-	-	41
Deferred revenue	-	-	-	98,683
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,596</u>
<u>Fund equity:</u>				
Fund balance:				
Reserved for encumbrances	-	-	2,673	4,176
Unreserved, undesignated	-	5,238	1,893	32,015
Total fund equity	<u>-</u>	<u>5,238</u>	<u>4,566</u>	<u>36,191</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ 5,238</u>	<u>\$ 4,566</u>	<u>\$ 138,787</u>

<u>Title I</u>	<u>Title VI</u>	<u>Drug Free School Grant</u>	<u>EHA Preschool Grants</u>	<u>Miscellaneous Federal Grants</u>	<u>Total All Funds</u>
\$ 55,741	\$ 8,503	\$ 3,100	\$ -	\$ 18,526	\$ 908,046
-	-	-	-	-	400
-	14,304	11,578	-	-	126,126
<u>\$ 55,741</u>	<u>\$ 22,807</u>	<u>\$ 14,678</u>	<u>\$ -</u>	<u>\$ 18,526</u>	<u>\$ 1,034,572</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,773
6,009	-	-	-	223	27,668
-	-	5,294	-	-	32,795
87	-	-	-	3	387
-	14,304	11,578	-	-	124,565
<u>6,096</u>	<u>14,304</u>	<u>16,872</u>	<u>-</u>	<u>226</u>	<u>204,188</u>
-	-	280	-	100	47,244
49,645	8,503	(2,474)	-	18,200	783,140
<u>49,645</u>	<u>8,503</u>	<u>(2,194)</u>	<u>-</u>	<u>18,300</u>	<u>830,384</u>
<u>\$ 55,741</u>	<u>\$ 22,807</u>	<u>\$ 14,678</u>	<u>\$ -</u>	<u>\$ 18,526</u>	<u>\$ 1,034,572</u>

Twinsburg City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	<u>Public School Support</u>	<u>Miscellaneous Local Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>
<u>Revenues:</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ 176,812
Interest	1,474	-	-	329
Tuition and fees	210,826	-	-	-
Extracurricular activities	52,113	-	106,577	-
Gifts and donations	2,769	20,600	-	-
Total revenues	<u>267,182</u>	<u>20,600</u>	<u>106,577</u>	<u>177,141</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	2,000	11,297	-	-
Special	-	-	-	-
Vocational	-	2,099	-	-
Support services:				
Pupils	133,339	-	-	-
Instructional staff	-	-	-	-
Administration	3,319	-	-	-
Operation and maintenance of plant	-	-	-	-
Operation of non-instructional services	-	-	-	158,904
Extracurricular activities	41,414	-	68,748	-
Total expenditures	<u>180,072</u>	<u>13,396</u>	<u>68,748</u>	<u>158,904</u>
Excess of revenues over (under) expenditures	87,110	7,204	37,829	18,237
Fund balances (deficit) at beginning of year	514,413	7,184	23,693	794
Fund balances (deficit) at end of year	<u>\$ 601,523</u>	<u>\$ 14,388</u>	<u>\$ 61,522</u>	<u>\$ 19,031</u>

<u>Teacher Development</u>	<u>Management Information System</u>	<u>Disadvantaged Pupil Impact Aid</u>	<u>Data Communications</u>	<u>SchoolNet Professional Development</u>	<u>Ohio Reads</u>	<u>Summer Intervention</u>
\$ -	\$ 14,225	\$ 25,273	\$ 17,500	\$ 7,450	\$ 7,500	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	14,225	25,273	17,500	7,450	7,500	-
-	-	24,220	-	-	7,500	2,486
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	29,436	-	-	-
-	19,436	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	19,436	24,220	29,436	-	7,500	2,486
-	(5,211)	1,053	(11,936)	7,450	-	(2,486)
2,589	7,726	-	12,000	-	-	2,486
<u>\$ 2,589</u>	<u>\$ 2,515</u>	<u>\$ 1,053</u>	<u>\$ 64</u>	<u>\$ 7,450</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Twinsburg City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Special Revenue Funds
For the Fiscal Year Ended June 30, 2002

	Alternative Schools	Miscellaneous State Grants	Title II Eisenhower	Title VI-B
<u>Revenues:</u>				
Intergovernmental	\$ 52,575	\$ 28,282	\$ 15,748	\$ 136,428
Interest	-	-	-	-
Tuition and fees	-	-	-	-
Extracurricular activities	-	-	-	-
Gifts and donations	-	-	-	-
Total revenues	<u>52,575</u>	<u>28,282</u>	<u>15,748</u>	<u>136,428</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	20,724	-	-	-
Special	-	-	-	70,392
Vocational	-	-	-	-
Support services:				
Pupils	-	-	-	-
Instructional staff	-	20,679	13,090	31,094
Administration	18,179	-	-	-
Operation and maintenance of plant	-	2,853	-	-
Operation of non-instructional services	-	-	-	4,683
Extracurricular activities	-	-	-	-
Total expenditures	<u>38,903</u>	<u>23,532</u>	<u>13,090</u>	<u>106,169</u>
Excess of revenues over (under) expenditures	13,672	4,750	2,658	30,259
Fund balances (deficit) at beginning of year	(13,672)	488	1,908	5,932
Fund balances (deficit) at end of year	<u>\$ -</u>	<u>\$ 5,238</u>	<u>\$ 4,566</u>	<u>\$ 36,191</u>

<u>Title I</u>	<u>Title VI</u>	<u>Drug Free School Grant</u>	<u>EHA Preschool Grants</u>	<u>Miscellaneous Federal Grants</u>	<u>Total All Funds</u>
\$ 217,402	\$ 5,842	\$ 3,265	\$ 21,652	\$ 77,569	\$ 807,523
-	-	-	-	-	1,803
-	-	-	-	-	210,826
-	-	-	-	-	158,690
-	-	-	-	-	23,369
<u>217,402</u>	<u>5,842</u>	<u>3,265</u>	<u>21,652</u>	<u>77,569</u>	<u>1,202,211</u>
-	-	12,899	-	-	81,126
167,757	6,237	-	-	59,793	304,179
-	-	-	-	-	2,099
-	-	-	-	-	162,775
-	-	1,142	25,673	1,915	113,029
-	-	-	-	-	21,498
-	-	2,640	-	-	5,493
-	516	-	-	-	164,103
-	-	-	-	-	110,162
<u>167,757</u>	<u>6,753</u>	<u>16,681</u>	<u>25,673</u>	<u>61,708</u>	<u>964,464</u>
49,645	(911)	(13,416)	(4,021)	15,861	237,747
-	9,414	11,222	4,021	2,439	592,637
<u>\$ 49,645</u>	<u>\$ 8,503</u>	<u>\$ (2,194)</u>	<u>\$ -</u>	<u>\$ 18,300</u>	<u>\$ 830,384</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Public School Support Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$ 1,013	\$ 1,474	\$ 461
Tuition and fees	153,543	210,826	57,283
Extracurricular activities	37,342	52,883	15,541
Gifts and donations	2,099	2,769	670
Total revenues	<u>193,997</u>	<u>267,952</u>	<u>73,955</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Other	18,626	2,000	16,626
Special:			
Materials and supplies	335	-	335
Total instruction	<u>18,961</u>	<u>2,000</u>	<u>16,961</u>
Support services:			
Pupils:			
Salaries and wages	143,050	117,441	25,609
Fringe benefits	33,226	4,194	29,032
Purchased services	200	109	91
Materials and supplies	20,681	9,948	10,733
Capital outlay - new	1,719	1,719	-
Total pupils	<u>198,876</u>	<u>133,411</u>	<u>65,465</u>
Instructional staff:			
Purchased services	4,874	-	4,874
Administration:			
Materials and supplies	26,623	1,319	25,304
Other	2,000	2,000	-
Total administration	<u>28,623</u>	<u>3,319</u>	<u>25,304</u>
Total support services	<u>232,373</u>	<u>136,730</u>	<u>95,643</u>
Operation of non-instructional services:			
Community services:			
Materials and supplies	228	-	228
Extracurricular activities:			
Academic and subject oriented activities:			
Materials and supplies	2,228	1,324	904
Occupational oriented activities:			
Purchased services	16,052	2,708	13,344
Materials and supplies	27,788	6,306	21,482
Other	41,422	20,851	20,571
Total occupational oriented activities	<u>85,262</u>	<u>29,865</u>	<u>55,397</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Public School Support Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Sports oriented activities:			
Other	38	25	13
School and public service co-curricular activities:			
Materials and supplies	12,444	9,792	2,652
Capital outlay - new	-	-	-
Capital outlay - replacement	-	-	-
Other	18,790	2,663	16,127
Total school and public service co-curricular activities	31,234	12,455	18,779
Total extracurricular activities	118,762	43,669	75,093
Total expenditures	370,324	182,399	187,925
Excess of revenues over (under) expenditures	(176,327)	85,553	261,880
<u>Other financing sources (uses):</u>			
Advances in	27,501	27,501	-
Advances out	(27,501)	(27,501)	-
Total other financing sources (uses)	-	-	-
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(176,327)	85,553	261,880
Fund balance at beginning of year	553,129	553,129	-
Prior year encumbrances appropriated	6,667	6,667	-
Fund balance at end of year	<u>\$ 383,469</u>	<u>\$ 645,349</u>	<u>\$ 261,880</u>

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Miscellaneous Local Grants Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Gifts and donations	\$ 19,600	\$ 20,600	\$ 1,000
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	3,086	2,864	222
Purchased services	15,598	3,886	11,712
Materials and supplies	5,000	4,998	2
Total regular	23,684	11,748	11,936
Vocational:			
Materials and supplies	2,100	2,099	1
Total expenditures	25,784	13,847	11,937
Excess of revenues over (under) expenditures	(6,184)	6,753	12,937
Fund balance at beginning of year	7,184	7,184	-
Fund balance at end of year	\$ 1,000	\$ 13,937	\$ 12,937

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - District Managed Student Activity Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Extracurricular activities	\$ 101,071	\$ 106,693	\$ 5,622
<u>Expenditures:</u>			
Current:			
Extracurricular activities:			
Academic and subject oriented activities:			
Purchased services	2,250	851	1,399
Other	5,293	4,205	1,088
Total academic and subject oriented activities	7,543	5,056	2,487
Sports oriented activities:			
Purchased services	5,500	1,975	3,525
Materials and supplies	39,347	39,236	111
Other	9,335	7,563	1,772
Total sports oriented activities	54,182	48,774	5,408
School and public service co-curricular activities:			
Purchased services	41,727	40,500	1,227
Materials and supplies	3,362	668	2,694
Other	7,612	4,857	2,755
Total school and public service co-curricular activities	52,701	46,025	6,676
Total expenditures	114,426	99,855	14,571
Excess of revenues over (under) expenditures	(13,355)	6,838	20,193
Fund balance at beginning of year	21,567	21,567	-
Prior year encumbrances appropriated	1,909	1,909	-
Fund balance at end of year	\$ 10,121	\$ 30,314	\$ 20,193

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 124,149	\$ 176,812	\$ 52,663
Interest	200	329	129
Total revenues	<u>124,349</u>	<u>177,141</u>	<u>52,792</u>
<u>Expenditures:</u>			
Current:			
Community services:			
Salaries and wages	7,720	7,720	-
Fringe benefits	1,192	-	1,192
Purchased services	42,354	29,245	13,109
Materials and supplies	23,507	20,366	3,141
Capital outlay - replacement	107,775	107,775	-
Total expenditures	<u>182,548</u>	<u>165,106</u>	<u>17,442</u>
Excess of revenues over (under) expenditures	(58,199)	12,035	70,234
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	793	793	-
Fund balance at end of year	<u>\$ (57,406)</u>	<u>\$ 12,828</u>	<u>\$ 70,234</u>

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Teacher Development Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Purchased services	230	-	230
Materials and supplies	2,359	-	2,359
Total expenditures	2,589	-	2,589
Excess of revenues over (under) expenditures	(2,589)	-	2,589
Fund balance at beginning of year	2,589	2,589	-
Fund balance at end of year	\$ -	\$ 2,589	\$ 2,589

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Management Information System Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 14,225	\$ 14,225	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Purchased services	21,725	19,436	2,289
Excess of revenues under expenditures	(7,500)	(5,211)	2,289
Fund balance at beginning of year	7,726	7,726	-
Fund balance at end of year	\$ 226	\$ 2,515	\$ 2,289

Twinsburg Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Disadvantaged Pupil Impact Aid Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 22,114	\$ 25,273	\$ 3,159
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	25,273	24,220	1,053
Excess of revenues over (under) expenditures	(3,159)	1,053	4,212
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ (3,159)	\$ 1,053	\$ 4,212

Twinsburg Local School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Data Communications Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 17,500	\$ 17,500	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils:			
Capital outlay - new	29,500	29,436	64
Excess of revenues under expenditures	(12,000)	(11,936)	64
Fund balance at beginning of year	64	64	-
Prior year encumbrances appropriated	11,936	11,936	-
Fund balance at end of year	\$ -	\$ 64	\$ 64

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - SchoolNet Professional Development Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ -	\$ 7,450	\$ 7,450
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	4,000	-	4,000
Excess of revenues over (under) expenditures	(4,000)	7,450	11,450
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ (4,000)	\$ 7,450	\$ 11,450

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Ohio Reads Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 7,500	\$ 7,500	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Purchased services	7,500	7,500	-
Excess of revenues over (under) expenditures	-	-	-
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 and Actual - Summer Intervention Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	2,486	2,486	-
Excess of revenues under expenditures	(2,486)	(2,486)	-
Fund balance at beginning of year	2,486	2,486	-
Fund balance at end of year	\$ -	\$ -	\$ -

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Alternative Schools Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 52,575	\$ 52,575	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	34,396	34,396	-
Support services:			
Administration:			
Salaries and wages	18,179	18,179	-
Total expenditures	52,575	52,575	-
Excess of revenues over (under) expenditures	-	-	-
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 and Actual - Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 28,282	\$ 28,282	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Salaries and wages	18,566	18,566	-
Fringe benefits	3,472	-	3,472
Purchased services	2,800	1,628	1,172
Materials and supplies	650	485	165
Total instructional staff	<u>25,488</u>	<u>20,679</u>	<u>4,809</u>
Operation and maintenance of plant:			
Purchased services	<u>3,282</u>	<u>2,853</u>	<u>429</u>
Total expenditures	<u>28,770</u>	<u>23,532</u>	<u>5,238</u>
Excess of revenues (over) under expenditures	(488)	4,750	5,238
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	488	488	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 5,238</u>	<u>\$ 5,238</u>

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Title II Eisenhower Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 15,669	\$ 14,187	\$ (1,482)
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Purchased services	17,671	15,763	1,908
Excess of revenues under expenditures	(2,002)	(1,576)	426
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	1,908	1,908	-
Fund balance at end of year	\$ (94)	\$ 332	\$ 426

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Title VI-B Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 246,707	\$ 161,383	\$ (85,324)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and wages	6,939	-	6,939
Purchased services	142,800	71,965	70,835
Total instruction	149,739	71,965	77,774
Support services:			
Instructional staff:			
Salaries and wages	52,013	20,485	31,528
Fringe benefits	12,443	-	12,443
Purchased services	19,261	17,461	1,800
Total support services	83,717	37,946	45,771
Operation of non-instructional services:			
Community services:			
Purchased services	13,250	4,683	8,567
Total expenditures	246,706	114,594	132,112
Excess of revenues over expenditures	1	46,789	46,788
<u>Other financing uses:</u>			
Advances out	(11,919)	(11,919)	-
Excess of revenues over (under) expenditures and other financing uses	(11,918)	34,870	46,788
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ (11,918)	\$ 34,870	\$ 46,788

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Title I Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 217,402	\$ 217,402	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and wages	190,703	161,661	29,042
Fringe benefits	26,699	-	26,699
Total expenditures	217,402	161,661	55,741
Excess of revenues over expenditures	-	55,741	55,741
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 55,741	\$ 55,741

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Title VI Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 19,559	\$ 5,842	\$ (13,717)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and wages	37,018	6,237	30,781
Fringe benefits	6,397	-	6,397
Total special	43,415	6,237	37,178
Operation of non-instructional services:			
Community services:			
Materials and supplies	1,315	516	799
Total expenditures	44,730	6,753	37,977
Excess of revenues under expenditures	(25,171)	(911)	24,260
Fund balance at beginning of year	8,767	8,767	-
Prior year encumbrances appropriated	647	647	-
Fund balance at end of year	\$ (15,757)	\$ 8,503	\$ 24,260

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Drug Free School Grant Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 9,427	\$ 3,265	\$ (6,162)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	5,127	1,926	3,201
Purchased services	6,540	1,945	4,595
Materials and supplies	10,370	9,308	1,062
Total instruction	22,037	13,179	8,858
Support services:			
Instructional staff:			
Purchased services	1,270	1,142	128
Operation and maintenance of plant:			
Materials and supplies	2,640	2,640	-
Total support services	3,910	3,782	128
Total expenditures	25,947	16,961	8,986
Excess of revenues under expenditures	(16,520)	(13,696)	2,824
<u>Other financing sources:</u>			
Advances in	5,294	5,294	-
Excess of revenues and other financing sources under expenditures	(11,226)	(8,402)	2,824
Fund balance at beginning of year	11,222	11,222	-
Fund balance at end of year	\$ (4)	\$ 2,820	\$ 2,824

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - EHA Preschool Grants Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 21,652	\$ 21,652	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff:			
Salaries and wages	25,673	25,673	-
Excess of revenues under expenditures	(4,021)	(4,021)	-
Fund balance at beginning of year	4,021	4,021	-
Fund balance at end of year	\$ -	\$ -	\$ -

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 77,662	\$ 77,569	\$ (93)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special:			
Salaries and wages	57,858	49,010	8,848
Fringe benefits	8,100	-	8,100
Capital outlay - new	11,704	10,657	1,047
Total instruction	77,662	59,667	17,995
Support services:			
Instructional staff:			
Materials and supplies	2,439	1,915	524
Total expenditures	80,101	61,582	18,519
Excess of revenues over (under) expenditures	(2,439)	15,987	18,426
Fund balance at beginning of year	2,209	2,209	-
Prior year encumbrances appropriated	230	230	-
Fund balance at end of year	\$ -	\$ 18,426	\$ 18,426

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and 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 payment of general obligation notes payable, as required by Ohio Law.

Since there is only one Debt Service Fund and the level of budgetary control is not greater than that presented in the Combined Financial Statements, no additional financial statements are presented here.

CAPITAL PROJECTS FUNDS

Capital projects 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.

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.

Vocational Education Equipment

To account for receipts and expenditures involved in upgrading and retaining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupations or planned occupations.

SchoolNet Equipment

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.

Twinsburg City School District
Combining Balance Sheet
All Capital Projects Funds
June 30, 2002

	<u>Permanent Improvement</u>	<u>Replacement</u>	<u>Vocational Education Equipment</u>	<u>SchoolNet</u>	<u>Total All Funds</u>
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 1,518,340	\$ 101,923	\$ -	\$ 1,292	\$ 1,621,555
Receivables:					
Taxes	1,232,328	-	-	-	1,232,328
Intergovernmental	-	-	-	53,271	53,271
Interfund receivable	27,501	-	-	-	27,501
Total assets	<u>\$ 2,778,169</u>	<u>\$ 101,923</u>	<u>\$ -</u>	<u>\$ 54,563</u>	<u>\$ 2,934,655</u>
<u>Liabilities and fund equity :</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 76,531	\$ -	\$ -	\$ -	\$ 76,531
Deferred revenue	1,182,213	-	-	-	1,182,213
Notes payable	664,000	-	-	-	664,000
Total liabilities	<u>1,922,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,922,744</u>
<u>Fund equity:</u>					
Fund balance:					
Reserved for encumbrances	32,354	-	-	-	32,354
Reserved for property taxes	50,115	-	-	-	50,115
Unreserved, undesignated	772,956	101,923	-	54,563	929,442
Total fund equity	<u>855,425</u>	<u>101,923</u>	<u>-</u>	<u>54,563</u>	<u>1,011,911</u>
Total liabilities and fund equity	<u>\$ 2,778,169</u>	<u>\$ 101,923</u>	<u>\$ -</u>	<u>\$ 54,563</u>	<u>\$ 2,934,655</u>

Twinsburg City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
All Capital Projects Funds
For the Fiscal Year Ended June 30, 2002

	Permanent Improvement	Replacement	Vocational Education Equipment	SchoolNet	Total All Funds
<u>Revenues:</u>					
Taxes	\$ 1,813,640	\$ -	\$ -	\$ -	\$ 1,813,640
Intergovernmental	170,241	64,100	-	53,271	287,612
Total revenues	<u>1,983,881</u>	<u>64,100</u>	<u>-</u>	<u>53,271</u>	<u>2,101,252</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	15,744	-	-	-	15,744
Special	711	-	-	-	711
Support services:					
Pupils	-	-	-	4,540	4,540
Administration	5,569	-	-	-	5,569
Operation and maintenance of plant	6,741	-	-	-	6,741
Central	481,794	-	-	-	481,794
Capital outlay	279,393	-	-	-	279,393
Debt service:					
Interest and fiscal charges	61,673	-	-	-	61,673
Total expenditures	<u>851,625</u>	<u>-</u>	<u>-</u>	<u>4,540</u>	<u>856,165</u>
Excess of revenues over expenditures	<u>1,132,256</u>	<u>64,100</u>	<u>-</u>	<u>48,731</u>	<u>1,245,087</u>
<u>Other financing sources (uses):</u>					
Proceeds of notes	339,000	-	-	-	339,000
Proceeds from sale of fixed assets	-	9,900	-	-	9,900
Operating transfers in	7,418	-	-	-	7,418
Operating transfers out	-	-	(7,418)	-	(7,418)
Total other financing sources (uses)	<u>346,418</u>	<u>9,900</u>	<u>(7,418)</u>	<u>-</u>	<u>348,900</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	1,478,674	74,000	(7,418)	48,731	1,593,987
Fund balances (deficit) at beginning of year	(623,249)	27,923	7,418	5,832	(582,076)
Fund balances at end of year	<u>\$ 855,425</u>	<u>\$ 101,923</u>	<u>\$ -</u>	<u>\$ 54,563</u>	<u>\$ 1,011,911</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$ 789,450	\$ 1,096,361	\$ 306,911
Intergovernmental	111,240	170,241	59,001
Total revenues	<u>900,690</u>	<u>1,266,602</u>	<u>365,912</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Capital outlay - new	<u>35,360</u>	<u>15,744</u>	<u>19,616</u>
Special:			
Capital outlay - new	<u>711</u>	<u>711</u>	<u>-</u>
Total instruction	<u>36,071</u>	<u>16,455</u>	<u>19,616</u>
Support services:			
Administration:			
Capital outlay - new	<u>5,855</u>	<u>5,569</u>	<u>286</u>
Operation and maintenance of plant:			
Purchased services	<u>10,000</u>	<u>6,741</u>	<u>3,259</u>
Central:			
Materials and supplies	110,000	105,949	4,051
Capital outlay - new	<u>507,208</u>	<u>376,118</u>	<u>131,090</u>
Total central	<u>617,208</u>	<u>482,067</u>	<u>135,141</u>
Total support services	<u>633,063</u>	<u>494,377</u>	<u>138,686</u>
Capital outlay:			
Facilities acquisition and construction services:			
Site improvement services:			
Capital outlay - new	<u>37,415</u>	<u>36,654</u>	<u>761</u>
Architecture and engineering services:			
Purchased services	<u>50,000</u>	<u>10,726</u>	<u>39,274</u>
Building acquisition and construction services:			
Capital outlay - new	<u>22,172</u>	<u>22,172</u>	<u>-</u>
Building improvement services:			
Purchased services	103,609	82,785	20,824
Capital outlay - new	114,958	112,463	2,495
Capital outlay - replacement	<u>662,827</u>	<u>17,665</u>	<u>645,162</u>
Total building improvement services	<u>881,394</u>	<u>212,913</u>	<u>668,481</u>
Other Facilities acquisition and construction services:			
Other	<u>131,889</u>	<u>29,010</u>	<u>102,879</u>
Total capital outlay	<u>1,122,870</u>	<u>311,475</u>	<u>811,395</u>
Total expenditures	<u>1,792,004</u>	<u>822,307</u>	<u>969,697</u>
Excess of revenues over (under) expenditures	<u>(891,314)</u>	<u>444,295</u>	<u>1,335,609</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Other financing sources (uses):</u>			
Proceeds of notes	333,000	333,000	-
Advances out	(28,000)	(27,501)	499
Operating transfers in	7,418	7,418	-
Total other financing sources (uses)	<u>312,418</u>	<u>312,917</u>	<u>499</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(578,896)	757,212	1,336,108
Fund balance at beginning of year	579,735	579,735	-
Prior year encumbrances appropriated	72,506	72,506	-
Fund balance at end of year	<u>\$ 73,345</u>	<u>\$ 1,409,453</u>	<u>\$ 1,336,108</u>

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Replacement Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$ 64,100	\$ 64,100	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupil transportation:			
Capital outlay - replacement	82,923	-	82,923
Excess of revenues over (under) expenditures	(18,823)	64,100	82,923
<u>Other financing sources:</u>			
Proceeds from sale of fixed assets	9,900	9,900	-
Excess of revenues and other financing sources over (under) expenditures	(8,923)	74,000	82,923
Fund balance at beginning of year	27,923	27,923	-
Fund balance at end of year	<u>\$ 19,000</u>	<u>\$ 101,923</u>	<u>\$ 82,923</u>

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Vocational Education Equipment Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
<u>Other financing uses:</u>			
Operating transfers out	(7,418)	(7,418)	-
Excess of revenues under expenditures and other financing uses	(7,418)	(7,418)	-
Fund balance at beginning of year	7,418	7,418	-
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 and Actual - SchoolNet Equipment Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils:			
Purchased services	1,619	1,394	225
Capital outlay - new	3,635	3,146	489
Total support services	5,254	4,540	714
Capital outlay:			
Building improvement services:			
Capital outlay - new	578	-	578
Total expenditures	5,832	4,540	1,292
Excess of revenues under expenditures	(5,832)	(4,540)	1,292
Fund balance at beginning of year	2,686	2,686	-
Prior year encumbrances appropriated	3,146	3,146	-
Fund balance at end of year	\$ -	\$ 1,292	\$ 1,292

ENTERPRISE FUNDS

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private sector business where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. The following are descriptions of each of the School District's enterprise funds:

Food Service

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

Uniform School Supply

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 expenses related to the provision of credit and non-credit classes to the general public.

Twinsburg City School District
Combining Balance Sheet
All Enterprise Funds
June 30, 2002

	Food Service	Uniform School Supply	Adult Education	Total All Funds
<u>Assets:</u>				
<u>Current assets:</u>				
Equity in pooled cash and cash equivalents	\$ 154,894	\$ 15,565	\$ 38,860	\$ 209,319
Receivables:				
Intergovernmental	22,569	-	-	22,569
Inventory held for resale	32,829	-	-	32,829
Materials and supplies				
Inventory	5,562	-	-	5,562
Total current assets	<u>215,854</u>	<u>15,565</u>	<u>38,860</u>	<u>270,279</u>
<u>Non-current Assets:</u>				
Fixed assets, net of accumulated depreciation	223,337	-	-	223,337
Total assets	<u>\$ 439,191</u>	<u>\$ 15,565</u>	<u>\$ 38,860</u>	<u>\$ 493,616</u>
 <u>Liabilities and fund equity :</u>				
<u>Current liabilities:</u>				
Accounts payable	\$ 815	\$ -	\$ -	\$ 815
Accrued wages	76,204	-	-	76,204
Intergovernmental payable	17,161	-	-	17,161
Deferred revenue	18,889	-	-	18,889
Total current liabilities	<u>113,069</u>	<u>-</u>	<u>-</u>	<u>113,069</u>
<u>Long-term liabilities</u>				
Compensated absences payable	19,030	-	-	19,030
Total liabilities	<u>132,099</u>	<u>-</u>	<u>-</u>	<u>132,099</u>
<u>Fund equity:</u>				
Contributed capital	342,259	-	-	342,259
Retained earnings (deficit):				
Unreserved	(35,167)	15,565	38,860	19,258
Total fund equity	<u>307,092</u>	<u>15,565</u>	<u>38,860</u>	<u>361,517</u>
Total liabilities and fund equity	<u>\$ 439,191</u>	<u>\$ 15,565</u>	<u>\$ 38,860</u>	<u>\$ 493,616</u>

Twinsburg City School District
Combining Statement of Revenues,
Expenses and Changes in Retained Earnings
All Enterprise Funds
For the Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supply	Adult Education	Total All Funds
<u>Operating revenues:</u>				
Tuition	\$ -	\$ -	\$ 1,764	\$ 1,764
Sales	831,396	7,245	-	838,641
Other operating revenues	-	-	4,729	4,729
Total operating revenues	<u>831,396</u>	<u>7,245</u>	<u>6,493</u>	<u>845,134</u>
<u>Operating expenses:</u>				
Salaries	448,803	-	-	448,803
Fringe benefits	63,172	-	-	63,172
Purchased services	4,979	-	1,200	6,179
Material and supplies	39,286	7,077	-	46,363
Cost of sales	464,307	-	-	464,307
Depreciation	18,985	-	-	18,985
Total operating expenses	<u>1,039,532</u>	<u>7,077</u>	<u>1,200</u>	<u>1,047,809</u>
Operating income (loss)	<u>(208,136)</u>	<u>168</u>	<u>5,293</u>	<u>(202,675)</u>
<u>Non-operating revenues:</u>				
Federal donated commodities	60,058	-	-	60,058
Operating grants	167,074	-	-	167,074
Interest	2,856	-	-	2,856
Total non-operating revenues	<u>229,988</u>	<u>-</u>	<u>-</u>	<u>229,988</u>
Net income	21,852	168	5,293	27,313
Retained earnings at beginning of year, as restated (Note 20)	(57,019)	15,397	33,567	(8,055)
Retained earnings at end of year	<u>\$ (35,167)</u>	<u>\$ 15,565</u>	<u>\$ 38,860</u>	<u>\$ 19,258</u>

Twinsburg City School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Food Service Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for services	\$ 801,900	\$ 831,396	\$ 29,496
Interest	2,500	2,856	356
Operating grants	155,000	164,672	9,672
Total revenues	<u>959,400</u>	<u>998,924</u>	<u>39,524</u>
<u>Expenses:</u>			
Salaries:			
Food service operations	<u>448,505</u>	<u>438,302</u>	<u>10,203</u>
Fringe benefits:			
Food service operations	<u>76,605</u>	<u>60,712</u>	<u>15,893</u>
Purchased services:			
Food service operations	<u>9,552</u>	<u>4,979</u>	<u>4,573</u>
Materials and supplies:			
Food service operations	<u>499,672</u>	<u>437,471</u>	<u>62,201</u>
Capital outlay:			
Capital outlay - new:			
Food service operations	<u>10,600</u>	<u>10,049</u>	<u>551</u>
Total expenses	<u>1,044,934</u>	<u>951,513</u>	<u>93,421</u>
Excess of revenues over (under) expenses	(85,534)	47,411	132,945
Fund equity at beginning of year	105,281	105,281	-
Prior year encumbrances appropriated	452	452	-
Fund equity at end of year	<u>\$ 20,199</u>	<u>\$ 153,144</u>	<u>\$ 132,945</u>

Twinsburg City School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Uniform School Supply Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Classroom materials and supplies	\$ 6,990	\$ 7,245	\$ 255
<u>Expenses:</u>			
Materials and supplies:			
Regular instruction	15,387	7,077	8,310
Excess of revenues over (under) expenses	(8,397)	168	8,565
Fund equity at beginning of year	15,011	15,011	-
Prior year encumbrances appropriated	387	387	-
Fund equity at end of year	\$ 7,001	\$ 15,566	\$ 8,565

Twinsburg City School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Adult Education Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition	\$ 750	\$ 1,764	\$ 1,014
Other revenues	4,600	4,729	129
Total revenues	<u>5,350</u>	<u>6,493</u>	<u>1,143</u>
<u>Expenses:</u>			
Purchased services:			
Adult/continuing instruction	<u>34,000</u>	<u>1,200</u>	<u>32,800</u>
Excess of revenues over (under) expenses	(28,650)	5,293	33,943
Fund equity at beginning of year	33,568	33,568	-
Fund equity at end of year	<u>\$ 4,918</u>	<u>\$ 38,861</u>	<u>\$ 33,943</u>

Twinsburg City School District
Combining Statement of Cash Flows
All Enterprise Funds
For the Fiscal Year Ended June 30, 2002

	Food Service	Uniform School Supply	Adult Education	Total All Funds
<u>Cash flows from operating activities:</u>				
Cash received from customers	\$ 831,396	\$ 7,245	\$ 1,764	\$ 840,405
Cash received from other operating sources	-	-	4,729	4,729
Cash payments to suppliers for goods and services	(450,749)	(7,077)	(1,200)	(459,026)
Cash payments to employees for services	(438,302)	-	-	(438,302)
Cash payments for employee benefits	(60,712)	-	-	(60,712)
Net cash provided by (used for) operating activities	<u>(118,367)</u>	<u>168</u>	<u>5,293</u>	<u>(112,906)</u>
<u>Cash flows from noncapital financing activities:</u>				
Operating grants	<u>164,672</u>	<u>-</u>	<u>-</u>	<u>164,672</u>
Net cash provided by noncapital financing activities	<u>164,672</u>	<u>-</u>	<u>-</u>	<u>164,672</u>
<u>Cash flows from investing activities:</u>				
Interest on investments	<u>2,856</u>	<u>-</u>	<u>-</u>	<u>2,856</u>
Net cash provided by investing financing	<u>2,856</u>	<u>-</u>	<u>-</u>	<u>2,856</u>
Net increase in cash and cash equivalents	49,161	168	5,293	54,622
Cash and cash equivalents at beginning of year	<u>105,733</u>	<u>15,397</u>	<u>33,567</u>	<u>154,697</u>
Cash and cash equivalents at end of year	<u>\$ 154,894</u>	<u>\$ 15,565</u>	<u>\$ 38,860</u>	<u>\$ 209,319</u>
<u>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</u>				
Operating income (loss)	<u>\$ (208,136)</u>	<u>\$ 168</u>	<u>\$ 5,293</u>	<u>\$ (202,675)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	18,985	-	-	18,985
Federal donated commodities	60,058	-	-	60,058
Change in assets and liabilities:				
(Increase) decrease in assets:				
Inventory	(3,717)	-	-	(3,717)
Increase (decrease) in liabilities:				
Accounts payable	815	-	-	815
Accrued wages	11,586	-	-	11,586
Compensated absences payable	(1,085)	-	-	(1,085)
Intergovernmental payable	2,460	-	-	2,460
Deferred revenue	667	-	-	667
Total adjustments	<u>89,769</u>	<u>-</u>	<u>-</u>	<u>89,769</u>
Net cash provided by (used for) operating activities	<u>\$ (118,367)</u>	<u>\$ 168</u>	<u>\$ 5,293</u>	<u>\$ (112,906)</u>
Non-cash operating activities				
Donated commodities received	<u>\$ 60,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,058</u>

INTERNAL SERVICE FUND

Internal service funds are used to account for the financing of goods or services provided by one fund of the School District to other funds of the School District on a cost reimbursement basis. The title of the fund indicates the type of service provided. The internal service fund is:

Employee Benefits Self-Insurance

To account for the cost of medical benefits provided to the School District's employees.

Twinsburg City School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Employee Benefits Self-Insurance Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for services	\$ 2,514,456	\$ 2,463,728	\$ (50,728)
<u>Expenses:</u>			
Fringe benefits:			
Regular instruction	3,012,361	2,986,824	25,537
Other:			
Regular instruction	64,000	61,104	2,896
Total expenses	3,076,361	3,047,928	28,433
Excess of revenues under expenses	(561,905)	(584,200)	(22,295)
Operating transfers in	575,000	575,000	-
Excess of revenues and operating transfers over (under) expenses	13,095	(9,200)	(22,295)
Fund equity at beginning of year	39,456	39,456	-
Fund equity at end of year	\$ 52,551	\$ 30,256	\$ (22,295)

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the School District in a trustee capacity. Agency funds are used to account for assets held by the School District as an agent for individuals, private organizations, and other governments and/or other funds.

EXPENDABLE TRUST

Special Trust

To account for assets held by the School District in a trustee capacity for individuals and/or private organizations which benefit the student body or the local community.

NON-EXPENDABLE TRUST

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.

AGENCIES

District Agency

To account for those assets held by the School District as an agent for individual, private organizations, other governmental units, and/or other funds.

Student Managed Activity

To account for those student activity programs which have student participation in the activity and have students involved in the management of the program.

Twinsburg City School District
Combining Balance Sheet
All Trust and Agency Funds
June 30, 2002

	Expendable	Nonexpendable	Agency Funds		Totals
	Trust Fund	Trust Fund	District	Student Managed	
	Special Trust	Endowment	Agency Fund	Activity	
<u>Assets and other debits:</u>					
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 190	\$ 39,747	\$ 2,631	\$ 158,009	\$ 200,577
<u>Liabilities and fund equity :</u>					
<u>Liabilities:</u>					
Undistributed monies	\$ -	\$ -	\$ 2,631	\$ -	\$ 2,631
Due to students	-	-	-	158,009	158,009
Total liabilities	-	-	2,631	158,009	160,640
<u>Fund equity:</u>					
Fund balance:					
Reserved for endowment	-	16,163	-	-	16,163
Unreserved:					
Undesignated	190	23,584	-	-	23,774
Total fund equity	190	39,747	-	-	39,937
Total liabilities and fund equity	\$ 190	\$ 39,747	\$ 2,631	\$ 158,009	\$ 200,577

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Special Trust Fund
For the Fiscal Year Ended June 30, 2002**

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	-	-	-
Fund balance at beginning of year	190	190	-
Fund balance at end of year	<u>\$ 190</u>	<u>\$ 190</u>	<u>\$ -</u>

Twinsburg City School District
Schedule of Revenues, Expenses and Changes in Fund Equity -
Budget and Actual - Endowment Fund
For the Fiscal Year Ended June 30, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Interest	\$ 825	\$ 915	\$ 90
Contributions and donations	13,200	13,266	66
Total revenues	<u>14,025</u>	<u>14,181</u>	<u>156</u>
<u>Expenses:</u>			
Purchased services:			
Regular instruction	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Other:			
Other	<u>16,567</u>	<u>1,000</u>	<u>15,567</u>
Excess of revenues over (under) expenses	(12,542)	13,181	25,723
Fund equity at beginning of year	26,566	26,566	-
Fund equity at end of year	<u>\$ 14,024</u>	<u>\$ 39,747</u>	<u>\$ 25,723</u>

Twinsburg City School District
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2002

	Beginning Balance July 1, 2001	Additions	Deductions	Ending Balance June 30, 2002
<u>District Agency</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 2,631	\$ -	\$ -	\$ 2,631
<u>Liabilities:</u>				
Undistributed monies	\$ 2,631	\$ -	\$ -	\$ 2,631
 <u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 172,564	\$ -	\$ 14,555	\$ 158,009
Accounts receivable	500	-	500	-
Total assets	\$ 173,064	\$ -	\$ 15,055	\$ 158,009
<u>Liabilities:</u>				
Accounts payable	\$ 17,408	\$ -	\$ 17,408	\$ -
Due to students	155,656	2,353	-	158,009
Total liabilities	\$ 173,064	\$ 2,353	\$ 17,408	\$ 158,009
 <u>Total All Agency Funds</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 175,195	\$ -	\$ 14,555	\$ 160,640
Accounts receivable	500	-	500	-
Total assets	\$ 175,695	\$ -	\$ 15,055	\$ 160,640
<u>Liabilities:</u>				
Accounts payable	\$ 17,408	\$ -	\$ 17,408	\$ -
Undistributed monies	2,631	-	-	2,631
Due to students	155,656	2,353	-	158,009
Total liabilities	\$ 175,695	\$ 2,353	\$ 17,408	\$ 160,640

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets is a balanced group of accounts used to establish control and accountability for the costs of all real property and movable equipment owned by the School Board. The investment in General Fixed Assets is carried until the disposition of the property and ownership is relinquished. Depreciation on fixed assets is not recorded.

Twinsburg City School District
Schedule of General Fixed Assets by Source
As of June 30, 2002

General Fixed Assets:

Land and Land Improvements	\$ 3,643,459
Buildings	58,408,816
Furniture, Fixtures and Equipment	1,127,001
Vehicles	<u>2,102,471</u>
Total General Fixed Assets	<u>\$ 65,281,747</u>

Investment in General Fixed Assets
by Source:

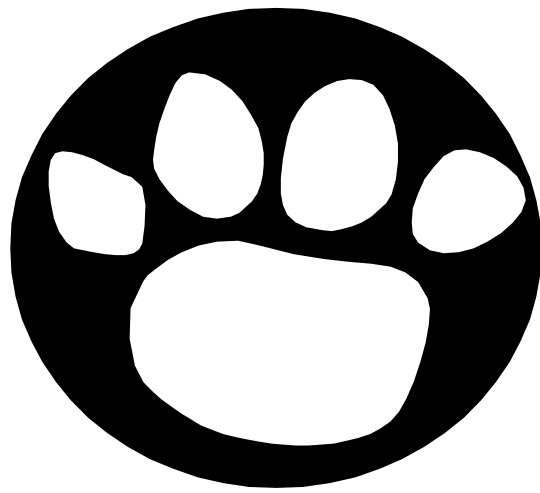
General Fund	\$ 62,440,573
Special Revenue Funds	1,983,248
Capital Project Fund	<u>857,926</u>
Total General Fixed Assets	<u>\$ 65,281,747</u>

Twinsburg City School District
Schedule of General Fixed Assets by Function and Activity
As of June 30, 2002

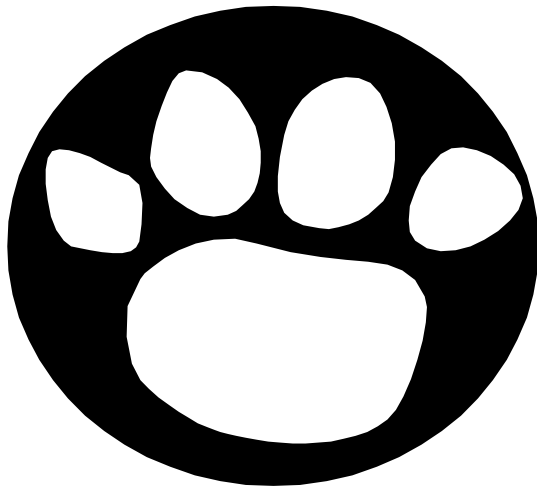
Function	Land and Land Improvements	Buildings	Furniture, Fixtures, and Equipment	Vehicles	Total
Instruction:					
Regular	\$ 2,487,141	\$ 57,282,590	\$ 887,146	\$ -	\$ 60,656,877
Support services:					
Instructional staff	-	-	142,039	-	142,039
Administrative	22,305	388,724	38,417	-	449,446
Operation of maintenance of plant	-	98,158	-	-	98,158
Pupil transportation	-	-	28,484	2,102,471	2,130,955
Extracurricular activities	1,134,013	639,344	30,915	-	1,804,272
Total General Fixed Assets	<u>\$ 3,643,459</u>	<u>\$ 58,408,816</u>	<u>\$ 1,127,001</u>	<u>\$ 2,102,471</u>	<u>\$ 65,281,747</u>

Twinsburg City School District
Schedule of Changes in General Fixed Assets by Function
For the Fiscal Year Ended June 30, 2002

Function	Balance July 1, 2001	Additions	Deletions	Balance June 30, 2002
Instruction:				
Regular	\$ 60,118,507	\$ 538,370	\$ -	\$ 60,656,877
Support services:				
Instructional staff	142,039	-	-	142,039
Administration	440,331	9,115	-	449,446
Operation of maintenance of plant	98,158	-	-	98,158
Pupil transportation	2,132,654	22,172	23,871	2,130,955
Extracurricular activities	1,796,772	7,500	-	1,804,272
Total General Fixed Assets	<u>\$ 64,728,461</u>	<u>\$ 577,157</u>	<u>\$ 23,871</u>	<u>\$ 65,281,747</u>



STATISTICAL SECTION



Twinsburg City School District

General Governmental Revenues by Source and Expenditures by Function

Last Ten Fiscal Years

	Fiscal Year Ended June 30, 2002	Fiscal Year Ended June 30, 2001	Fiscal Year Ended June 30, 2000	Fiscal Year Ended June 30, 1999
<u>Revenues:</u>				
Property and other local taxes	\$ 28,622,414	\$ 25,812,191	\$ 23,174,378	\$ 22,829,905
Intergovernmental	6,271,015	5,183,675	4,967,105	3,491,946
Interest	256,155	303,569	456,746	1,224,511
Tuition and fees	377,348	314,416	271,306	313,123
Extracurricular activities	180,725	170,001	177,581	-
Gifts and donations	23,369	15,679	-	-
Classroom materials and fees	-	-	8,143	-
Rent	28,149	22,501	-	-
Miscellaneous	945	123,540	58,938	4,512,266
Total revenues	\$ 35,760,120	\$ 31,945,572	\$ 29,114,197	\$ 32,371,751
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	\$ 13,573,715	\$ 12,488,526	\$ 13,760,176	\$ 11,676,127
Special	2,411,199	2,424,283	1,597,536	1,466,402
Vocational	284,297	259,299	174,720	160,178
Other	-	-	-	-
Support services:				
Pupils	2,536,467	2,179,979	1,983,363	1,482,624
Instructional staff	802,519	879,597	791,163	679,688
Board of education	283,451	307,806	226,552	201,369
Administration	2,376,594	2,381,560	1,779,481	1,350,659
Fiscal	723,148	740,602	632,154	548,905
Business	92,647	178,165	312,308	254,397
Operation and maintenance of plant	3,752,609	3,737,020	3,360,100	2,743,723
Pupil transportation	1,455,400	1,552,209	1,140,728	1,090,476
Central	763,603	405,884	647,406	397,591
Facilities services	-	-	-	23,278,547
Operation of non-instructional services	164,118	102,322	38,584	27,337
Extracurricular activities	836,974	983,279	765,105	628,591
Capital outlay	279,393	1,152,299	3,756,798	-
Intergovernmental	-	-	-	-
Debt service:				
Principal retirement	793,238	1,178,333	1,129,276	1,145,689
Interest and fiscal charges	2,213,939	2,410,542	2,351,063	2,397,343
Total expenditures	\$ 33,343,311	\$ 33,361,705	\$ 34,446,513	\$ 49,529,646

Source: School District financial records.

Note: General Governmental includes all governmental fund types.

Fiscal Year Ended June 30, 1998	Fiscal Year Ended June 30, 1997	Fiscal Year Ended June 30, 1996	Fiscal Year Ended June 30, 1995	Fiscal Year Ended June 30, 1994	Fiscal Year Ended June 30, 1993
\$ 19,853,354	\$ 20,147,463	\$ 17,265,127	\$ 15,906,083	\$ 12,546,880	\$ 11,596,952
3,778,447	3,566,918	3,504,846	3,016,933	2,761,751	2,552,785
1,880,939	1,988,848	1,115,980	241,640	140,865	169,712
171,092	105,214	90,681	68,982	5,130	3,537
-	-	-	125,810	110,073	110,280
-	-	-	-	-	-
-	-	-	-	-	-
8,534,109	193,186	177,581	31,556	45,143	43,777
<u>\$ 34,217,941</u>	<u>\$ 26,001,629</u>	<u>\$ 22,154,215</u>	<u>\$ 19,391,004</u>	<u>\$ 15,609,842</u>	<u>\$ 14,477,043</u>
\$ 10,450,974	\$ 10,312,191	\$ 10,103,907	\$ 9,066,438	\$ 8,358,715	\$ 7,696,151
1,299,922	1,314,811	1,202,683	1,088,888	1,032,467	873,015
153,256	195,118	199,273	187,981	175,589	125,278
-	-	-	-	-	1,140
1,192,310	1,095,649	857,555	682,633	601,681	600,292
749,128	750,335	363,545	427,947	524,137	330,554
212,944	222,754	118,818	228,341	231,296	163,916
1,263,003	1,110,386	975,412	928,491	856,818	813,882
510,336	499,521	403,381	456,871	418,941	408,786
484,360	58,041	62,186	57,025	48,400	52,091
2,026,154	1,899,601	1,667,472	1,609,630	1,533,821	1,529,977
844,767	958,037	954,021	948,324	739,998	631,772
75,508	78,820	16,685	6,821	7,182	6,618
22,808,504	4,887,071	1,455,485	-	-	-
30,193	26,606	86,518	-	-	-
565,595	520,351	488,808	429,598	418,585	397,768
112,000	32,000	-	1,432,422	1,067,084	763,771
-	-	16,040	-	-	-
801,198	723,802	33,356,636	560,000	500,000	80,000
2,454,065	2,691,332	1,683,186	672,698	704,630	728,329
<u>\$ 46,034,217</u>	<u>\$ 27,376,426</u>	<u>\$ 54,011,611</u>	<u>\$ 18,784,108</u>	<u>\$ 17,219,344</u>	<u>\$ 15,203,340</u>

Twinsburg City School District
Property Tax Levies and Collections Real, Public Utility Tax and Tangible Personal Property (1)
Last Ten Calendar Years

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a Percent of	
								Total Levy	Delinquent Taxes Receivable
2001	\$ 28,987,869	\$ 2,308,642	\$ 31,296,511	\$ 27,609,474	95.24%	\$ 1,112,101	\$ 28,721,575	91.77%	\$ 2,574,936
2000	27,727,775	1,215,150	28,942,925	26,535,765	95.70%	864,875	27,400,640	94.67%	1,542,285
1999	24,362,596	1,473,855	25,836,451	23,453,016	96.27%	1,189,018	24,642,034	95.38%	1,194,417
1998	21,780,553	1,367,641	23,148,194	21,156,380	97.13%	872,986	22,029,366	95.17%	1,118,828
1997	21,029,837	1,001,771	22,031,608	20,578,752	97.86%	642,807	21,221,559	96.32%	810,049
1996	20,782,077	955,975	21,738,052	20,209,821	97.25%	663,532	20,873,353	96.02%	864,699
1995	17,184,461	1,119,054	18,303,515	16,683,056	97.08%	675,628	17,358,684	94.84%	944,831
1994	16,067,719	1,266,455	17,334,174	15,469,133	96.27%	900,567	16,369,700	94.44%	964,474
1993	11,940,588	1,165,946	13,106,534	11,521,550	96.49%	665,476	12,187,026	92.98%	919,508
1992	11,910,287	1,304,943	13,215,230	11,425,633	95.93%	741,465	12,167,098	92.07%	1,048,132

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

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

(2) Represents collection year. 2002 information cannot be presented because all collections have not been made by June 30.

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

Twinsburg City School District
Assessed Valuation and Estimated Actual Value of Taxable Property
Last Ten Collection Years

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	\$ 577,513,530	\$ 1,650,038,657	\$ 14,926,790	\$ 16,962,261	\$ 204,899,609	\$ 819,598,436	\$ 797,339,929	\$ 2,486,599,355
2001	553,640,790	1,581,830,829	18,901,470	21,478,943	178,844,595	715,378,380	751,386,855	2,318,688,152
2000	522,265,240	1,492,186,400	21,027,890	23,895,330	167,490,019	669,960,076	710,783,149	2,186,041,806
1999	453,662,100	1,296,177,429	20,839,740	23,681,523	167,490,019	669,960,076	641,991,859	1,989,819,027
1998	423,238,050	1,209,251,571	21,194,540	24,084,705	149,854,308	599,417,232	594,286,898	1,832,753,508
1997	391,092,570	1,117,407,343	21,471,170	24,399,057	142,326,467	569,305,868	554,890,207	1,711,112,268
1996	329,355,630	941,016,086	21,616,300	24,563,977	134,815,855	539,263,420	485,787,785	1,504,843,483
1995	302,165,480	863,329,943	20,683,150	23,503,580	129,619,986	518,479,944	452,468,616	1,405,313,466
1994	283,058,190	808,737,686	19,502,400	22,161,818	119,943,821	479,775,284	422,504,411	1,310,674,788
1993	227,058,880	648,739,657	19,285,700	21,915,568	109,930,145	439,720,580	356,274,725	1,110,375,805

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

- (1) Real estate value is assessed at 35% of actual value.
- (2) Public utility personal is assessed at 88% of actual value.
- (3) Tangible personal property is assessed at 25% of actual value.

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
2002	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
2001	Macedonia City	8.70	53.17	2.00	1.00	12.22	0.85	77.94
	Twinsburg Twp	13.61	53.17	2.00	1.00	12.22	-	82.00
	Twinsburg City	0.60	53.17	2.00	1.00	12.22	-	68.99
	Reminderville Village	5.20	53.17	2.00	1.00	12.22	-	73.59
2000	Macedonia City	8.70	54.77	2.00	1.00	11.42	0.85	78.74
	Twinsburg Twp	13.61	54.77	2.00	1.00	11.42	-	82.80
	Twinsburg City	2.28	54.77	2.00	1.00	11.42	-	71.47
	Reminderville Village	5.20	54.77	2.00	1.00	11.42	-	74.39
1999	Macedonia City	8.70	52.37	2.00	1.00	11.42	0.85	76.34
	Twinsburg Twp	13.61	52.37	2.00	1.00	11.42	-	80.40
	Twinsburg City	0.60	52.37	2.00	1.00	11.42	-	67.39
	Reminderville Village	5.20	52.37	2.00	1.00	11.42	-	71.99
1998	Macedonia City	8.70	53.37	2.00	1.00	10.80	0.85	76.72
	Twinsburg Twp	13.61	53.37	2.00	1.00	10.80	-	80.78
	Twinsburg City	0.60	53.37	2.00	1.00	10.80	-	67.77
	Reminderville Village	7.30	53.37	2.00	1.00	10.80	-	74.47
1997	Macedonia City	8.70	54.02	2.00	0.30	10.54	0.85	76.41
	Twinsburg Twp	13.61	54.02	2.00	0.30	10.54	-	80.47
	Twinsburg City	0.60	54.02	2.00	0.30	10.54	-	67.46
	Reminderville Village	7.30	54.02	2.00	0.30	10.54	-	74.16
1996	Macedonia City	9.10	56.65	2.00	0.30	13.14	0.85	82.04
	Twinsburg Twp	13.61	56.65	2.00	0.30	13.14	-	85.70
	Twinsburg City	5.50	56.65	2.00	0.30	13.14	-	77.59
	Reminderville Village	7.30	56.65	2.00	0.30	13.14	-	79.39
1995	Macedonia City	9.10	51.29	2.00	0.30	13.31	0.85	76.85
	Twinsburg Twp	13.61	51.29	2.00	0.30	13.31	-	80.51
	Twinsburg City	5.50	51.29	2.00	0.30	13.31	-	72.40
	Reminderville Village	7.30	51.29	2.00	0.30	13.31	-	74.20
1994	Macedonia City	9.30	51.15	2.00	0.30	11.56	0.75	75.06
	Twinsburg Twp	13.61	51.15	2.00	0.30	11.56	-	78.62
	Twinsburg City	5.50	51.15	2.00	0.30	11.56	-	70.51
	Reminderville Village	8.30	51.15	2.00	0.30	11.56	-	73.31
1993	Macedonia City	9.42	43.70	2.00	0.30	11.84	0.75	68.01
	Twinsburg Twp	12.47	43.70	2.00	0.30	11.84	-	70.31
	Twinsburg City	5.50	43.70	2.00	0.30	11.84	-	63.34
	Reminderville Village	3.20	43.70	2.00	0.30	11.84	-	61.04

Source: Summit County Fiscal Officer - 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.

Note: Property tax rates are per \$1,000 of assessed valuation.

Twinsburg City School District

Computation of Legal Debt Margin

June 30, 2002

Assessed Valuation (2001)		<u>\$ 797,339,929</u>
Bonded Debt Limit - 9% of Assessed Value (1)		71,760,594
Outstanding debt:		
New High School Bond	29,485,000	
Tax Anticipation Notes	5,764,000	
Various Purpose Improvement Refunding Bonds	6,279,978	
Less: Amount available in debt service fund	<u>(1,152,139)</u>	
Total outstanding debt	<u>\$ 40,376,839</u>	
Amount of debt applicable to debt limit		<u>40,376,839</u>
Voted Debt Margin		<u>\$ 31,383,755</u>
Bonded Debt Limit - .10% of Assessed Value (1)		797,340
Outstanding debt:		
New High School Bond	29,485,000	
Tax Anticipation Notes	5,764,000	
Various Purpose Improvement Refunding Bonds	6,279,978	
Less: Amount available in debt service fund	<u>(1,152,139)</u>	
Total outstanding debt	<u>\$ 40,376,839</u>	
Less exemptions:		
New High School Bond	29,485,000	
Tax Anticipation Notes	5,764,000	
Various Purpose Improvement Refunding Bonds	6,279,978	
Less: Amount available in debt service fund	<u>(1,152,139)</u>	
Total exemptions	<u>\$ 40,376,839</u>	
Amount of debt applicable to debt limit		-
Unvoted Debt Margin		<u>\$ 797,340</u>

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

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

Twinsburg City School District

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

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt (1)</u>	<u>Assessed Value</u>	<u>Population (2)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2002	\$ 40,376,839	\$ 797,339,929	30,730	5.06%	1,313.92
2001	42,591,869	751,386,855	30,730	5.67%	1,386.00
2000	40,055,503	710,783,149	30,730	5.64%	1,303.47
1999	39,015,572	641,991,859	21,174	6.08%	1,842.62
1998	39,367,299	594,286,898	21,174	6.62%	1,859.23
1997	39,969,607	554,890,207	21,174	7.20%	1,887.67
1996	41,003,754	485,787,785	21,174	8.44%	1,936.51
1995	9,409,983	452,468,616	21,174	2.08%	444.41
1994	10,223,007	422,504,411	21,174	2.42%	482.81
1993	10,302,992	356,274,725	21,174	2.89%	486.59

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

(1) No debt is applicable to enterprise funds.

(2) Population data for 1993 through 1999 was assumed to be the same as the 1990 census and 2001 through 2002 was assumed to be the same as the 2000 census as interim data was not available.

Twinsburg City School District

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures (Percentages)</u>
2002	\$ 765,000	\$ 2,150,281	\$ 2,915,281	\$ 33,343,311	8.74%
2001	1,145,000	2,304,456	3,449,456	33,361,705	10.34%
2000	1,090,000	2,341,035	3,431,035	34,446,513	9.96%
1999	1,120,000	2,383,756	3,503,756	49,529,646	7.07%
1998	780,000	2,438,437	3,218,437	46,034,217	6.99%
1997	690,000	2,658,119	3,348,119	27,376,426	12.23%
1996	625,000	1,652,663	2,277,663	54,011,611	4.22%
1995	560,000	663,602	1,223,602	18,784,108	6.51%
1994	500,000	704,630	1,204,630	17,219,344	7.00%
1993	80,000	728,329	808,329	15,203,340	5.32%

Source: School District financial records.

Twinsburg City School District
Demographic Statistics

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

Source: U.S. Bureau of the Census
 Data used for City of Macedonia, Twinsburg Township, City of Reminderville and Twinsburg City

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

Year	Total Assessed Values	Certified Bank Deposits (in billions)	Value of New Construction
2001	\$ 797,339,929	\$ 7,870,201	\$ 30,361,790
2000	751,386,855	7,920,486	39,316,042
1999	710,783,149	7,133,568	27,687,480
1998	641,991,859	4,486,230	26,256,340
1997	594,286,898	4,421,560	20,739,330
1996	554,890,207	4,342,660	21,137,250
1995	485,787,785	4,267,009	21,965,600
1994	452,468,616	4,199,905	17,834,430
1993	422,504,411	3,792,255	30,132,680
1992	356,274,725	3,737,694	17,965,500

Source: Summit County Fiscal Officer, Federal Reserve Bank of Cleveland and the City of Twinsburg
 Data is presented on a calendar year basis because that is the manner in which the data is maintained.

Twinsburg City School District
Principal Taxpayers

Top Taxpayers	Assessed Valuations				Estimated Actual Valuations				
	Real Property	Tangible Personal	Public Utility	Total	Percent of Total	Real Property	Tangible Personal	Public Utility	Total
Daimler Chrysler Corp.	\$ 11,377,870	\$ 69,562,250	\$ -	\$ 80,940,120	10.15%	\$ 32,508,200	\$ 278,249,000	\$ -	\$ 310,757,200
Rockwell International	-	12,244,320	-	12,244,320	1.54%	-	48,977,280	-	48,977,280
Deer Run Apts. Ltd.	9,081,200	-	-	9,081,200	1.14%	25,946,286	-	-	25,946,286
Alltel Corporation	-	8,467,800	-	8,467,800	1.06%	-	33,871,200	-	33,871,200
Ohio Edison Co.	-	-	7,476,000	7,476,000	0.94%	-	-	8,495,455	8,495,455
Pepsi Cola Bottlers	2,411,970	3,558,150	-	5,970,120	0.75%	6,891,343	14,232,600	-	21,123,943
Coca Cola Bottling Company	2,550,480	2,937,660	-	5,488,140	0.69%	7,287,086	11,750,640	-	19,037,726
Western Reserve	-	-	3,955,250	3,955,250	0.50%	-	-	4,494,602	4,494,602
Quality Synthetic Rubber Co, Inc	-	3,417,240	-	3,417,240	0.43%	-	13,668,960	-	13,668,960
Twinsville Associates	3,340,470	-	-	3,340,470	0.42%	9,544,200	-	-	9,544,200
Total Top Ten Taxpayers	\$ 28,761,990	\$ 100,187,420	\$ 11,431,250	\$ 140,380,660	17.61%	\$ 82,177,115	\$ 400,749,680	\$ 12,990,057	\$ 495,916,852
Total All Assessed Valuations	\$ 577,513,530	\$ 204,899,609	\$ 14,926,790	\$ 797,339,929	100.00%				

Sources: Summit County Fiscal Officer

Twinsburg City School District
Computation of Direct and Overlapping Bonded Debt
June 30, 2002

Jurisdiction	Assessed Valuation	Net General Tax Supported Debt (1)	Percent Overlapping	Amount Applicable Twinsburg City School District
Direct:				
Twinsburg City School District	\$ 797,339,929	<u>\$ 40,376,839</u>	100.00%	<u>\$ 40,376,839</u>
Overlapping:				
City of Twinsburg	6,631,447,943	15,344,973	100.00%	15,344,973
Twinsburg Township	124,759,405	-	98.88%	-
City of Macedonia	336,803,980	13,675,126	1.53%	209,229
Reminderville Village	43,240,087	-	86.42%	-
Twinsburg Library	797,339,929	-	100.00%	-
Metro Transit	10,686,054,179	1,765,000	7.46%	131,669
Cuyahoga Valley JVSD (2)	2,247,964,496	-	35.47%	-
Summit County	10,686,054,179	<u>89,646,628</u>	7.46%	<u>6,687,638</u>
Total overlapping:		<u>120,431,727</u>		<u>22,373,510</u>
Total direct and overlapping debt:		<u><u>\$ 160,808,566</u></u>		<u><u>\$ 62,750,349</u></u>

Sources: Summit County Fiscal Officer
(1) All debt reported as of December 31, 2001, except for Twinsburg City School District which is reported as of June 30, 2002.
(2) Cuyahoga Valley JVSD; Summit County Valuation ONLY

Twinsburg City School District

Miscellaneous Statistics

Last Ten Fiscal Years (1)

	<u>Fiscal Year Ended June 30, 2001</u>	<u>Fiscal Year Ended June 30, 2000</u>	<u>Fiscal Year Ended June 30, 1999</u>	<u>Fiscal Year Ended June 30, 1998</u>
Fall Enrollment	3,710	3,675	3,371	3,143
<u>Demographic Data:</u>				
Average Income	\$ 41,657	43,187	42,407	42,407
Property Valuation/Pupil	\$ 191,138	176,701	174,090	174,163
<u>Fiscal Data:</u>				
Effective Mills	24.04	26.10	24.15	24.35
Average Teacher Salary	\$ 46,125	47,463	43,938	42,870
<u>Staff Data:</u>				
Percent of Teachers With No Degree	0.00%	-	-	-
Percent of Teachers With Bachelor Degree	51.22%	57.00	56.90	59.49
Percent of Teachers With Masters Degree	48.78%	43.00	43.10	40.51
Average Teacher Experience (yrs.)	10.28	12.00	12.00	12.20
<u>Output:</u>				
Pupil Attendance Rate	95.50%	95.90	95.20	95.66
Staff Attendance Rate	96.40%	96.70	96.20	95.91
Graduation Rate	89.50%	91.60	92.10	75.60

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

(1) Information not available for 2002

<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>	<u>Fiscal Year Ended June 30, 1995</u>	<u>Fiscal Year Ended June 30, 1994</u>	<u>Fiscal Year Ended June 30, 1993</u>	<u>Fiscal Year Ended June 30, 1992</u>
2,980	2,827	2,703	2,608	2,477	2,314
39,950	38,066	35,175	33,941	31,947	31,947
161,260	156,657	152,629	138,336	139,837	145,844
28.00	28.39	28.63	36.19	27.30	25.37
41,448	41,134	39,934	38,248	36,483	34,545
-	-	-	-	-	-
63.47	63.26	63.91	66.21	76.94	70.64
36.53	36.74	36.09	33.79	23.06	29.36
11.90	13.90	14.10	13.00	13.70	13.10
95.29	95.17	94.96	95.48	95.10	95.78
95.80	95.14	94.46	95.58	95.70	95.39
63.79	61.87	78.21	72.01	84.10	77.04

Twinsburg City School District

Directory of School Facilities

June 30, 2002

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

Source: Twinsburg Local School District records



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140
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800-282-0370
Facsimile 614-466-4490

TWINSBURG CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 8, 2003**