



Dave Yost • Auditor of State



**TWINSBURG CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' Government Auditing Standards, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Twinsburg City School District, Summit County, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 18, 2013, wherein we noted the District adopted the provisions of Governmental Accounting Standard No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and No. 65, "Items Previously Reported as Assets and Liabilities."

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 18, 2013



# Dave Yost • Auditor of State

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

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

To the Board of Education:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Twinsburg City School District's, Summit County, Ohio, (the District's) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

### ***Management's Responsibility***

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Twinsburg City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2013.

***Report on Internal Control Over Compliance***

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



***Report on Federal Awards Receipts and Expenditures Schedule***

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Twinsburg City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 18, 2013. Our opinion also explained that the District adopted *Governmental Accounting Standard No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position"* and No. 65, *"Items Previously Reported as Assets and Liabilities"* during the year. We conducted our audit to opine on the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 18, 2013

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**TWINSBURG CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2013**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b> <i>Passed Through Ohio Department of Education</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	N/A	10.555	\$ 122,157	\$ 107,817
Cash Assistance:				
School Breakfast Program	050070-3L70-2013	10.553	10,075	10,075
National School Lunch Program	050070-3L60-2013	10.555	354,654	354,654
Cash Assistance Total			<u>364,729</u>	<u>364,729</u>
<b>Total U.S. Department of Agriculture/Total Nutrition Cluster</b>			<u>486,886</u>	<u>472,546</u>
<b>U.S. DEPARTMENT OF EDUCATION</b> <i>Passed Through Ohio Department of Education</i>				
Title I Grants to Local Educational Agencies Cluster:				
Title I Grants to Local Educational Agencies	050070-3M00-2012	84.010	28,606	31,290
Title I Grants to Local Educational Agencies	050070-3M00-2013	84.010	291,984	283,737
Total Title I Grants to Local Educational Agencies			<u>320,590</u>	<u>315,027</u>
Special Education Cluster:				
Special Education - Preschool Grants (Preschool)	050070-3C50-2013	84.173	-	705
Special Education - Preschool Grants (Preschool)	050070-3C50-2013	84.173	21,205	20,307
Special Education Grants to States	050070-3M20-2012	84.027	66,225	78,483
Special Education Grants to States	050070-3M20-2013	84.027	593,490	544,503
Total Special Education Cluster			<u>680,920</u>	<u>643,998</u>
English Language Acquisition Grants	050070-3Y70-2012	84.365	1,251	1,251
English Language Acquisition Grants	050070-3Y70-2013	84.365	23,582	22,523
Total English Language Acquisition Grants			<u>24,833</u>	<u>23,774</u>
Educational Job Grant	050070-3ET0-2012	84.410	32,505	34,821
Education Technology State Grants	050070-3S20-2012	84.318	-	41
Improving Teacher Quality State Grants	050070--3Y60-2012	84.367	2,121	4,833
Improving Teacher Quality State Grants	050070--3Y60-2013	84.367	95,316	91,077
Total Improving Teacher Quality State Grants			<u>97,437</u>	<u>95,910</u>
<b>Total U.S. Department of Education</b>			<u>1,156,285</u>	<u>1,113,571</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 1,643,171</u>	<u>\$ 1,586,117</u>

The accompanying notes are an integral part of this schedule.

**TWINSBURG CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED JUNE 30, 2013**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

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

**NOTE C - FOOD DONATION PROGRAM**

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

**TWINSBURG CITY SCHOOL DISTRICT  
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2013**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Title I Grants to Local Educational Agencies – CFDA #84.010 Improving Teacher Quality State Grants – CFDA #84.367
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURE

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

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether Twinsburg City School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on February 6, 2011 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Dave Yost".

**Dave Yost**  
Auditor of State

December 18, 2013

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# Twinsburg

CITY SCHOOL DISTRICT



Twinsburg City School District  
Twinsburg, Ohio  
*...where the schools and the communities are one.*

## Comprehensive Annual Financial Report

For The Fiscal Year Ended  
June 30, 2013



# *Twinsburg City School District*

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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2013

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, 2013**

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**Comprehensive Annual Financial Report**  
**For the fiscal year ended June 30, 2013**

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***Twinsburg City School District***  
**Comprehensive Annual Financial Report**  
**For the fiscal year ended June 30, 2013**

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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

Mrs. Kathryn Powers, Superintendent  
Mr. Michael Lenzo, Assistant to the Superintendent  
Mr. Martin Aho, Treasurer

Mrs. Judith Henning, Director of Pupil Personnel  
Mrs. Jennifer Farthing, Coordinator of Learning /Technology

December 18, 2013

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

The Comprehensive Annual Financial Report (CAFR) of the Twinsburg City School District, (the School District) for the fiscal year ended June 30, 2013, 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 2012-2013 fiscal year. This report is presented in compliance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and is representative of the School District's commitment to provide meaningful information to its stakeholders.

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

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

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

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***Description of the School District***

The School District serves an area of approximately 30 square miles. It is comprised of the City of Twinsburg, Twinsburg Township, the Village of Reminderville and portions of the City of Macedonia. It is located in the Northeast corner of Summit County and is approximately 21 miles southeast of downtown Cleveland and 24 miles northwest of Akron. According to the 2010 Census, the population of the School District was 24,137.

As of October 2013, there were 4,330 students attending the five schools in the School District. They are: Wilcox Primary built in 1960, Bissell Elementary built in 1963, Dodge Intermediate built in 1969, Chamberlin Middle School built in 1958, and Twinsburg High School built in 1999. The School District also owns a central office building built in 1957, a bus garage, a football stadium, and various athletic fields.

There has been a steady growth in student population. The 1992-93 enrollment was 2,431 students. Since then the student population has increased well over 75%. Enrollment projections indicate continued growth over the next ten years. Projections indicate the School District's student population is anticipated to grow to approximately 5,000 students.

### ***Organization of the School District***

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

The Superintendent is the Chief Executive Officer of the School District and is directly responsible to the Board for all operations within the School District. Effective August 1, 2011, Mrs. Kathryn Powers was hired as Superintendent. Mrs. Powers served as Director of Human Resources with the Brecksville-Broadview Heights City School District from 2008 to 2011 and as the Director of Instruction with the South Euclid-Lyndhurst City School District. Mrs. Powers also served as an elementary and middle school principal. She replaced Mr. Stephen Marlow who served as superintendent from January 2005 until he tendered his resignation at the February 2, 2011 board meeting.

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. Mr. Martin Aho has served in this capacity since July 2002. He has over twenty years of public sector employment experience. After seven years of service with the State Auditor's Office, he was an Assistant Treasurer for three years. He has an MBA from the University of Akron. The Treasurer's office employs three additional staff members.

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

### ***The Reporting Entity***

The School District has reviewed its reporting entity definition in order to insure conformance with the GASB Statement No. 14, “The Financial Reporting Entity” as amended by GASB Statement No 39 “Determining Whether Certain Organizations are Component Units” and GASB Statement No. 61, “The Financing Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34.” In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the School District (the primary government) and its potential component units.

The School District participates in certain organizations that are defined as jointly governed organizations and public entity risk pools. These organizations include Cuyahoga Valley Career Center, Ohio Schools Council, and Metropolitan Regional Service Council.

### ***Economic Conditions***

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

### **Local Economy**

The City of Twinsburg is an enviable location as part of the metropolitan Cleveland-Akron area. The two entrances to Interstate 480 are in very close proximity to Interstate 271 and Interstate 80 (Ohio Turnpike). The easy access to interstate highways has enabled the growth of a large industrial park. Located within this park was a Chrysler stamping plant that closed March 2010 and the buildings were demolished shortly thereafter. While the closing was not unexpected in light of the global economic difficulties, the timing was unforeseen.

Four State-supported and six private colleges and universities are located within a convenient driving distance from Twinsburg. The Twinsburg Public Library has been nationally recognized when compared to similar size libraries. The Twinsburg Public Library’s consistently receives top ratings and has received several number one rating as measured by Hennen’s American Public Library Ratings. In 2006 the Library surpassed the circulation milestone of one million items and surpassed 1.2 million items in 2012. The Library celebrated its 100 birthday on May 2, 2010 and serves a population of just over 20,000.

Twinsburg City, Twinsburg Township and the Village of Reminderville have experienced strong business growth over the past ten years. The growth continues as land is available for this use. A tax incentive program has assisted the growth. The future benefits of such a plan are being realized at this point as most businesses remain in the community.

The School District, like the rest of the nation, continues to feel the impact of the current economic malaise. Property taxes and intergovernmental revenues are closely monitored. The School District considers both of these revenues indicators of the strength or weaknesses of the local economy. In monitoring property tax revenues, the School District takes in account several factors, including tax collections, the values of new construction, foreclosures and reappraisals. In the recent Summit County real estate reappraisal, valuations have declined approximately 8% in Twinsburg as a result of the poor economy.

### **Long-term financial planning**

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

The litigation now referred to as the "DeRolph Case", began in 1991 ultimately found the State's method of funding school districts to be unconstitutional. Subsequently the Ohio Supreme Court relinquished jurisdiction over the case and directed the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient.

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

House Bill 95 passed in June 2003 and House Bill 66 passed in June 2005 have eliminated the collection of taxes on tangible personal property. Tangible personal property is the machinery, inventory, furniture and fixtures owned by businesses. As the tax on tangible personal property is terminated, the State will provide limited reimbursements for a short period of time. The flow of these revenues will come via a Commercial Activity Tax. Interestingly, revenues that once flowed from local sources will now flow from the State, appearing as if the State has increased funding to education. The net effect is an overall reduction of revenues to the Twinsburg School District and like many Ohio schools is forced to seek voter-approved levies more frequently.

### **Financial Policy**

The School District is required by Ohio law to complete a five-year financial forecast annually. The School District completed the forecast in October 2012 as required and updated the forecast in May 2013. The forecast is designed to provide the administration, Board of Education and the public a general indication of a probable future financial position of the School District based on information currently available. The forecast is a critical planning document for the School District, focusing attention on future financial needs while facilitating management's strategic planning. The forecast numbers, and assumptions while made in good faith, *can, will and do* change over time and cannot be guaranteed. Events and circumstances frequently do not occur as expected and will significantly alter the outcomes and results of the forecast and assumptions.

The financial forecast of the general fund operations for the next five years demonstrates the School District's eroding financial position. Expenditures have exceeded revenues in fiscal years 2011 and 2012. In response the School District adopted a \$3.2 million Operational Change Plan beginning fiscal year 2013 reducing expenditures and increasing fees. Although the School District has a carry-over cash balance and has made expenditure reductions, negative ending cash balances are projected. Furthermore, unfavorable State legislative decisions have caused District revenues in fiscal year 2012 to fall below revenues received in fiscal year 2006.

## **Initiatives and Accomplishments**

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

### **Instruction**

- **Local Report Card**  
The School District met 24 out of 24 performance indicators on the 2012-2013 State of Ohio Local Report Card earning an “A”. In the Progress Category the Twinsburg City School District attained an “A” for Value Added overall and also with our gifted students. The Graduation Rate for the four and five year cohorts both earned an “A” exceeding similar districts and state averages.
- **Curriculum**  
In the 2012-2013 school year, the School District implemented three new AP STEM courses at Twinsburg High School – AP Computer Science, AP B/C Calculus, and AP Environmental Science. Curriculum leaders and teachers have continued to work hard on refining curriculum maps and develop quality formative assessments. The School District continued professional development to ensure coherent and rigorous implementation of the Common Core and Ohio’s New Learning Standards. Professional development opportunities support teacher’s use of the data to improve instruction. Additionally, Professional Learning Communities (PLCs) continue to enhance teaching and learning environments.
- **Programs**  
Many programs support student learning such as Power of the Pen, Olweus Bully Prevention Program, Vocal/Orchestra/Band Music Programs, Cub Community Program, Interactive Media Program, Cavaliers, RBC Honor Corps, and iLead. In addition, many athletic opportunities exist for student athletes. The girls’ basketball team was runner-up State Champion in 2013 having finished first in 2011 and 2012. Programs have been designed to facilitate parental involvement in schools. These include Family Focus Nights and Parent Workshops, Veteran’s/Grandparents Days, and Parent-to-Parent Support Group to name a few.
- **All Day Kindergarten**  
Twinsburg School District has offered All-Day Kindergarten for many years in an effort to ensure all students are reading at grade level or better as they progress to first grade. This philosophy has been embraced in several recently proposed reform models that have all-day kindergarten as an important piece of the reform model. In light of the looming Third Grade Guarantee enacted by the State of Ohio, all-day kindergarten is critical to student success in elementary grade levels.

## Plant and Educational Support

- Facilities  
All school buildings are in excellent physical condition. A Permanent Improvement levy supports the building maintenance program. Twinsburg High School was opened in January 1999. Attached to it is a Fitness Center operated by the City of Twinsburg Parks and Recreation Department. When the High School was constructed, an additional “Pod” shell was constructed to allow for future expansion. The School District completed the interior of the L-Pod in time for the start of the 2006-2007 school year. Additionally, the artificial-grass surface installed at our athletic stadium has been positively received by the athletes and community alike. An Energy Conservation project at the High School was completed in 2011. It has reduced energy consumption by approximately 46% and earned the High School an Energy Star Rating.
- Technology  
All buildings are wired, networked, and have internet access. The School District has approximately 1,100 computers for student and staff use. Other technologies that support education are also available. All staff and Board of Education members have e-mail access. The School District has recently installed a wireless network solution as more and more devices rely on wireless access to the internet.
- Security  
The School District has implemented a School District-wide security plan to protect the students and the staff in case of an emergency. All buildings have security equipment and procedures in place. Building Welcome Centers and guest access solutions have been installed in three buildings and are planned for the two remaining buildings.
- Planning
  - Continuous Improvement Plan – The Board of Education’s approved Continuous Improvement Plan was developed with input from various stakeholders. In addition to the overall plan, each building developed its annual goals within the plan. The Plan also includes a mechanism to monitor and update it annually.
  - Enrollment Projections – Enrollment projections are reviewed and updated as needed and are used to guide the School District’s planning. The last enrollment projection for the School District was completed by Fanning, Howey, and Associates, Inc., in 2004 and projected a 20% increase by 2020. The District is planning new projections as the Township and Reminderville have new housing growth.



## ***Financial Information***

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.

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timeframe. All funds, other than agency funds are required to be budgeted and appropriated. Encompassed in this process expenditures and encumbrances must be within appropriations and appropriations must be within estimated resources. The level of budgetary control for the district is at the fund level and at the object level for the general fund.

## ***Other Information***

### **GFOA Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Twinsburg City School District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This is the thirteenth consecutive year that the School district has achieved this prestigious award. In order to be awarded a Certificate of Achievement, 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

The Twinsburg City School District has received multiple Auditor of the State of Ohio Awards. Upon the completion of a financial audit, The Auditor of State Award with Distinction is presented to school districts for the timely filing of the annual financial report in the form of a CAFR. Additionally, the audit report is "clean" and does not contain any findings for recovery, material citations, material weaknesses, significant deficiencies, questioned costs, or Single Audit findings. Fewer than five percent of all Ohio government agencies are eligible for this award.

Additional Information

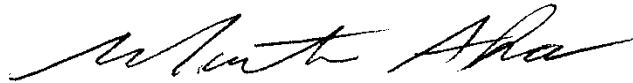
For a more in depth discussion of the financial condition of the Twinsburg City School District, please refer to the Management's Discussion and Analysis and the Notes to the Basic Financial Statements of the Comprehensive Annual Financial Report.

**Acknowledgements**


I wish to express my deepest appreciation and thanks to the individuals who assisted with the preparation of this Comprehensive Annual Financial Report. Its preparation and publication would not have been possible without the cooperation and efforts of the entire staff in the Treasurer's Department and the buildings. It is with great pride that the Twinsburg City School District presents the 2013 Comprehensive Annual Financial Report to the citizens and taxpayers of the School District.

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

Respectfully Submitted,



Martin Aho, M.B.A.  
Treasurer



Kathryn Powers  
Superintendent

***Twinsburg City School District***  
**Public Officials Roster**  
**For the Fiscal Year Ended June 30, 2013**

Board of Education

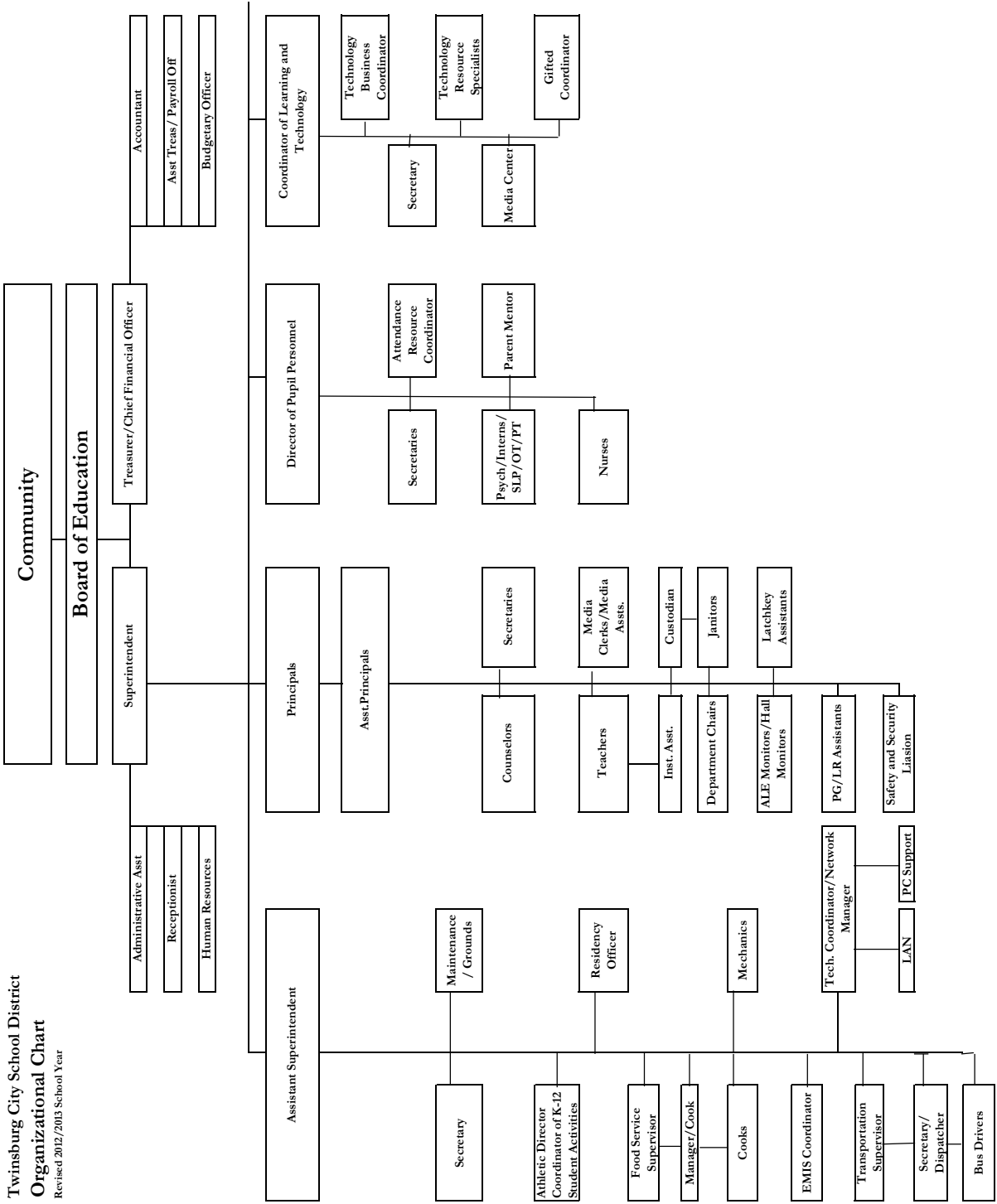
Ms. Kate Cain-Criswell	President
Mr. Paul Crosby	Vice President
Mr. David Andrews	Member
Mr. Ron Stuver	Member
Mr. Stephen Shebeck	Member

Treasurer

Mr. Martin Aho

Administration

Mrs. Kathryn Powers	Superintendent
Mr. Michael Lenzo	Assistant Superintendent
Ms. Judy Henning	Director of Pupil Personnel
Mrs. Jennifer Farthing	Director of Curriculum





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

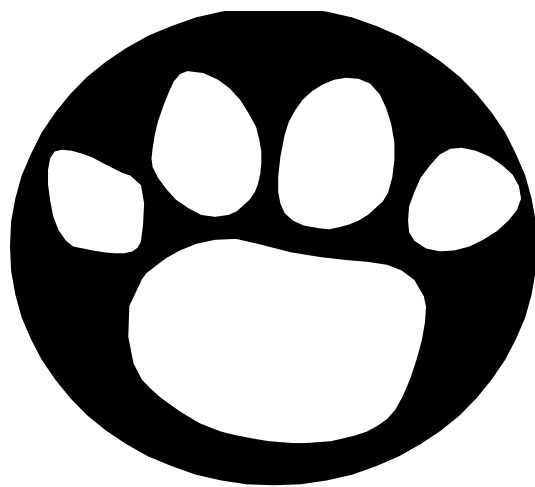
Presented to

**Twinsburg City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



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## FINANCIAL SECTION







# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Twinsburg City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Twinsburg City School District, Summit County, Ohio, as of June 30, 2013, and the respective changes in financial position and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 18 to the financial statements, during the year ended June 30, 2013, the District adopted the provisions of Governmental Accounting Standard No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and No. 65, "Items Previously Reported as Assets and Liabilities." We did not modify our opinion regarding this matter.

### ***Other Matters***

#### *Required Supplementary Information*

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

#### *Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

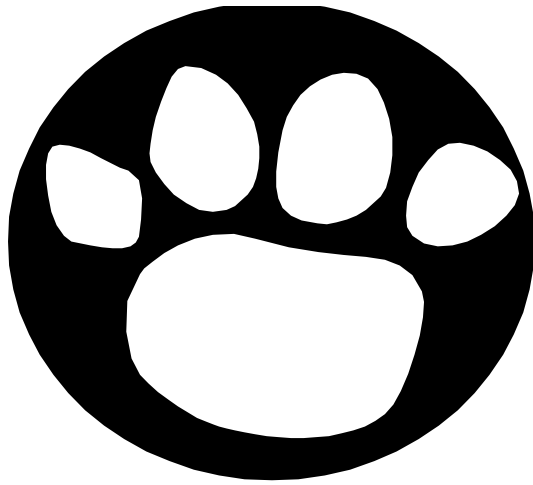
***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2013, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 18, 2013



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

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2013

Unaudited

This discussion and analysis of Twinsburg City School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for 2013 are as follows:

- General revenues accounted for \$40,686,290 in revenue or 91.3% of all revenues. Program specific revenues in the form of charges for services, operating and capital grants, contributions and interest accounted for \$3,856,846 or 8.7% of total revenues of \$44,543,136.
- The School District had \$45,398,762 in expenses related to governmental activities; program revenues offset \$3,856,846 of these expenses. \$40,686,290 of general revenues was not quite adequate to provide for these programs resulting in a decrease in net position of \$855,626.
- Of the total governmental expenses of \$45,398,762, the amount related to instruction amounted to \$25,615,077 or 56.4% of this total.
- The School District had three major governmental funds, the general fund, the bond retirement fund and the permanent improvement fund. The general fund's balance decreased \$609,689 from \$24,709,727 as of June 30, 2012 to \$24,100,038 at June 30, 2013. The bond retirement's fund balance decreased \$165,826 from \$1,559,093 at June 30, 2012 to \$1,393,267 at June 30, 2013. The permanent improvement's fund balance increased \$460,573 from \$5,342,123 at June 30, 2012 to \$5,802,696 at June 30, 2013.

### **Using this Annual Financial Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Twinsburg City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements present how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column.

## **Reporting the School District as a Whole**

### *Statement of Net Position and the Statement of Activities*

While these statements contain information about a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2013?"

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

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

In the statement of net position and the statement of activities, the School District's activities are considered to be all governmental activities.

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

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

#### *Fund Financial Statements*

The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general, bond retirement debt service and permanent improvement capital projects funds.

**Governmental Funds** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

**Twinsburg City School District**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2013  
 Unaudited

**The School District as a Whole**

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

Table 1 provides a summary of the School District's net position for 2013 compared to 2012.

Table 1 Net Position		<u>Governmental Activities</u>	
		<u>2013</u>	Restated <u>2012</u>
<b>Assets</b>			
Current and other assets	\$	65,126,129	\$ 62,309,981
Capital assets, net of depreciation		<u>36,069,248</u>	<u>38,333,697</u>
Total assets		<u>101,195,377</u>	<u>100,643,678</u>
<b>Liabilities</b>			
Current and other liabilities		5,144,246	5,336,677
Long-term liabilities:			
Due within one year		2,495,595	2,249,809
Due in more than one year		<u>21,382,879</u>	<u>23,666,249</u>
Total liabilities		<u>29,022,720</u>	<u>31,252,735</u>
<b>Deferred inflows of resources</b>			
Property taxes		<u>27,121,246</u>	<u>23,483,906</u>
<b>Net Position</b>			
Net investment in capital assets		14,716,989	14,909,061
Restricted		7,578,859	7,358,896
Unrestricted		<u>22,755,563</u>	<u>23,639,080</u>
Total net position	\$	<u>45,051,411</u>	\$ <u>45,907,037</u>

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2013, the School District's assets exceeded liabilities and deferred inflows of resources by \$45,051,411.

Net investment in capital assets reported on the government-wide statements represents a large component of net position. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, \$7,578,859, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net position, \$1,365,517 is restricted for debt service payments, \$6,025,272 is restricted for capital projects, \$131,756 is restricted for extracurricular activities, and \$56,314 is restricted for other purposes. Restricted for other purposes for the School District is net position restricted for special revenue funds which are used for educational services.

**Twinsburg City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
Unaudited

Table 2 shows change in net position for fiscal year 2013 as compared to 2012:

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,244,611	\$ 2,417,890
Operating grants, contributions and interest	1,612,235	1,873,348
General revenues:		
Property taxes	26,214,326	26,986,674
Grants and entitlements	14,335,878	14,813,873
Payments in lieu of taxes	63,290	96,607
Investment earnings	35,871	34,627
Miscellaneous	36,925	97,604
Total revenues	44,543,136	46,320,623
<b>Program Expenses</b>		
Instruction:		
Regular	22,000,065	22,319,458
Special	3,071,338	3,230,989
Vocational	114,721	198,687
Student intervention services	133,387	67,693
Other	295,566	390,852
Support services:		
Pupils	2,377,141	2,703,374
Instructional staff	1,620,694	2,074,706
Board of education	374,348	384,137
Administration	2,945,174	3,176,089
Fiscal	1,204,727	1,106,318
Business	104,712	131,066
Operation and maintenance of plant	3,887,992	3,955,087
Pupil transportation	2,809,153	2,904,778
Central	1,241,916	910,173
Operation on non-instructional services	2,676	1,918
Operation of food services	1,216,009	1,292,913
Extracurricular activities	1,247,144	1,308,438
Interest and fiscal charges	751,999	856,912
Total expenses	45,398,762	47,013,588
Decrease in net position	(855,626)	(692,965)
Net position beginning of year, restated	45,907,037	46,729,927
Restatement	-	(129,925)
Net position end of year	\$ 45,051,411	\$ 45,907,037



**Twinsburg City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
Unaudited

***Governmental Activities***

Several revenue sources fund our governmental activities with property taxes and State foundation revenues being the largest contributors. Property tax levies generated over \$26.2 million in 2013. The property tax revenue decreased from the prior year. General revenues from grants and entitlements, such as the school foundation program, generated over \$14.3 million. With the combination of taxes and intergovernmental funding 91% of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

A review of Table 2 reflects that the total cost of instructional services was \$25,615,077 or 56.4% of governmental program expenses. Instructional expenses include activities directly related to the teaching of pupils and the interaction between teacher and pupil. As compared to the prior year, these expenses decreased \$592,602, or 2.3% due to the close monitoring of expenses.

Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching pupils. These expenses represent \$3,997,835 of the total governmental program expenses, or 8.8%. These expenses decreased from the prior year in the amount of \$780,245, or 16.3% due to conservative spending.

Board of Education, administration, fiscal and business classifications reflect expenses associated with establishing and administering school operation policies, financial operations and activities concerned with purchasing, receiving and maintaining goods and services for the School District. The total cost was \$4,628,961 or 10.2% of governmental program expenses. Expenses of these programs decreased \$168,649, or 3.5%, as compared to fiscal year 2012, driven mostly by decreases in administration expenses.

Operation and maintenance of plant expenses refer to the care and upkeep of the buildings, grounds, equipment and the safety of the School District's operations. The total cost for the operation and maintenance services was \$3,887,992 or 8.6% of the governmental program expenses.

Pupil transportation expenses are expenses related to the transportation of students to and from school, as well as the service and maintenance of those vehicles. Total transportation cost was \$2,809,153 or 6.2% of the total governmental program expenditures. Expenses for providing this program decreased \$95,625, or 3.3% as compared to the prior year.

Overall, expenses for governmental activities decreased \$1,614,826 or 3.4% from fiscal year 2012 reported amounts. As seen above, the most significant cause of this decrease was due to a decrease in regular instruction, pupil services and instructional staff which includes the activities involved in assisting staff and the content and process of teaching pupils.

**Twinsburg City School District**  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
Unaudited

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3  
Governmental Activities

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Program Expenses</b>				
Instruction:				
Regular	\$ 22,000,065	\$ 22,319,458	\$ (21,338,033)	\$ (21,577,123)
Special	3,071,338	3,230,989	(2,509,202)	(2,952,547)
Vocational	114,721	198,687	(114,721)	(198,687)
Student intervention services	133,387	67,693	(76,312)	(5,882)
Other	295,566	390,852	6,175	14,935
Support services:				
Pupils	2,377,141	2,703,374	(1,984,647)	(1,883,513)
Instructional staff	1,620,694	2,074,706	(1,546,888)	(1,964,409)
Board of education	374,348	384,137	(374,348)	(384,137)
Administration	2,945,174	3,176,089	(2,818,558)	(3,028,019)
Fiscal	1,204,727	1,106,318	(1,204,727)	(1,106,318)
Business	104,712	131,066	(104,712)	(131,066)
Operation and maintenance of plant	3,887,992	3,955,087	(3,800,417)	(3,893,242)
Pupil transportation	2,809,153	2,904,778	(2,802,353)	(2,900,017)
Central	1,241,916	910,173	(1,232,916)	(901,173)
Operation of non-instructional services	2,676	1,918	(166)	(1,918)
Operation of food services	1,216,009	1,292,913	(77,537)	(19,590)
Extracurricular activities	1,247,144	1,308,438	(810,555)	(932,732)
Interest and fiscal charges	751,999	856,912	(751,999)	(856,912)
Total	<u>\$ 45,398,762</u>	<u>\$ 47,013,588</u>	<u>\$ (41,541,916)</u>	<u>\$ (42,722,350)</u>

**The School District's Funds**

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$44,740,692 and total expenditures were \$45,179,179. Fund balance of the general fund decreased by \$609,689 as compared to the 2012 ending balance. For the bond retirement debt service fund, fund balance also decreased by \$165,826. The only other major governmental fund, the permanent improvement capital projects fund, fund balance increased by \$460,573 from the prior year. For all three major funds the increases or decreases in fund balance are due to expenditures exceeding current year revenues or vice versa.

**Twinsburg City School District**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2013  
 Unaudited

Table 4  
 Change in Fund Balance

	Fund Balance <u>June 30, 2013</u>	Fund Balance <u>June 30, 2012</u>	Increase (Decrease) <u></u>
General	\$ 24,100,038	\$ 24,709,727	\$ (609,689)
Bond retirement	1,393,267	1,559,093	(165,826)
Permanent improvement	5,802,696	5,342,123	460,573
Other governmental	<u>267,928</u>	<u>391,473</u>	<u>(123,545)</u>
Total	<u>\$ 31,563,929</u>	<u>\$ 32,002,416</u>	<u>\$ (438,487)</u>

**General Fund**

The School District's general fund balance decreased by \$609,689 this was due to several factors. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

Table 5  
 General Fund - Change in Revenue

	2013 <u>Amount</u>	2012 <u>Amount</u>	Percent <u>Change</u>
Taxes	\$ 23,266,786	\$ 23,615,272	-1.48%
Intergovernmental	13,282,754	13,650,818	-2.70%
Interest	35,914	34,682	3.55%
Tuition and fees	1,082,238	1,008,564	7.30%
Extracurricular activities	190,480	81,588	133.47%
Gifts and donations	275	124	121.77%
Rent	64,865	46,557	39.32%
Payment in lieu of taxes	63,290	96,607	-34.49%
Miscellaneous	<u>29,544</u>	<u>97,728</u>	-69.77%
Total	<u>\$ 38,016,146</u>	<u>\$ 38,631,940</u>	

Overall revenues within the general fund decreased \$615,794 for the fiscal year. This is due to a decrease in property tax and intergovernmental revenues for the current fiscal year.

**Twinsburg City School District**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2013  
 Unaudited

The table that follows assists in illustrating the expenditures of the general fund.

Table 6  
 General Fund - Change in Expenditures by Type

<u>Expenditures</u>	2013 <u>Amount</u>	2012 <u>Amount</u>	Percent <u>Change</u>
Instruction	\$ 22,706,506	\$ 23,991,841	-5.36%
Support services	14,614,074	15,016,864	-2.68%
Extracurricular activities	899,872	918,373	-2.01%
Debt service	405,383	411,625	-1.52%
Total	<u>\$ 38,625,835</u>	<u>\$ 40,338,703</u>	

Expenditures decreased \$1,712,868 from the prior year. This decrease is not due to any one item.

***Bond Retirement Fund***

The School District's bond retirement fund balance decreased by \$165,826 due to current year expenditures exceeding current year revenues. The revenues of the fund are property taxes, calculated by the county fiscal officer, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenditures of the fund include debt principal and interest payments as well as county fiscal officer fees. The remaining fund balance will be used to make upcoming debt payments as they become due.

***Permanent Improvement Fund***

The School District's permanent improvement fund balance increased by \$460,573 due to current year revenues exceeding current year expenditures. The revenues of the fund are property taxes, calculated by the county fiscal officer, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenditures of the fund include capital related expenditures for the acquisition, construction, or improvement of capital facilities.

***General Fund Budgeting Highlights***

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

During fiscal year 2013, the School District amended its general fund budget as expenditure priorities changed according to student, building and operational needs. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue estimate was \$38,900,389 which was a \$4,062,629 increase from the original budget estimate of \$34,837,760. This estimate is provided by the County Budget Commission, which changed the estimate based on additional information that became available during the fiscal year. Actual revenue received was \$39,655,570 which was \$755,181 more than final budgeted amounts primarily due to intergovernmental revenues.

**Twinsburg City School District**  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2013  
 Unaudited

The original expenditure appropriation amount of \$41,935,566 was revised during the fiscal year to a final amount of \$39,260,159. The reduction of \$2,675,407 was necessary with the need to cut operating costs in order to conserve resources to help offset a budget deficit.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2013, the School District had \$36,069,248 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 7 shows fiscal year 2013 balances compared to fiscal year 2012.

Table 7  
 Capital Assets, at Fiscal Year End  
 (Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Land	\$ 1,147,310	\$ 1,147,310
Construction in progress	-	33,274
Land improvements	597,443	784,880
Buildings and improvements	32,800,065	34,581,424
Furniture, fixtures and equipment	568,336	617,756
Vehicles	956,094	1,169,053
Total capital assets	<u>\$ 36,069,248</u>	<u>\$ 38,333,697</u>

The most significant purchases during the year were for a playground set, several computer servers and phone system software. The total carrying value of capital assets decreased \$2,264,449 for the current fiscal year due to current year depreciation expense exceeding the capital asset additions. See Note 7 to the basic financial statements for detail on the School District's capital assets.

**Debt**

At June 30, 2013 the School District had \$21,352,259 in bonds and capital leases outstanding with \$1,914,740 due within one year. Table 8 summarizes debt outstanding as of June 30:

Table 8  
 Outstanding Debt at Fiscal Year End

	Governmental	Governmental
	Activities	Activities
	<u>2013</u>	<u>2012</u>
General obligation bonds	\$ 21,204,884	\$ 23,185,070
Capital leases	147,375	239,566
Total outstanding	<u>\$ 21,352,259</u>	<u>\$ 23,424,636</u>

***Twinsburg City School District***  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013  
Unaudited

At June 30, 2013, the School District's overall legal debt margin was \$50,294,818 with an unvoted debt margin of \$778,960. The School District bond rating was unchanged during the year. See Notes 13 and 14 to the basic financial statements for detail on the School District's long-term obligations.

**Current Issues Affecting Financial Condition**

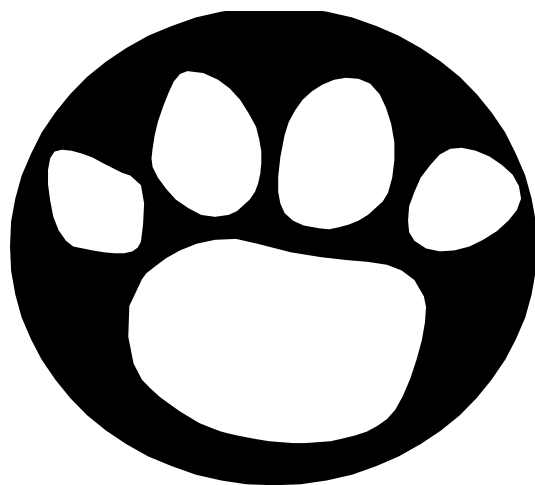
The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges. These challenges stem from issues that are at the local and State level. The local challenges will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

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

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

**Contacting the School District's Financial Management**

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



**Twinsburg City School District**  
**Statement of Net Position**  
**June 30, 2013**

	Governmental Activities
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 35,264,151
Cash and cash equivalents:	
In segregated accounts	81,892
Receivables:	
Accounts	445,669
Intergovernmental	199,185
Taxes	29,087,913
Inventory held for resale	41,184
Materials and supplies inventory	6,135
Capital assets:	
Nondepreciable capital assets	1,147,310
Depreciable capital assets, net	34,921,938
Total capital assets	<u>36,069,248</u>
Total assets	<u>101,195,377</u>
<u>Liabilities:</u>	
Accounts payable	287,901
Accrued wages	3,623,289
Intergovernmental payable	1,143,185
Undistributed monies	11,258
Accrued interest payable	78,613
Long-term liabilities:	
Due within one year	2,495,595
Due in more than one year	21,382,879
Total liabilities	<u>29,022,720</u>
<u>Deferred inflows of resources:</u>	
Property taxes	<u>27,121,246</u>
<u>Net position:</u>	
Net investment in capital assets	14,716,989
Restricted for:	
Capital projects	6,025,272
Debt service	1,365,517
Extracurricular activities	131,756
Other purposes	56,314
Unrestricted	22,755,563
Total net position	<u>\$ 45,051,411</u>

See accompanying notes to the basic financial statements.



**Twinsburg City School District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants, Contributions and Interest	Revenue and Changes in Net Assets
				Governmental Activities
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$ 22,000,065	\$ 545,321	\$ 116,711	\$ (21,338,033)
Special	3,071,338	244,875	317,261	(2,509,202)
Vocational	114,721	-	-	(114,721)
Student intervention services	133,387	417	56,658	(76,312)
Other	295,566	-	301,741	6,175
Support services:				
Pupils	2,377,141	202,309	190,185	(1,984,647)
Instructional staff	1,620,694	-	73,806	(1,546,888)
Board of education	374,348	-	-	(374,348)
Administration	2,945,174	33,523	93,093	(2,818,558)
Fiscal	1,204,727	-	-	(1,204,727)
Business	104,712	-	-	(104,712)
Operation and maintenance of plant	3,887,992	87,575	-	(3,800,417)
Pupil transportation	2,809,153	6,800	-	(2,802,353)
Central	1,241,916	-	9,000	(1,232,916)
Operation of non-instructional services	2,676	2,510	-	(166)
Operation of food services	1,216,009	684,692	453,780	(77,537)
Extracurricular activities	1,247,144	436,589	-	(810,555)
Interest and fiscal charges	751,999	-	-	(751,999)
Total governmental activities	<u>\$ 45,398,762</u>	<u>\$ 2,244,611</u>	<u>\$ 1,612,235</u>	<u>(41,541,916)</u>

General Revenues:

Property taxes levied for:

General purposes	23,114,175
Debt service	1,648,599
Capital outlay	1,451,552
Grants and entitlements not restricted to specific programs	14,335,878
Payment in lieu of taxes	63,290
Investment earnings	35,871
Miscellaneous	36,925
Total general revenues	<u>40,686,290</u>
Change in net position	(855,626)
Net position beginning of year, restated	<u>45,907,037</u>
Net position end of year	<u>\$ 45,051,411</u>

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2013**

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 27,357,246	\$ 1,316,442	\$ 5,762,269	\$ 487,876	\$ 34,923,833
Cash and cash equivalents:					
In segregated accounts	-	-	-	81,892	81,892
Receivables:					
Taxes	25,595,740	1,824,761	1,667,412	-	29,087,913
Accounts	445,611	-	-	58	445,669
Intergovernmental	132,025	-	-	67,160	199,185
Interfund	57,595	-	27,501	-	85,096
Inventory held for resale	-	-	-	41,184	41,184
Materials and supplies inventory	-	-	-	6,135	6,135
Total assets	<u>\$ 53,588,217</u>	<u>\$ 3,141,203</u>	<u>\$ 7,457,182</u>	<u>\$ 684,305</u>	<u>\$ 64,870,907</u>
<u>Liabilities:</u>					
Accounts payable	\$ 203,280	\$ -	\$ 57,548	\$ 27,073	\$ 287,901
Accrued wages	3,436,868	-	-	186,421	3,623,289
Interfund payable	27,501	-	-	57,595	85,096
Intergovernmental payable	1,062,417	-	-	80,768	1,143,185
Undistributed monies	11,258	-	-	-	11,258
Total liabilities	<u>4,741,324</u>	<u>-</u>	<u>57,548</u>	<u>351,857</u>	<u>5,150,729</u>
<u>Deferred inflows of resources:</u>					
Property taxes	23,851,635	1,707,174	1,562,437	-	27,121,246
Unavailable revenue	309,550	-	-	64,520	374,070
Unavailable revenue - delinquent property taxes	585,670	40,762	34,501	-	660,933
Total deferred inflows of resources	<u>24,746,855</u>	<u>1,747,936</u>	<u>1,596,938</u>	<u>64,520</u>	<u>28,156,249</u>
<u>Fund balances:</u>					
Restricted	-	1,393,267	5,802,696	392,666	7,588,629
Assigned	7,625,557	-	-	-	7,625,557
Unassigned	16,474,481	-	-	(124,738)	16,349,743
Total fund balances	<u>24,100,038</u>	<u>1,393,267</u>	<u>5,802,696</u>	<u>267,928</u>	<u>31,563,929</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 53,588,217</u>	<u>\$ 3,141,203</u>	<u>\$ 7,457,182</u>	<u>\$ 684,305</u>	<u>\$ 64,870,907</u>

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Reconciliation of Total Governmental Fund Balances to**  
**Net Position of Governmental Activities**  
**June 30, 2013**

Total governmental funds balances		\$ 31,563,929
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		36,069,248
Other long-term assets that are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:		
Property taxes	\$ 660,933	
Intergovernmental	64,520	
Tuition and fees	302,169	
Miscellaneous	7,381	
Total	1,035,003	1,035,003
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		340,318
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, an interest expenditure is reported when due.		(78,613)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (21,204,884)	
Compensated absences	(2,526,215)	
Capital leases	(147,375)	
Total	(23,878,474)	(23,878,474)
Net position of governmental activities		\$ 45,051,411

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Taxes	\$ 23,266,786	\$ 1,670,547	\$ 1,467,362	\$ -	\$ 26,404,695
Intergovernmental	13,282,754	636,345	416,779	1,561,756	15,897,634
Interest	35,914	-	-	146	36,060
Tuition and fees	1,082,238	-	-	-	1,082,238
Extracurricular activities	190,480	-	-	246,109	436,589
Gifts and donations	275	-	-	18,000	18,275
Charges for services	-	-	-	684,692	684,692
Rent	64,865	-	-	6,800	71,665
Payment in lieu of taxes	63,290	-	-	-	63,290
Miscellaneous	29,544	-	-	16,010	45,554
Total revenues	<u>38,016,146</u>	<u>2,306,892</u>	<u>1,884,141</u>	<u>2,533,513</u>	<u>44,740,692</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	19,705,624	-	180,724	135,416	20,021,764
Special	2,800,339	-	2,910	279,585	3,082,834
Vocational	112,695	-	-	-	112,695
Student intervention services	72,647	-	-	60,740	133,387
Other	15,201	-	-	279,676	294,877
Support services:					
Pupils	2,147,224	-	-	236,597	2,383,821
Instructional staff	1,510,053	-	22,990	88,017	1,621,060
Board of education	374,348	-	-	-	374,348
Administration	2,841,333	-	1,800	104,694	2,947,827
Fiscal	1,152,608	46,443	-	-	1,199,051
Business	127,481	-	-	-	127,481
Operation and maintenance of plant	3,293,786	-	411,909	-	3,705,695
Pupil transportation	2,594,918	-	9,788	1,600	2,606,306
Central	572,323	-	573,814	9,000	1,155,137
Operation of non-instructional services	-	-	-	2,676	2,676
Operation of food services	-	-	-	1,196,116	1,196,116
Extracurricular activities	899,872	-	-	262,941	1,162,813
Capital outlay	-	-	219,633	-	219,633
Debt service:					
Principal retirement	262,191	1,565,000	-	-	1,827,191
Interest and fiscal charges	143,192	861,275	-	-	1,004,467
Total expenditures	<u>38,625,835</u>	<u>2,472,718</u>	<u>1,423,568</u>	<u>2,657,058</u>	<u>45,179,179</u>
Net change in fund balances	(609,689)	(165,826)	460,573	(123,545)	(438,487)
Fund balances beginning of year	<u>24,709,727</u>	<u>1,559,093</u>	<u>5,342,123</u>	<u>391,473</u>	<u>32,002,416</u>
Fund balances end of year	<u>\$ 24,100,038</u>	<u>\$ 1,393,267</u>	<u>\$ 5,802,696</u>	<u>\$ 267,928</u>	<u>\$ 31,563,929</u>

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2013**

Net change in fund balances - total governmental funds \$ (438,487)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

In the current period, these amounts are:

Capital asset additions, net	\$ 219,633	
Depreciation expense	<u>(2,444,359)</u>	
Excess of depreciation expense over net capital asset additions		(2,224,726)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (39,723)

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

Property taxes	\$ (190,369)	
Intergovernmental	32,015	
Tuition and fees	(46,583)	
Miscellaneous	<u>7,381</u>	
Net change in deferred inflows of resources during the year		(197,556)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 1,827,191

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	\$ (34,793)	
Decrease in accrued interest	<u>7,282</u>	
Total additional expenditures		(27,511)

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

Premium	\$ 245,186	
Total additional expenses		<u>245,186</u>

Change in net position of governmental activities \$ (855,626)

See accompanying notes to the basic financial statements.

**Twinsburg City School District**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-**  
**Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 22,404,968	\$ 25,324,782	\$ 25,325,279	\$ 497
Intergovernmental	11,756,442	12,492,005	13,215,944	723,939
Interest	28,584	30,000	35,466	5,466
Tuition and fees	463,102	781,934	783,917	1,983
Rent	72,480	53,412	64,189	10,777
Extracurricular activities	-	135,695	135,695	-
Payment in lieu of taxes	74,080	63,290	63,290	-
Miscellaneous	38,104	19,271	31,790	12,519
Total revenues	<u>34,837,760</u>	<u>38,900,389</u>	<u>39,655,570</u>	<u>755,181</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	20,806,530	19,946,390	19,945,383	1,007
Special	3,092,947	2,900,654	2,900,654	-
Vocational	164,294	129,258	129,258	-
Student intervention services	81,722	80,501	80,501	-
Support services:				
Pupils	2,275,990	2,006,404	2,006,404	-
Instructional staff	1,666,080	1,567,743	1,567,743	-
Board of education	572,742	449,382	448,549	833
Administration	3,229,495	2,833,112	2,822,460	10,652
Fiscal	1,190,390	1,165,795	1,159,861	5,934
Business	128,322	127,794	126,661	1,133
Operation and maintenance of plant	4,078,375	3,544,072	3,535,672	8,400
Pupil transportation	2,749,506	2,660,273	2,659,818	455
Central	784,954	683,964	683,948	16
Extracurricular activities	818,444	848,042	848,001	41
Debt service:				
Principal retirement	170,000	170,000	170,000	-
Interest and fiscal charges	125,775	125,775	125,775	-
Total expenditures	<u>41,935,566</u>	<u>39,239,159</u>	<u>39,210,688</u>	<u>28,471</u>
Excess of revenues over (under) expenditures	<u>(7,097,806)</u>	<u>(338,770)</u>	<u>444,882</u>	<u>783,652</u>
<u>Other financing uses:</u>				
Advances out	-	(21,000)	(21,000)	-
Net change in fund balance	(7,097,806)	(359,770)	423,882	783,652
Fund balances at beginning of year	24,517,408	24,517,408	24,517,408	-
Prior year encumbrances appropriated	496,799	496,799	496,799	-
Fund balances at end of year	<u>\$ 17,916,401</u>	<u>\$ 24,654,437</u>	<u>\$ 25,438,089</u>	<u>\$ 783,652</u>

See accompanying notes to the basic financial statements.

***Twinsburg City School District***  
**Statement of Fund Net Position**  
**Internal Service Fund**  
**June 30, 2013**

	<u>Self Insurance</u>
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	<u>\$ 340,318</u>
<u>Net position:</u>	
Unrestricted	<u>340,318</u>
Total liabilities and net position	<u>\$ 340,318</u>

See accompanying notes to the basic financial statements.

***Twinsburg City School District***  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Self Insurance
<u>Operating revenues:</u>	
Total operating revenues	\$ -
<u>Operating expenses:</u>	
Total operating expenses	-
Change in net position	-
Net position beginning of year	340,318
Net position end of year	<u>\$ 340,318</u>

See accompanying notes to the basic financial statements.



***Twinsburg City School District***  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2013**

	Private Purpose Trust	
	Scholarships	Agency
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 19,435	\$ 329,898
<u>Liabilities:</u>		
Accounts payable	\$ -	\$ 6,064
Due to students	-	323,834
Total liabilities	\$ -	\$ 329,898
<u>Net position:</u>		
Held in trust for scholarships	\$ 19,435	

See accompanying notes to the basic financial statements.

***Twinsburg City School District***  
**Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Fund**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Scholarships</u>
<u>Additions:</u>	
Interest	<u>\$ 18</u>
<u>Deductions:</u>	
Payments in accordance with trust agreements	<u>2,500</u>
Change in net position	(2,482)
Net position beginning of year	<u>21,917</u>
Net position end of year	<u>\$ 19,435</u>

See accompanying notes to the basic financial statements.

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

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

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A. Description of the School District

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

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's five instructional/support facilities staffed by 175 non-certificated employees and 305 certificated (including administrators) teaching and support personnel that provide services to 4,319 students and other community members.

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting entity for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

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

Component units may also include organizations that are fiscally dependent on the School District in that the School District approves their budget, the issuance of their debt or the levying of their taxes. Based on the above criteria, the School District had no component units at June 30, 2013.

The School District is associated with the Metropolitan Regional Service Council (MRSC) also known as Northeast Ohio Network for Educational Technology (NEOnet), the Cuyahoga Valley Career Center, and the Ohio Schools Council. These organizations are presented in Note 15 to the basic financial statements.

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

C. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund and other interfund activity of governmental funds are eliminated to avoid "doubling up" revenues and expenses of governmental activities. However, the services provided and used are not eliminated in the process of consolidation.

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

Fund Financial Statements

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

D. Fund Accounting

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

Governmental Fund Types:

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, liabilities and deferred inflows of resources is reported as fund balance. The School District has three major governmental funds:

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

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

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

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

*Permanent Improvement Fund:* The permanent improvement fund is a capital projects fund and is used to account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

### Proprietary Fund Type

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

*Internal Service Fund:* The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for revenue received from other funds and the settlement expenses for medical, surgical, prescription drug, and dental and vision claims of School District employees. As of October 1, 2005 the School District is no longer self-insured. There was no current year activity in this fund. Balances remaining are from a prior year.

### Fiduciary Fund Types

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only trust fund is a private purpose trust, which account for scholarships. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's most significant agency fund reports resources that belong to the student bodies of the various schools.

### E. Measurement Focus and Basis of Accounting

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

***Twinsburg City School District***

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets, liabilities and deferred outflows and inflows of resources associated with the operation of the fund are included on the statement of net position. The statement of revenues, expenses and changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

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

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting and the internal service, private purpose trust and agency funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenue - Exchange and Non-exchange Transactions

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, investment earnings, tuition, grants and entitlements, and student fees.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The School District did not have any deferred outflows of resources at year end.

In addition to liabilities, the statements of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance year 2014 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as inflows of resources in the period the amounts become available.

Expenditures/Expenses

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

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

F. Budgets and Budgetary Accounting

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

***Twinsburg City School District***

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The amounts reported as the original budget revenue in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenue amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2013. The amounts reported as the original budgeted expenditure amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditure amounts represent the final appropriation amounts passed by the Board during the year.

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

**G. Cash and Investments**

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents". During the fiscal year, investments were limited to an overnight repurchase agreement and interest in Star Ohio, the State Treasurer's Investment Pool. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts, such as repurchase agreements and certificates of deposit, are reported at cost. All investments of the School District had a maturity of two years or less.

The School District maintains segregated accounts for the food service and district managed student activity special revenue funds, which are presented as "Cash and cash equivalents in segregated accounts".

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds; required by a grant agreement; or when approved by the Board of Education to be recorded in another fund. The Board of Education has passed a resolution to allow interest to also be recorded in other funds.

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

**H. Interfund Balances**

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



**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

I. Inventory

Within the basic financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories of the food service special revenue fund consist of donated food, purchased food and supplies held for resale. Inventories of supplies are reported at cost, whereas inventories held for resale are reported at lower of cost or market.

J. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, and laws of other governments or by enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the acquisition or construction of capital assets. Restricted assets may also include amounts set aside as a reserve or designated for budget stabilization, which is now optional as determined by the School District. The School District spent all restricted assets in accordance with specific restrictions during the fiscal year, see Note 17.

K. Bond Premiums

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

L. Capital Assets

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

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

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

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

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

**M. Compensated Absences**

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

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

For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The School District did not report matured compensated absences payable for the current fiscal year.

**N. Accrued Liabilities and Long-term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the governmental fund financial statements when due.

**O. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted fund balance category includes amounts that can be spent only for the specific purpose stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

***Twinsburg City School District***

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

Committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance classifications are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes by resolution or State Statute.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**P. Net Position**

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

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

**Q. Interfund Transactions**

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

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

R. Operating Revenues and Expenses

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

S. Estimates

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

**NOTE 2 – FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	<u>General</u>	<u>Bond Retirement</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Restricted for</u>					
Instructional programs	\$ -	\$ -	\$ -	\$ 46,060	\$ 46,060
Athletics and music	-	-	-	131,756	131,756
Food service	-	-	-	17,238	17,238
Technology	-	-	-	9,537	9,537
Permanent improvements	-	-	5,802,696	-	5,802,696
Building improvements and repairs	-	-	-	188,075	188,075
Debt service payments	-	1,393,267	-	-	1,393,267
Total restricted	<u>-</u>	<u>1,393,267</u>	<u>5,802,696</u>	<u>392,666</u>	<u>7,588,629</u>
<u>Assigned</u>					
Public school support	1,012,214	-	-	-	1,012,214
Encumbrances	529,914	-	-	-	529,914
Next years budget	6,083,429	-	-	-	6,083,429
Total assigned	<u>7,625,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,625,557</u>
Unassigned (deficit)	<u>16,474,481</u>	<u>-</u>	<u>-</u>	<u>(124,738)</u>	<u>16,349,743</u>
Total fund balances	<u>\$ 24,100,038</u>	<u>\$ 1,393,267</u>	<u>\$ 5,802,696</u>	<u>\$ 267,928</u>	<u>\$ 31,563,929</u>

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
4. Encumbrances are treated as expenditures (budget basis) rather than assigned fund balance (GAAP basis).
5. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

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

	<u>General</u>
GAAP basis	\$ (609,689)
Revenue accruals	1,990,036
Expenditure accruals	(178,391)
Advances out	(21,000)
Budgeted as part of special revenue fund:	
Revenues	(350,612)
Expenditures	332,141
Encumbrances (Budget Basis)	
outstanding at year end	<u>(738,603)</u>
Budget basis	<u>\$ 423,882</u>

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

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

Interim monies may be invested in the following obligations provided they mature or are redeemable within five years from the date of settlement:

1. United States Treasury bills, notes, bonds, or any other obligations or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements for a period not to exceed thirty days in securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes in an amount not to exceed 25% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days; and
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits:

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

The carrying value of the School District's deposits totaled \$166,850. The School District's bank balance of \$535,892 was not exposed to custodial credit risk.

Investments:

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

<u>Investment type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
Repurchase agreements	\$ 33,160,000	Daily	AAA <sup>(1)</sup>
STAROhio	<u>2,368,526</u>	57.5 <sup>(2)</sup>	AAAm <sup>(1)</sup>
	<u>\$ 35,528,526</u>		

<sup>(1)</sup> Standard and Poor's rating

<sup>(2)</sup> Days (Average)

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2013.

All interest is legally required to be placed in the general fund, the food service and public support special revenue funds and the scholarships private purpose trust fund. Interest revenue credited to the general fund during fiscal year 2013 amount to \$35,914, which includes \$8,282 assigned from other School District funds.

**Twinsburg City School District**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

*Custodial credit risk* for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's \$33,160,000 investment in repurchase agreements is to be secured by the specific government sponsored securities upon which the repurchase agreements are based. These securities, held by the counterparty and not in the School District's name are a Government National Mortgage Association (GNMA) bond and a Federal National Mortgage Association (FNMA) bond. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The School District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

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

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

**NOTE 5 - PROPERTY TAX**

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Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility and tangible personal property (used for public utilities) located in the School District. Real property tax revenue received in calendar 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market 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 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012 and are collected in 2012 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies and railroads. The tax on general business and railroad property was eliminated in calendar year 2009, and the tax on telephone and telecommunications property was eliminated in calendar year 2011. The tax was phased out by reducing the assessment rate on the property over several years. The bill replaces the revenue lost by the District due to the phasing out of the tax. In calendar years 2006-2010, the District was fully reimbursed for the lost revenue. In calendar years 2011-2017, the reimbursement is being phased out. On June 30, 2011, House Bill No. 153 was signed into law, which further reduced the amounts of reimbursements.



**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

The School District receives property taxes from Summit County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2013 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at year-end was \$1,158,435 in the general fund, \$76,825 in the bond retirement debt service fund and \$70,474 in the permanent improvement capital projects fund, and is recognized as revenue on the fund financial statements.

On the accrual basis, collectible delinquent property taxes have been recorded as revenue on the statement of activities.

The assessed values upon which the fiscal year 2013 taxes were collected are:

<u>Property Category</u>	<u>2012 Assessed Value</u>	<u>2011 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 555,860,160	\$ 552,207,870
Commercial, industrial and minerals	207,391,480	213,749,370
<u>Tangible Personal Property</u>		
Public utilities	<u>15,708,750</u>	<u>14,371,670</u>
Total	<u>\$ 778,960,390</u>	<u>\$ 780,328,910</u>

**NOTE 6 - RECEIVABLES**

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Receivables at year-end consisted of taxes, accounts (tuition and excess costs), interfund, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. The general fund reported an intergovernmental receivable for \$132,025 for a workers' compensation dividend and the special revenue funds recorded intergovernmental receivables for state and federal grants and reimbursements in the amount of \$67,160.

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 7 - CAPITAL ASSETS**

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Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2013</u>
Capital assets, not being depreciated:				
Land	\$ 1,147,310	\$ -	\$ -	\$ 1,147,310
Construction in progress	<u>33,274</u>	<u>-</u>	<u>(33,274)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,180,584</u>	<u>-</u>	<u>(33,274)</u>	<u>1,147,310</u>
Capital assets, being depreciated:				
Land improvements	4,629,003	6,187	-	4,635,190
Buildings and improvements	64,351,091	-	-	64,351,091
Furniture, fixtures and equipment	3,935,000	213,446	(37,096)	4,111,350
Vehicles	<u>2,639,151</u>	<u>-</u>	<u>-</u>	<u>2,639,151</u>
Total capital assets, being depreciated	<u>75,554,245</u>	<u>219,633</u>	<u>(37,096)</u>	<u>75,736,782</u>
Less: Accumulated depreciation				
Land improvements	(3,844,123)	(193,624)	-	(4,037,747)
Buildings and improvements	(29,769,667)	(1,781,359)	-	(31,551,026)
Furniture, fixtures and equipment	(3,317,244)	(256,417)	30,647	(3,543,014)
Vehicles	<u>(1,470,098)</u>	<u>(212,959)</u>	<u>-</u>	<u>(1,683,057)</u>
Total accumulated depreciation	<u>(38,401,132)</u>	<u>(2,444,359)</u>	<u>30,647</u>	<u>(40,814,844)</u>
Total capital assets being depreciated, net	<u>37,153,113</u>	<u>(2,224,726)</u>	<u>(6,449)</u>	<u>34,921,938</u>
Governmental activities capital assets, net	<u>\$ 38,333,697</u>	<u>\$ (2,224,726)</u>	<u>\$ (39,723)</u>	<u>\$ 36,069,248</u>

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

Depreciation expense was charged to governmental functions as follows:

Instruction:	<u>Amount</u>
Regular	\$ 1,871,490
Vocational	712
Support services:	
Instructional staff	8,248
Administration	1,805
Operation and maintenance of plant	155,442
Pupil transportation	212,006
Central	95,270
Operation of food services	17,201
Extracurricular activities	82,185
	<u>\$ 2,444,359</u>

**NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES**

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Interfund balances at June 30, 2013 consisted of the following:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 57,595	\$ 27,501
Permanent improvement fund	27,501	-
Nonmajor governmental funds	-	57,595
Totals	<u>\$ 85,096</u>	<u>\$ 85,096</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2013, all interfund loans outstanding are anticipated to be repaid in fiscal year 2014.

**NOTE 9 – ACCOUNTABILITY**

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As of June 30, 2013, several funds had deficit fund balances. These deficits were caused by the application of GAAP; namely in the reporting of various liabilities attributable to the fiscal year. These deficit balances will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The following funds had deficit balances:

	<u>Amount</u>
<u>Nonmajor special revenue funds:</u>	
Alternative schools	\$ 5,019
Miscellaneous state grants	21,127
Title VI-B	54,136
Title I	38,747
EHA preschool grant	5,709

**NOTE 10 - RISK MANAGEMENT**

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The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

In a prior year, the School District established a self-insurance fund (an internal service fund) to account for and finance its employee health benefits plan. As of October 1, 2005 the School District is no longer self-insured. They now purchase commercial insurance for all School District employees.

The School District has contracted with Stark County Schools Insurance Consortium (SCSIC) to provide medical/surgical, dental, life insurance and accidental death and dismemberment insurance for its employees and their covered dependents. The SCSIC is a shared risk pool comprised of fourteen school districts that provide public education within Stark County. The districts pay monthly contributions that are placed in a common fund from which eligible claims and expenses are paid for employees of participating school districts and their covered dependents. Claims are paid for all participants regardless of claims flow. This plan contains a stop-loss provision of \$500,000 per participant and an aggregate stop-loss provision of \$189,197,927.

Premium contributions are determined annually based on the claims experience of the individual district. Premiums can be increased or decreased by up to 20% of the prior year's contribution. Member districts may become liable for additional contributions to fund the liability of the pool. In the event of termination, all participating school districts' claims would be paid without regard to their individual account balances. The SCSIC Board of Directors has authority to return monies to an exiting school district subsequent to the settlement of all claims and expenditures.

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.

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 11 – DEFINED BENEFIT PENSION PLANS**

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A. School Employee Retirement System

Plan Description - The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund and Health Care Fund) of the system. For fiscal year 2013, 13.10 percent of annual covered salary was the portion used to fund pension and death benefits.

The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$805,021, \$885,807 and \$906,104 respectively; 66.7 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

B. State Teachers Retirement System

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

**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code. A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2012 (latest information available), plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2011, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012 and 2011 were \$2,599,183, \$2,831,816 and \$2,729,993 respectively; 84.2 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. Contributions to the DC and Combined Plans for fiscal year 2013 were \$86,797 made by the School District and \$61,998 made by the plan members.

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**NOTE 12 – POSTEMPLOYMENT BENEFITS**

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

***Twinsburg City School District***

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, 0.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2013, this amount was \$20,525.

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

The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012 and 2011 were \$115,129, \$138,693 and, \$214,609 respectively; 96.1 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012 and 2011 were \$45,474, \$52,311 and \$58,310 respectively; 66.7 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

**B. State Teachers Retirement System**

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions.

For 2012 (latest information available), STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012 and 2011 were \$199,937, \$217,832 and \$209,999 respectively; 84.2 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

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

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

	Balance <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30</u>	Due within <u>one year</u>
<b><u>Governmental Long-term Obligations</u></b>					
<b><u>General Obligation Bonds</u></b>					
2004 School Facilities Refunding					
Bonds, 2.0-5.0%, maturing					
December 1, 2021	\$ 19,460,000	\$ -	\$ (1,565,000)	\$ 17,895,000	\$ 1,645,000
Unamortized premium	1,300,070	-	(245,186)	1,054,884	-
2010 Energy conservation Improvement					
Bonds, 5.375%, maturing					
December 1, 2025	2,425,000	-	(170,000)	2,255,000	170,000
Total bonds	<u>23,185,070</u>	<u>-</u>	<u>(1,980,186)</u>	<u>21,204,884</u>	<u>1,815,000</u>
<b><u>Other Long-term Obligations</u></b>					
Capital lease payable	239,566	-	(92,191)	147,375	99,740
Long-term compensated absences	2,491,422	579,797	(545,004)	2,526,215	580,855
Total other long-term obligations	<u>2,730,988</u>	<u>579,797</u>	<u>(637,195)</u>	<u>2,673,590</u>	<u>680,595</u>
Total governmental long-term obligations	<u>\$ 25,916,058</u>	<u>\$ 579,797</u>	<u>\$ (2,617,381)</u>	<u>\$ 23,878,474</u>	<u>\$ 2,495,595</u>

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

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

On August 23, 2010, the School District issued \$2,592,180 in energy conservation improvement bonds at an interest rate of 5.375%. These improvement bonds were issued to fund energy conservation related projects within the School District. The bonds and interest are to be repaid by the debt service fund. The bonds are Qualified School Construction Bonds (QSCB's) whereas the interest paid on the bonds has been 95.07% subsidized by the federal government. The federal government will remit the interest paid by the School District through a direct pay reimbursement.

**Compensated absences:** Sick leave benefits will be paid from the fund from which the person is paid. In prior years this fund has primarily been the general fund. Of the \$2,526,215 compensated absences balance, \$95,695 represents early retirement incentives with all of the \$95,695 being due in one year.



**Twinsburg City School District**  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

Principal and interest requirements to amortize all bonds and notes outstanding at June 30, 2013 are as follows:

Fiscal Year	<u>2004 School Facilities Refunding Bonds</u>		<u>Energy Conservation Improvement Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest**</u>
2014	\$ 1,645,000	\$ 781,025	\$ 170,000	\$ 116,638
2015	1,725,000	707,556	170,000	107,500
2016	1,790,000	630,463	170,000	98,363
2017	1,880,000	538,712	170,000	89,225
2018	1,975,000	442,337	175,000	79,953
2019-2023	8,880,000	782,769	875,000	258,671
2024-2026	-	-	525,000	42,328
Total	<u>\$ 17,895,000</u>	<u>\$ 3,882,862</u>	<u>\$ 2,255,000</u>	<u>\$ 792,678</u>

\*\*included \$753,597 of direct pays from the federal government

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

In a prior year, the School District entered into a capitalized lease agreement for the acquisition of copiers. The terms of each agreement provide options to purchase the equipment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements of governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by lease have been capitalized as equipment in the amount of \$476,349, which is equal to the present value of the future minimum lease payments on the government-wide financial statements. Principal payments in the current fiscal year totaled \$92,191.

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

Fiscal Year	Lease Payments
2014	\$ 109,608
2015	<u>47,635</u>
Total minimum lease payments	157,243
Less: amount representing interest	<u>(9,868)</u>
Total	<u>\$ 147,375</u>

***Twinsburg City School District***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

**NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

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The Metropolitan Regional Service Council (MRSC) is the computer service organization or Information Technology Center (ITC) used by the School District. MRSC is also known as Northeast Ohio Network for Educational Technology (NEOnet), which is the name used exclusively prior to their reorganization from a consortium to a council of governments. The superintendent from each member entity is appointed to the legislative body of MRSC known as the assembly. The assembly elects a board of directors consisting of nine members. These members comprise the managerial body of the council and meet at least five times yearly. The operations of MRSC are under the control of the board of directors and the executive director. The purpose of the MRSC is to develop and employ a computer system efficiently and effectively for the needs of the member school districts. All members are required to pay fees, charges and assessments as charged. The School District does not maintain an ongoing financial interest or an ongoing financial responsibility. During fiscal year 2013, the School District contributed \$286,895 to MRSC. This contribution includes purchases of software and related items as well as payment for services. Financial information can be obtained by contacting the fiscal agent at 700 Graham Road Cuyahoga Falls, Ohio 44221.

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.

The Ohio Schools Council (Council) is a jointly governed organization among 198 school districts, educational service centers, joint vocational school districts, and developmental disabilities boards in 29 northern Ohio counties. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. During fiscal year 2013 the School District paid \$144,006 and \$114,157 to the Council in the form of membership fees, insurance and natural gas purchases, respectively. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

**NOTE 16 - CONTINGENCIES**

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The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2013, if applicable, cannot be determined at this time.

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, 2013.

**NOTE 17 - STATUTORY RESERVES**

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The School District is required by the state law to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years.

Although the School District had qualifying disbursements and current year offsets during the fiscal year that reduced the set-aside amount to below zero for the capital maintenance reserve, this amount may not be used to reduce the set aside requirement for future years. This negative balance is, therefore, not presented as being carried forward to future years.

The following information describes the change in the year-end set-aside amounts for capital maintenance.

	Capital Maintenance <u>Reserve</u>
Set-aside cash balance as of June 30, 2012	\$ -
Current year set-aside requirement	728,221
Current year offset	(2,033,874)
Qualifying disbursements	<u>(120,898)</u>
Total	<u>\$ (1,426,551)</u>
Balance carried forward to future years	<u>\$ -</u>

**NOTE 18 – IMPLEMENTATION OF NEW ACCOUNTING STANDARD**

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For fiscal year 2013, the School District has implemented Governmental Accounting Standards Board Statement (GASBS) No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”.

GASBS No. 63 established standards for the reporting of net position which was previously referred to as net assets. The School District’s implementation had no effect on the amount of beginning net position.

For fiscal year 2013, the School District has also implemented Governmental Accounting Standards Board Statement (GASBS) No. 65, “Items Previously Reported as Assets and Liabilities”.

**Twinsburg City School District**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2013

GASBS No. 65 established standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities. In prior periods the School District had reported assets related to the unamortized debt issuance costs in the governmental activity entity wide financial statements. GASBS No. 65 has reclassified debt issuance costs as an expense in the period incurred rather than amortizing the costs over the life of the debt. The School District's implementation of GASBS No. 65 had the following effect on the amount of beginning net position.

	Governmental <u>Activities</u>
Net position, June 30, 2012	\$ 46,036,962
Prior period adjustments:	
Unamortized debt issuance costs	<u>(129,925)</u>
Restated net position, July 1, 2012	<u>\$ 45,907,037</u>

**NOTE 19 – SUBSEQUENT EVENT**

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On June 26, 2013 the School District adopted the resolution providing for the issuance and sale of bonds in the maximum principal amount of \$14,525,000. These bonds are for the purpose of refunding the School District's outstanding school improvement bonds, series 2004 at a lower interest cost.

The constituents of the School District approved a 6.9 mill, five year renewal levy on the November ballot. The levy is expected to generate \$4.55 million.

**Combining Statements for Nonmajor Governmental Funds**

# **Combining Statements and Individual Fund Schedules**

## **Nonmajor Special Revenue Funds**

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

### Food Service

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

### 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 are restricted for 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.

### Teacher Development

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

### Management Information Systems

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

### Entry Year Programs

To account for state revenues restricted to implement entry year programs.

### Data Communications

To account for revenues restricted 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.

### 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 restricted from state agencies which are not classified elsewhere.

### Education Jobs

To account for federal funds received to pay salaries and benefits, and rehire, retain or hire employees. The funds are specifically targeted at providing educational and related services for early childhood, elementary, and secondary education.

### Title VI-B

To account for federal funds restricted 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 II Technology

To account for federal funds restricted for professional development and improving student achievement through the use of advanced technology in elementary and secondary schools.

### Title III

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

### Title I

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

### EHA Preschool Grant

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

### Improving Teacher Quality

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

## Nonmajor Capital Projects Funds

Capital project funds are established to account for financial resources that are restricted, committed, or assigned 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:

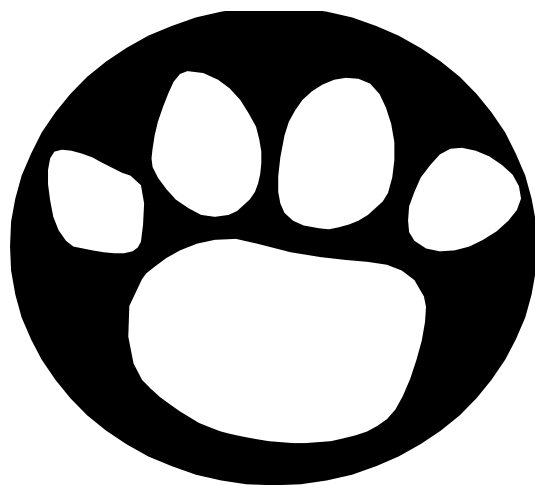
### Building

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

### Replacement

A fund provided to account for restricted 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.





**Twinsburg City School District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 299,801	\$ 188,075	\$ 487,876
Cash and cash equivalents:			
In segregated accounts	81,892	-	81,892
Receivables:			
Accounts	58	-	58
Intergovernmental	67,160	-	67,160
Inventory held for resale	41,184	-	41,184
Materials and supplies inventory	6,135	-	6,135
Total assets	<u>\$ 496,230</u>	<u>\$ 188,075</u>	<u>\$ 684,305</u>
<u>Liabilities:</u>			
Accounts payable	\$ 27,073	\$ -	\$ 27,073
Accrued wages	186,421	-	186,421
Interfund payable	57,595	-	57,595
Intergovernmental payable	80,768	-	80,768
Total liabilities	<u>351,857</u>	<u>-</u>	<u>351,857</u>
<u>Deferred inflows of resources:</u>			
Unavailable revenue	<u>64,520</u>	<u>-</u>	<u>64,520</u>
<u>Fund balances:</u>			
Restricted	204,591	188,075	392,666
Unassigned	<u>(124,738)</u>	<u>-</u>	<u>(124,738)</u>
Total fund balances	<u>79,853</u>	<u>188,075</u>	<u>267,928</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 496,230</u>	<u>\$ 188,075</u>	<u>\$ 684,305</u>

**Twinsburg City School District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$ 1,561,756	\$ -	\$ 1,561,756
Interest	146	-	146
Extracurricular activities	246,109	-	246,109
Gifts and donations	18,000	-	18,000
Charges for services	684,692	-	684,692
Rent	-	6,800	6,800
Miscellaneous	16,010	-	16,010
Total revenues	<u>2,526,713</u>	<u>6,800</u>	<u>2,533,513</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	135,416	-	135,416
Special	279,585	-	279,585
Student intervention services	60,740	-	60,740
Other	279,676	-	279,676
Support services:			
Pupils	236,597	-	236,597
Instructional staff	88,017	-	88,017
Administration	104,694	-	104,694
Operation and maintenance of plant	1,600	-	1,600
Central	9,000	-	9,000
Operation of non-instructional services	2,676	-	2,676
Operation of food services	1,196,116	-	1,196,116
Extracurricular activities	262,941	-	262,941
Total expenditures	<u>2,657,058</u>	<u>-</u>	<u>2,657,058</u>
Net change in fund balance	(130,345)	6,800	(123,545)
Fund balances at beginning of year	<u>210,198</u>	<u>181,275</u>	<u>391,473</u>
Fund balances at end of year	<u>\$ 79,853</u>	<u>\$ 188,075</u>	<u>\$ 267,928</u>

**Twinsburg City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2013**

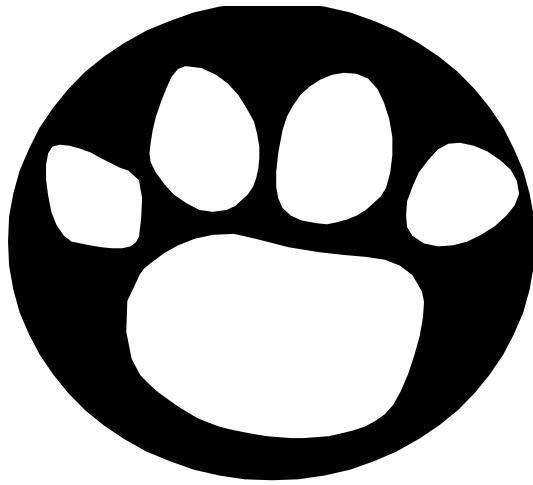
	Food Service	Miscellaneous Local Grants	District Managed Student Activity	Teacher Development	Management Information Systems	Entry Year Programs
<u>Assets:</u>						
Equity in pooled cash and cash equivalents	\$ 31,565	\$ 42,048	\$ 127,687	\$ 2,589	\$ 8,162	\$ 1,050
Cash and cash equivalents:						
In segregated accounts	77,581	-	4,311	-	-	-
Receivables:						
Accounts	58	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Inventory held for resale	41,184	-	-	-	-	-
Materials and supplies inventory	6,135	-	-	-	-	-
Total assets	<u>\$ 156,523</u>	<u>\$ 42,048</u>	<u>\$ 131,998</u>	<u>\$ 2,589</u>	<u>\$ 8,162</u>	<u>\$ 1,050</u>
<u>Liabilities:</u>						
Accounts payable	\$ 190	\$ 4,673	\$ 242	\$ -	\$ -	\$ -
Accrued wages	82,621	-	-	-	-	-
Interfund payable	-	-	-	-	-	-
Intergovernmental payable	56,474	-	-	-	-	-
Total liabilities	<u>139,285</u>	<u>4,673</u>	<u>242</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Deferred inflows of resources:</u>						
Unavailable revenue	-	-	-	-	-	-
<u>Fund balances:</u>						
Restricted	17,238	37,375	131,756	2,589	8,162	1,050
Unassigned	-	-	-	-	-	-
Total fund balances	<u>17,238</u>	<u>37,375</u>	<u>131,756</u>	<u>2,589</u>	<u>8,162</u>	<u>1,050</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 156,523</u>	<u>\$ 42,048</u>	<u>\$ 131,998</u>	<u>\$ 2,589</u>	<u>\$ 8,162</u>	<u>\$ 1,050</u>

<u>Data Comm- unications</u>	<u>Alternative Schools</u>	<u>Miscellaneous State Grants</u>	<u>Education Jobs</u>	<u>Title VI-B</u>	<u>Title II Technology</u>	<u>Title III</u>
\$ 1,375	\$ -	\$ 21,893	\$ -	\$ 48,988	\$ -	\$ 1,060
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	2,640	-	-	25,000	-	717
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,375</u>	<u>\$ 2,640</u>	<u>\$ 21,893</u>	<u>\$ -</u>	<u>\$ 73,988</u>	<u>\$ -</u>	<u>\$ 1,777</u>
\$ -	\$ -	\$ 19,446	\$ -	\$ 2,478	\$ -	\$ -
-	-	-	-	58,956	-	-
-	7,659	21,000	-	28,936	-	-
-	-	2,574	-	12,754	-	150
-	7,659	43,020	-	103,124	-	150
-	-	-	-	25,000	-	717
1,375	-	-	-	-	-	910
-	(5,019)	(21,127)	-	(54,136)	-	-
<u>1,375</u>	<u>(5,019)</u>	<u>(21,127)</u>	<u>-</u>	<u>(54,136)</u>	<u>-</u>	<u>910</u>
<u>\$ 1,375</u>	<u>\$ 2,640</u>	<u>\$ 21,893</u>	<u>\$ -</u>	<u>\$ 73,988</u>	<u>\$ -</u>	<u>\$ 1,777</u>

(Continued)

**Twinsburg City School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2013**

	Title I	EHA Preschool Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 8,247	\$ 898	\$ 4,239	\$ 299,801
Cash and cash equivalents:				
In segregated accounts	-	-	-	81,892
Receivables:				
Accounts	-	-	-	58
Intergovernmental	38,363	440	-	67,160
Inventory held for resale	-	-	-	41,184
Materials and supplies inventory	-	-	-	6,135
Total assets	<u>\$ 46,610</u>	<u>\$ 1,338</u>	<u>\$ 4,239</u>	<u>\$ 496,230</u>
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ -	\$ 44	\$ 27,073
Accrued wages	40,886	3,958	-	186,421
Interfund payable	-	-	-	57,595
Intergovernmental payable	6,108	2,649	59	80,768
Total liabilities	<u>46,994</u>	<u>6,607</u>	<u>103</u>	<u>351,857</u>
<u>Deferred inflows of resources:</u>				
Unavailable revenue	<u>38,363</u>	<u>440</u>	<u>-</u>	<u>64,520</u>
<u>Fund balances:</u>				
Restricted	-	-	4,136	204,591
Unassigned	<u>(38,747)</u>	<u>(5,709)</u>	<u>-</u>	<u>(124,738)</u>
Total fund balances	<u>(38,747)</u>	<u>(5,709)</u>	<u>4,136</u>	<u>79,853</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 46,610</u>	<u>\$ 1,338</u>	<u>\$ 4,239</u>	<u>\$ 496,230</u>



**Twinsburg City School District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Food Service	Miscellaneous Local Grants	District Managed Student Activity	Teacher Development	Management Information Systems	Entry Year Programs
<u>Revenues:</u>						
Intergovernmental	\$ 453,634	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	146	-	-	-	-	-
Extracurricular activities	-	-	246,109	-	-	-
Gifts and donations	-	18,000	-	-	-	-
Charges for services	684,692	-	-	-	-	-
Miscellaneous	2,510	13,500	-	-	-	-
Total revenues	<u>1,140,982</u>	<u>31,500</u>	<u>246,109</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	-	28,684	-	-	-	-
Special	-	5,187	-	-	-	-
Student intervention services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Support services:						
Pupils	-	4,673	-	-	-	-
Instructional staff	-	-	-	-	8,000	-
Administration	-	-	-	-	-	-
Pupil transportation	-	-	-	-	-	-
Central	-	-	-	-	-	-
Operation of non-instructional services	2,676	-	-	-	-	-
Operation of food services	1,196,116	-	-	-	-	-
Extracurricular activities	-	-	262,941	-	-	-
Total expenditures	<u>1,198,792</u>	<u>38,544</u>	<u>262,941</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
Net change in fund balance	(57,810)	(7,044)	(16,832)	-	(8,000)	-
Fund balances (deficit) at beginning of year	<u>75,048</u>	<u>44,419</u>	<u>148,588</u>	<u>2,589</u>	<u>16,162</u>	<u>1,050</u>
Fund balances (deficit) at end of year	<u>\$ 17,238</u>	<u>\$ 37,375</u>	<u>\$ 131,756</u>	<u>\$ 2,589</u>	<u>\$ 8,162</u>	<u>\$ 1,050</u>



Data Comm- unications	Alternative Schools	Miscellaneous State Grants	Education Jobs	Title VI-B	Title II Technology	Title III
\$ 9,000	\$ 28,052	\$ 26,762	\$ 32,505	\$ 579,715	\$ -	\$ 23,583
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,000</u>	<u>28,052</u>	<u>26,762</u>	<u>32,505</u>	<u>579,715</u>	<u>-</u>	<u>23,583</u>
-	-	22,020	-	-	-	-
-	-	-	-	250,850	-	23,548
-	25,486	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	204,305	-	-
-	-	24,682	-	54,309	-	-
-	-	-	-	104,694	-	-
-	-	-	-	1,600	-	-
9,000	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>9,000</u>	<u>25,486</u>	<u>46,702</u>	<u>-</u>	<u>615,758</u>	<u>-</u>	<u>23,548</u>
-	2,566	(19,940)	32,505	(36,043)	-	35
1,375	(7,585)	(1,187)	(32,505)	(18,093)	-	875
<u>\$ 1,375</u>	<u>\$ (5,019)</u>	<u>\$ (21,127)</u>	<u>\$ -</u>	<u>\$ (54,136)</u>	<u>\$ -</u>	<u>\$ 910</u>

(Continued)

**Twinsburg City School District**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Fiscal Year Ended June 30, 2013**

	Title I	EHA Preschool Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
<u>Revenues:</u>				
Intergovernmental	\$ 291,984	\$ 21,205	\$ 95,316	\$ 1,561,756
Interest	-	-	-	146
Extracurricular activities	-	-	-	246,109
Gifts and donations	-	-	-	18,000
Customer services	-	-	-	684,692
Miscellaneous	-	-	-	16,010
Total revenues	<u>291,984</u>	<u>21,205</u>	<u>95,316</u>	<u>2,526,713</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	-	-	84,712	135,416
Special	-	-	-	279,585
Student intervention services	35,254	-	-	60,740
Other	279,676	-	-	279,676
Support services:				
Pupils	-	27,619	-	236,597
Instructional staff	1,026	-	-	88,017
Administration	-	-	-	104,694
Pupil transportation	-	-	-	1,600
Central	-	-	-	9,000
Operation of non-instructional services	-	-	-	2,676
Operation of food services	-	-	-	1,196,116
Extracurricular activities	-	-	-	262,941
Total expenditures	<u>315,956</u>	<u>27,619</u>	<u>84,712</u>	<u>2,657,058</u>
Net change in fund balance	(23,972)	(6,414)	10,604	(130,345)
Fund balances (deficit) at beginning of year	(14,775)	705	(6,468)	210,198
Fund balances (deficit) at end of year	<u>\$ (38,747)</u>	<u>\$ (5,709)</u>	<u>\$ 4,136</u>	<u>\$ 79,853</u>

***Twinsburg City School District***  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2013**

	<u>Building</u>	<u>Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	<u>\$ 93,297</u>	<u>\$ 94,778</u>	<u>\$ 188,075</u>
<u>Fund balances:</u>			
Restricted	<u>93,297</u>	<u>94,778</u>	<u>188,075</u>
Total liabilities and fund balances	<u>\$ 93,297</u>	<u>\$ 94,778</u>	<u>\$ 188,075</u>

***Twinsburg City School District***  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Fiscal Year Ended June 30, 2013**

	<u>Building</u>	<u>Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>			
Rent	\$ -	\$ 6,800	\$ 6,800
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	6,800	6,800
Fund balances at beginning of year	<u>93,297</u>	<u>87,978</u>	<u>181,275</u>
Fund balances at end of the year	<u><u>\$ 93,297</u></u>	<u><u>\$ 94,778</u></u>	<u><u>\$ 188,075</u></u>

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

## Major 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.

### Funds being reported as part of the general fund

The following funds are legally budgeted as separate special revenue funds but are being reported as part of the general fund for GAAP reporting purposes.

#### Uniform School Supplies

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

#### Adult Education

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

#### 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.

**Twinsburg City School District**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP) and Actual  
For the Fiscal Year Ended June 30, 2013**

	<b>General Fund</b>		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 25,324,782	\$ 25,325,279	\$ 497
Intergovernmental	12,492,005	13,215,944	723,939
Interest	30,000	35,466	5,466
Tuition and fees	781,934	783,917	1,983
Rent	53,412	64,189	10,777
Extracurricular activities	135,695	135,695	-
Payments in lieu of taxes	63,290	63,290	-
Miscellaneous	19,271	31,790	12,519
<b>Total revenues</b>	<b>38,900,389</b>	<b>39,655,570</b>	<b>755,181</b>
<u>Expenditures:</u>			
<u>Current:</u>			
<u>Instruction:</u>			
<u>Regular:</u>			
Salaries and wages	14,068,652	14,068,652	-
Fringe benefits	4,923,308	4,923,308	-
Purchased services	651,939	651,561	378
Materials and supplies	205,809	205,180	629
Capital outlay	1,160	1,160	-
Other	95,522	95,522	-
<b>Total regular</b>	<b>19,946,390</b>	<b>19,945,383</b>	<b>1,007</b>
<u>Special:</u>			
Salaries and wages	1,741,630	1,741,630	-
Fringe benefits	535,288	535,288	-
Purchased services	622,159	622,159	-
Materials and supplies	1,577	1,577	-
<b>Total special</b>	<b>2,900,654</b>	<b>2,900,654</b>	<b>-</b>
<u>Vocational:</u>			
Salaries and wages	100,554	100,554	-
Fringe benefits	28,704	28,704	-
<b>Total vocational</b>	<b>129,258</b>	<b>129,258</b>	<b>-</b>
<u>Student intervention services:</u>			
Salaries and wages	56,797	56,797	-
Fringe benefits	23,704	23,704	-
<b>Total other</b>	<b>80,501</b>	<b>80,501</b>	<b>-</b>
<b>Total instruction</b>	<b>23,056,803</b>	<b>23,055,796</b>	<b>1,007</b>
<u>Support services:</u>			
<u>Pupils:</u>			
Salaries and wages	1,333,265	1,333,265	-
Fringe benefits	435,884	435,884	-
Purchased services	232,597	232,597	-
Materials and supplies	4,658	4,658	-
<b>Total pupils</b>	<b>2,006,404</b>	<b>2,006,404</b>	<b>-</b>

(Continued)

**Twinsburg City School District**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP) and Actual  
For the Fiscal Year Ended June 30, 2013**

	<b>General Fund</b>		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Instructional staff:			
Salaries and wages	959,491	959,491	-
Fringe benefits	524,527	524,527	-
Purchased services	74,627	74,627	-
Materials and supplies	8,661	8,661	-
Other	437	437	-
Total instructional staff	<u>1,567,743</u>	<u>1,567,743</u>	<u>-</u>
Board of education:			
Salaries and wages	15,700	15,700	-
Fringe benefits	55,006	55,006	-
Purchased services	293,301	292,468	833
Materials and supplies	4,247	4,247	-
Other	81,128	81,128	-
Total board of education	<u>449,382</u>	<u>448,549</u>	<u>833</u>
Administration:			
Salaries and wages	1,889,903	1,889,903	-
Fringe benefits	821,193	810,992	10,201
Purchased services	94,525	94,074	451
Materials and supplies	26,886	26,886	-
Other	605	605	-
Total administration	<u>2,833,112</u>	<u>2,822,460</u>	<u>10,652</u>
Fiscal:			
Salaries and wages	278,849	278,849	-
Fringe benefits	116,912	110,978	5,934
Purchased services	33,566	33,566	-
Materials and supplies	2,342	2,342	-
Other	734,126	734,126	-
Total fiscal	<u>1,165,795</u>	<u>1,159,861</u>	<u>5,934</u>
Business:			
Salaries and wages	60,149	60,149	-
Fringe benefits	14,857	14,021	836
Purchased services	5,556	5,291	265
Materials and supplies	47,232	47,200	32
Total business	<u>127,794</u>	<u>126,661</u>	<u>1,133</u>
Operation and maintenance of plant:			
Salaries and wages	1,411,909	1,411,909	-
Fringe benefits	573,188	572,823	365
Purchased services	1,364,003	1,356,006	7,997
Materials and supplies	194,972	194,934	38
Total operation and maintenance of plant	<u>3,544,072</u>	<u>3,535,672</u>	<u>8,400</u>



**Twinsburg City School District**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP) and Actual  
For the Fiscal Year Ended June 30, 2013**

	<b>General Fund</b>		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Pupil transportation:			
Salaries and wages	1,552,139	1,552,139	-
Fringe benefits	580,956	580,501	455
Purchased services	70,343	70,343	-
Materials and supplies	456,835	456,835	-
Total pupil transportation	<u>2,660,273</u>	<u>2,659,818</u>	<u>455</u>
Central:			
Salaries and wages	199,028	199,028	-
Fringe benefits	87,377	87,377	-
Purchased services	378,564	378,564	-
Materials and supplies	18,995	18,979	16
Total central	<u>683,964</u>	<u>683,948</u>	<u>16</u>
Total support services	<u>15,038,539</u>	<u>15,011,116</u>	<u>27,423</u>
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	129,939	129,939	-
Fringe benefits	18,504	18,504	-
Materials and supplies	500	500	-
Other	235	235	-
Total academic and subject oriented activities	<u>149,178</u>	<u>149,178</u>	<u>-</u>
Sports oriented activities:			
Salaries and wages	548,333	548,333	-
Fringe benefits	117,798	117,798	-
Purchased services	23,266	23,266	-
Materials and supplies	9,467	9,426	41
Total sports oriented activities	<u>698,864</u>	<u>698,823</u>	<u>41</u>
Total extracurricular activities	<u>848,042</u>	<u>848,001</u>	<u>41</u>
Debt service:			
Principal retirement	170,000	170,000	-
Interest and fiscal charges	125,775	125,775	-
Total expenditures	<u>39,239,159</u>	<u>39,210,688</u>	<u>28,471</u>
Excess of revenues over (under) expenditures	<u>(338,770)</u>	<u>444,882</u>	<u>783,652</u>
<u>Other financing uses:</u>			
Advances out	<u>(21,000)</u>	<u>(21,000)</u>	<u>-</u>
Net change in fund balance	(359,770)	423,882	783,652
Fund balance at beginning of year	24,517,408	24,517,408	-
Prior year encumbrances appropriated	496,799	496,799	-
Fund balance at end of year	<u>\$ 24,654,437</u>	<u>\$ 25,438,089</u>	<u>\$ 783,652</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Uniform School Supplies Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 10,276	\$ 10,325	\$ 49
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	16,190	16,190	-
Student intervention services	462	462	-
Total expenditures	16,652	16,652	-
Net change in fund balance	(6,376)	(6,327)	49
Fund balance at beginning of year	13,999	13,999	-
Prior year encumbrances appropriated	8	8	-
Fund balance at end of year	\$ 7,631	\$ 7,680	\$ 49

**Adult Education Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	89,697	89,697	-
Fund balance at end of year	\$ 89,697	\$ 89,697	\$ -

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Public School Support Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 39	\$ 47	\$ 8
Tuition and fees	283,726	283,776	50
Extracurricular activities	56,555	56,855	300
Gifts and donations	259	275	16
Total revenues	<u>340,579</u>	<u>340,953</u>	<u>374</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	400	400	-
Special	24,689	24,689	-
Support services:			
Pupils	217,269	216,811	458
Instructional staff	428	428	-
Administration	28,578	28,578	-
Operation and maintenance of plant	21,898	21,847	51
Extracurricular activities	51,024	51,024	-
Total expenditures	<u>344,286</u>	<u>343,777</u>	<u>509</u>
Net change in fund balance	(3,707)	(2,824)	883
Fund balance at beginning of year	1,072,497	1,072,497	-
Prior year encumbrances appropriated	7,425	7,425	-
Fund balance at end of year	<u>\$ 1,076,215</u>	<u>\$ 1,077,098</u>	<u>\$ 883</u>

***Twinsburg City School District***  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Bond Retirement Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,857,526	\$ 1,857,526	\$ -
Intergovernmental	636,345	636,345	-
Total revenues	<u>2,493,871</u>	<u>2,493,871</u>	<u>-</u>
<u>Expenditures:</u>			
Debt service:			
Principal retirement	1,611,443	1,611,443	-
Interest and fiscal charges	861,275	861,275	-
Total expenditures	<u>2,472,718</u>	<u>2,472,718</u>	<u>-</u>
Net change in fund balance	21,153	21,153	-
Fund balance at beginning of year	1,295,287	1,295,287	-
Prior year encumbrances appropriated	2	2	-
Fund balance at end of year	<u>\$ 1,316,442</u>	<u>\$ 1,316,442</u>	<u>\$ -</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Permanent Improvement Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,632,313	\$ 1,620,351	\$ (11,962)
Intergovernmental	413,523	413,523	-
Total revenues	<u>2,045,836</u>	<u>2,033,874</u>	<u>(11,962)</u>
<u>Expenditures:</u>			
Current:			
Regular	180,558	180,556	2
Special	2,910	2,910	-
Support services:			
Instructional staff	23,498	23,498	-
Administration	1,800	1,800	-
Operation and maintenance of plant	156,905	156,905	-
Pupil transportation	16,611	16,611	-
Central	750,529	748,622	1,907
Capital outlay	686,622	686,589	33
Total expenditures	<u>1,819,433</u>	<u>1,817,491</u>	<u>1,942</u>
Net change in fund balance	226,403	216,383	(10,020)
Fund balance at beginning of year	4,454,977	4,454,977	-
Prior year encumbrances appropriated	742,245	742,245	-
Fund balance at end of year	<u>\$ 5,423,625</u>	<u>\$ 5,413,605</u>	<u>\$ (10,020)</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Food Service Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 372,317	\$ 372,317	\$ -
Interest	145	159	14
Charges for services	683,740	685,034	1,294
Miscellaneous	2,510	2,510	-
Total revenues	<u>1,058,712</u>	<u>1,060,020</u>	<u>1,308</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	2,676	2,676	-
Operation of food services	1,156,439	1,134,246	22,193
Total expenditures	<u>1,159,115</u>	<u>1,136,922</u>	<u>22,193</u>
Net change in fund balance	(100,403)	(76,902)	23,501
Fund balance at beginning of year	181,619	181,619	-
Prior year encumbrances appropriated	150	150	-
Fund balance at end of year	<u>\$ 81,366</u>	<u>\$ 104,867</u>	<u>\$ 23,501</u>

**Miscellaneous Local Grants Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 13,000	\$ 18,000	\$ 5,000
Miscellaneous	12,250	13,500	1,250
Total revenues	<u>25,250</u>	<u>31,500</u>	<u>6,250</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	33,478	33,478	-
Special	5,187	5,187	-
Total expenditures	<u>38,665</u>	<u>38,665</u>	<u>-</u>
Net change in fund balance	(13,415)	(7,165)	6,250
Fund balance at beginning of year	44,078	44,078	-
Prior year encumbrances appropriated	340	340	-
Fund balance at end of year	<u>\$ 31,003</u>	<u>\$ 37,253</u>	<u>\$ 6,250</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**District Managed Student Activity Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 242,100	\$ 246,109	\$ 4,009
<u>Expenditures:</u>			
Current:			
Extracurricular activities	280,803	280,681	122
Net change in fund balance	(38,703)	(34,572)	4,131
Fund balance at beginning of year	139,278	139,278	-
Prior year encumbrances appropriated	11,616	11,616	-
Fund balance at end of year	<u>\$ 112,191</u>	<u>\$ 116,322</u>	<u>\$ 4,131</u>

**Teacher Development Fund**

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

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Management Information Systems Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	12,500	8,001	4,499
Net change in fund balance	(12,500)	(8,001)	4,499
Fund balance at beginning of year	16,163	16,163	-
Fund balance at end of year	<u>\$ 3,663</u>	<u>\$ 8,162</u>	<u>\$ 4,499</u>

**Entry Year Programs Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	1,050	1,050	-
Fund balance at end of year	<u>\$ 1,050</u>	<u>\$ 1,050</u>	<u>\$ -</u>



**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Data Communications Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 9,000	\$ 9,000	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Central	9,000	9,000	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	1,375	1,375	-
Fund balance at end of year	\$ 1,375	\$ 1,375	\$ -

**Alternative Schools Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 25,412	\$ 25,412	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Student intervention services	26,122	25,511	611
Net change in fund balance	(710)	(99)	611
Fund balance at beginning of year	1	1	-
Prior year encumbrances appropriated	24	24	-
Fund balance at end of year	\$ (685)	\$ (74)	\$ 611

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Miscellaneous State Grants Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 26,762	\$ 26,762	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	20,636	20,636	-
Support services:			
Instructional staff	23,865	24,682	(817)
Total expenditures	44,501	45,318	(817)
Excess of revenues under expenditures	(17,739)	(18,556)	(817)
<u>Other financing sources:</u>			
Advances in	21,000	21,000	-
Net change in fund balance	3,261	2,444	(817)
Fund balance at beginning of year	(1,186)	(1,186)	-
Fund balance at end of year	\$ 2,075	\$ 1,258	\$ (817)

**Education Jobs Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 32,505	\$ 32,505	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	9,855	9,855	-
Other	35,620	24,966	10,654
Total expenditures	45,475	34,821	10,654
Net change in fund balance	(12,970)	(2,316)	10,654
Fund balance at beginning of year	2,316	2,316	-
Fund balance at end of year	\$ (10,654)	\$ -	\$ 10,654

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Title VI-B Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 659,715	\$ 659,715	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	252,624	250,854	1,770
Support services:			
Pupils	204,292	203,302	990
Instructional staff	61,931	60,459	1,472
Administration	113,612	112,294	1,318
Total expenditures	<u>632,459</u>	<u>626,909</u>	<u>5,550</u>
Net change in fund balance	27,256	32,806	5,550
Fund balance at beginning of year	(22,547)	(22,547)	-
Prior year encumbrances appropriated	34,805	34,805	-
Fund balance at end of year	<u>\$ 39,514</u>	<u>\$ 45,064</u>	<u>\$ 5,550</u>

**Title II Technology Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	41	41	-
Net change in fund balance	(41)	(41)	-
Fund balance at beginning of year	40	40	-
Prior year encumbrances appropriated	1	1	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Title III Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 24,834	\$ 24,834	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	23,917	23,774	143
Net change in fund balance	917	1,060	143
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 917</u>	<u>\$ 1,060</u>	<u>\$ 143</u>

**Title I Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 320,590	\$ 320,590	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Student intervention services	61,110	35,256	25,854
Other	288,102	278,747	9,355
Support services:			
Instructional staff	1,026	1,026	-
Total expenditures	350,238	315,029	35,209
Net change in fund balance	(29,648)	5,561	35,209
Fund balance at beginning of year	2,686	2,686	-
Fund balance at end of year	<u>\$ (26,962)</u>	<u>\$ 8,247</u>	<u>\$ 35,209</u>

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**EHA Preschool Grant Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 21,205	\$ 21,205	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	21,049	21,012	37
Net change in fund balance	156	193	37
Fund balance at beginning of year	705	705	-
Fund balance at end of year	\$ 861	\$ 898	\$ 37

**Improving Teacher Quality Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 97,437	\$ 97,437	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	104,552	96,340	8,212
Net change in fund balance	(7,115)	1,097	8,212
Fund balance at beginning of year	2,712	2,712	-
Fund balance at end of year	\$ (4,403)	\$ 3,809	\$ 8,212

**Twinsburg City School District**  
**Schedule of Revenues, Expenditures and Changes in**  
**Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Building Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	93,297	93,297	-
Fund balance at end of year	<u>\$ 93,297</u>	<u>\$ 93,297</u>	<u>\$ -</u>

**Replacement Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Rent	\$ 10,000	\$ 6,800	(3,200)
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	10,000	6,800	(3,200)
Fund balance at beginning of year	87,978	87,978	-
Fund balance at end of year	<u>\$ 97,978</u>	<u>\$ 94,778</u>	<u>\$ (3,200)</u>

## **Internal Service Fund**

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

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## **Fiduciary Funds**

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

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

**Twinsburg City School District**  
**Schedule of Revenues, Expenses**  
**and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Employee Benefits Self Insurance Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenses:</u>			
Total expenses	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	340,318	340,318	-
Fund balance at end of year	<u>\$ 340,318</u>	<u>\$ 340,318</u>	<u>\$ -</u>



***Twinsburg City School District***  
**Schedule of Revenues, Expenses**  
**and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**For the Fiscal Year Ended June 30, 2013**

**Scholarships Private Purpose Trust Fund**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 18	\$ 20	\$ 2
<u>Expenses:</u>			
Current:			
Payments in accordance with trust agreements	2,500	2,500	-
Net change in fund balance	(2,482)	(2,480)	2
Fund balance at beginning of year	21,915	21,915	-
Fund balance at end of year	<u>\$ 19,433</u>	<u>\$ 19,435</u>	<u>\$ 2</u>

***Twinsburg City School District***  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Fiscal Year Ended June 30, 2013**

	Beginning Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2013</u>
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 303,429	\$ 391,219	\$ 364,750	\$ 329,898
Accounts receivable	1,617	-	1,617	-
Total assets	<u>\$ 305,046</u>	<u>\$ 391,219</u>	<u>\$ 366,367</u>	<u>\$ 329,898</u>
<u>Liabilities:</u>				
Accounts payable	\$ 1,417	\$ 6,064	\$ 1,417	\$ 6,064
Due to students	303,629	392,636	372,431	323,834
Total liabilities	<u>\$ 305,046</u>	<u>\$ 398,700</u>	<u>\$ 373,848</u>	<u>\$ 329,898</u>

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## STATISTICAL SECTION



## Statistical Section

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

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	<b>S2 - S13</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source.	<b>S14 - S18</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	<b>S19 - S23</b>
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	<b>S24 - S25</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	<b>S26 - S31</b>

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

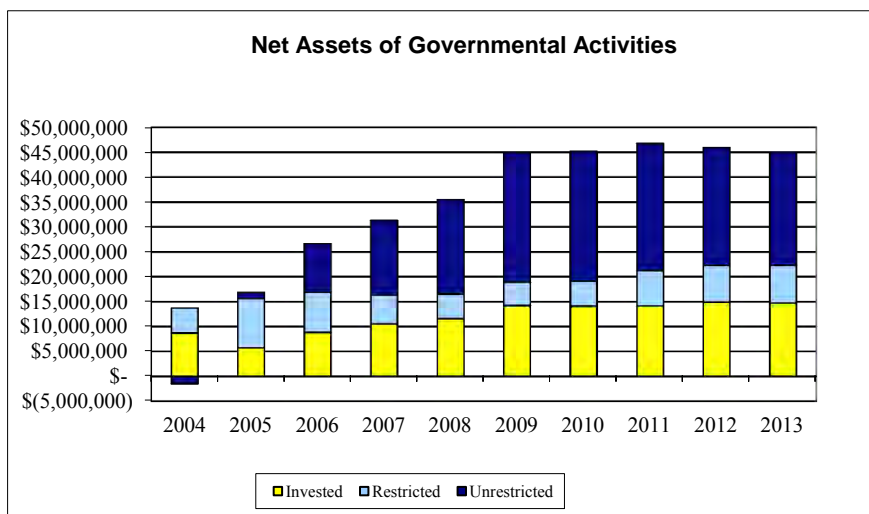
**Twinsburg City School District**

**Net Position by Component (1)**

**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Net investment in capital assets	\$ 8,699,470	\$ 5,739,310	\$ 8,833,951	\$ 10,544,221	\$ 11,581,201
Restricted for:					
Capital projects	2,398,200	7,175,574	4,910,255	2,565,410	1,843,593
Debt service	1,560,760	1,555,934	2,047,762	1,975,458	1,704,913
Permanent fund - scholarships					
Expendable	9,693	9,065	7,783	7,710	6,886
Nonexpendable	10,000	10,000	10,000	10,000	10,000
Food services	-	-	-	-	-
School supplies	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Adult education	-	-	-	-	-
Community services	-	-	-	-	-
Other purposes	1,036,264	1,094,641	1,116,440	1,248,093	1,386,655
Unrestricted (deficit)	(1,455,859)	1,223,847	9,727,433	14,969,270	18,888,251
<b>Total net position</b>	<u>\$ 12,258,528</u>	<u>\$ 16,808,371</u>	<u>\$ 26,653,624</u>	<u>\$ 31,320,162</u>	<u>\$ 35,421,499</u>

(1) Accrual basis of accounting.



<u>Restated</u> <u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Restated</u> <u>2012</u>	<u>2013</u>
\$ 14,221,195	\$ 14,090,880	\$ 14,128,078	\$ 14,909,061	\$ 14,716,989
2,913,343	3,313,853	4,602,751	5,573,709	6,025,272
1,622,479	1,518,941	2,290,640	1,546,770	1,365,517
-	-	-	-	-
-	-	-	-	-
129,238	24,711	-	22,654	-
13,500	14,748	-	-	-
106,638	93,677	128,059	148,588	131,756
112,569	118,313	-	-	-
855,680	824,594	-	-	-
138,290	204,056	73,443	67,175	56,314
<u>26,027,480</u>	<u>26,036,007</u>	<u>25,506,956</u>	<u>23,639,080</u>	<u>22,755,563</u>
<u>\$ 46,140,412</u>	<u>\$ 46,239,780</u>	<u>\$ 46,729,927</u>	<u>\$ 45,907,037</u>	<u>\$ 45,051,411</u>

**Twinsburg City School District**

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

**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>					
Regular instruction	\$ 17,817,167	\$ 18,889,350	\$ 18,811,120	\$ 19,972,785	\$ 19,390,041
Special instruction	2,450,839	2,358,481	2,654,746	2,762,997	2,977,965
Vocational instruction	229,257	243,860	242,618	254,634	292,318
Student intervention services	-	-	-	-	-
Other	-	-	70,292	68,973	75,275
Pupil support	2,692,062	2,817,449	2,872,792	2,920,267	3,143,887
Instructional staff support	993,063	1,098,918	1,014,004	916,284	1,020,310
Board of education	233,491	336,239	300,089	284,542	211,097
Administration	2,554,777	2,498,448	2,590,753	2,746,732	3,124,015
Fiscal	641,556	847,489	879,079	996,254	890,809
Business	101,566	88,252	82,509	119,632	128,518
Operation and maintenance of plant	4,607,766	3,849,243	4,807,732	4,710,038	5,228,770
Pupil transportation	1,811,668	1,735,569	2,066,262	2,102,712	2,609,477
Central	1,005,290	874,937	1,130,148	971,967	849,936
Operation of non-instructional services	64,444	96,340	73,261	76,297	30,219
Operation of food services	1,185,271	1,226,028	1,247,386	1,231,117	1,323,671
Extracurricular activities	999,200	1,022,754	1,054,860	1,050,443	1,233,531
Interest and fiscal charges	4,612,660	1,597,174	1,879,502	2,057,265	2,196,339
<b>Total expenses</b>	<b>\$ 42,000,077</b>	<b>\$ 39,580,531</b>	<b>\$ 41,777,153</b>	<b>\$ 43,242,939</b>	<b>\$ 44,726,178</b>

**Program Revenues**

<b>Charges for services:</b>					
Regular instruction	\$ 30,583	\$ 23,695	\$ 107,032	\$ 243,624	\$ 46,178
Special instruction	-	-	-	11,092	9,670
Adult/continuing	5,448	2,517	6,050	6,688	5,850
Student intervention services instruction	-	-	-	-	-
Other instruction	-	-	-	-	3,064
Pupil support	266,380	223,423	197,492	228,765	225,049
Administration	-	15,236	17,685	12,400	22,794
Business	-	-	-	30,606	-
Operation and maintenance of plant	-	37,922	17,685	98,670	93,396
Pupil transportation	-	-	2,966	-	5,100
Central	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-
Operation of food service	836,247	885,118	975,207	947,394	977,952
Extracurricular activities	247,288	320,195	378,607	313,115	402,220
<b>Operating grants and contributions:</b>					
Regular instruction	268,402	411,902	140,669	134,579	149,878
Special instruction	479,810	664,605	578,743	515,561	275,627
Adult/continuing	704	539	-	-	-
Student intervention services instruction	-	-	-	-	-
Other instruction	-	-	78,123	80,550	58,765
Pupil support	111,754	47,550	194,761	212,196	337,945
Instructional staff support	168,323	73,819	254,449	158,868	185,942
Board of education	-	-	-	-	-
Administration	24,189	1,308	67,379	114,033	138,530
Operation and maintenance of plant	3,069	3,609	-	-	-
Central	-	-	-	-	-
Operation of non-instructional services	93,211	81,623	83,876	77,296	132
Operation of food services	241,626	257,624	282,268	292,289	321,291
Extracurricular activities	-	5,588	1,463	30,148	-



Restated <u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 21,234,913	\$ 21,964,455	\$ 22,565,253	\$ 22,319,458	\$ 22,000,065
3,183,358	2,962,910	2,879,214	3,230,989	3,071,338
316,696	302,980	227,431	198,687	114,721
-	61,741	70,895	67,693	133,387
51,478	-	319,268	390,852	295,566
3,365,863	2,697,561	2,776,729	2,703,374	2,377,141
1,044,498	2,620,750	2,649,453	2,074,706	1,620,694
260,220	339,020	291,636	384,137	374,348
3,235,878	3,274,612	3,405,245	3,176,089	2,945,174
1,135,987	1,125,999	1,137,742	1,106,318	1,204,727
85,888	97,471	95,686	131,066	104,712
4,759,477	5,011,765	4,282,262	3,955,087	3,887,992
2,800,049	2,885,379	3,057,280	2,904,778	2,809,153
887,039	994,783	992,250	910,173	1,241,916
-	2,056	2,547	1,918	2,676
1,406,453	1,467,504	1,365,418	1,292,913	1,216,009
1,326,623	1,292,277	1,341,620	1,308,438	1,247,144
1,428,004	1,149,754	1,100,034	856,912	751,999
<u>\$ 46,522,424</u>	<u>\$ 48,251,017</u>	<u>\$ 48,559,963</u>	<u>\$ 47,013,588</u>	<u>\$ 45,398,762</u>

\$ 410,805	\$ 399,344	\$ 654,706	\$ 618,977	\$ 545,321
7,400	10,566	9,095	98,282	244,875
8,369	5,744	5,075	-	-
-	9,351	5,669	7,253	417
2,402	-	-	-	-
259,129	224,640	236,514	377,523	202,309
26,611	23,254	24,522	24,603	33,523
-	-	-	-	-
125,661	91,666	65,666	61,845	87,575
7,200	8,333	6,200	4,761	6,800
-	867	-	-	-
-	-	-	-	2,510
972,076	912,706	856,883	848,940	684,692
313,768	389,844	438,230	375,706	436,589
137,787	120,473	129,870	123,358	116,711
579,941	835,603	398,902	180,160	317,261
-	-	-	-	-
-	28,127	54,342	54,558	56,658
53,093	-	294,137	405,787	301,741
258,800	359,237	522,726	442,338	190,185
110,327	448,062	487,864	110,297	73,806
-	116,517	101,518	-	-
122,069	123,261	126,984	123,467	93,093
2,254	-	-	-	-
-	11,228	13,267	9,000	9,000
-	2,063	-	-	-
353,476	391,801	422,610	424,383	453,780
3,000	-	-	-	-

(continued)

**Twinsburg City School District**

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

**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Capital grants and contributions:					
Regular instruction	-	-	2,000	-	-
Pupil transportation	19,610	22,119	18,634	-	22,220
<i>Total program revenues</i>	<u>\$ 2,796,644</u>	<u>\$ 3,078,392</u>	<u>\$ 3,405,089</u>	<u>\$ 3,507,874</u>	<u>\$ 3,281,603</u>
Net expense	<u>\$ (39,203,433)</u>	<u>\$ (36,502,139)</u>	<u>\$ (38,372,064)</u>	<u>\$ (39,735,065)</u>	<u>\$ (41,444,575)</u>
<b>General revenues</b>					
Property taxes levied for:					
General purposes	\$ 26,589,045	\$ 28,225,106	\$ 33,982,118	\$ 28,464,999	\$ 27,821,725
Debt service	2,724,649	4,571,337	5,652,231	3,800,882	3,434,754
Capital outlay	1,836,802	1,941,794	1,049,659	444,431	803,376
Grants and entitlements not restricted to specific programs	5,299,112	5,891,092	6,478,610	10,219,989	12,112,533
Payment in lieu taxes	118,004	36,233	113,531	77,803	97,402
Investment earnings	107,146	315,863	862,930	1,348,505	1,155,273
Miscellaneous	98,302	70,557	78,238	44,994	120,849
<i>Total general revenues</i>	<u>\$ 36,773,060</u>	<u>\$ 41,051,982</u>	<u>\$ 48,217,317</u>	<u>\$ 44,401,603</u>	<u>\$ 45,545,912</u>
<i>Change in net position</i>	<u>\$ (2,430,373)</u>	<u>\$ 4,549,843</u>	<u>\$ 9,845,253</u>	<u>\$ 4,666,538</u>	<u>\$ 4,101,337</u>

(1) Accrual basis of accounting.

Restated <u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
-	-	-	-	-
45,457	3,638	-	-	-
<u>\$ 3,799,625</u>	<u>\$ 4,516,325</u>	<u>\$ 4,854,780</u>	<u>\$ 4,291,238</u>	<u>\$ 3,856,846</u>
<u>\$ (42,722,799)</u>	<u>\$ (43,734,692)</u>	<u>\$ (43,705,183)</u>	<u>\$ (42,722,350)</u>	<u>\$ (41,541,916)</u>
\$ 32,990,871	\$ 23,959,198	\$ 24,565,437	\$ 23,483,020	\$ 23,114,175
3,380,229	2,241,073	2,069,686	1,894,214	1,648,599
1,724,166	1,606,944	1,659,029	1,609,440	1,451,552
14,938,516	15,735,651	15,764,529	14,813,873	14,335,878
50,261	187,451	-	96,607	63,290
313,861	68,720	59,960	34,627	35,871
43,808	35,023	76,689	97,604	36,925
<u>\$ 53,441,712</u>	<u>\$ 43,834,060</u>	<u>\$ 44,195,330</u>	<u>\$ 42,029,385</u>	<u>\$ 40,686,290</u>
<u>\$ 10,718,913</u>	<u>\$ 99,368</u>	<u>\$ 490,147</u>	<u>\$ (692,965)</u>	<u>\$ (855,626)</u>

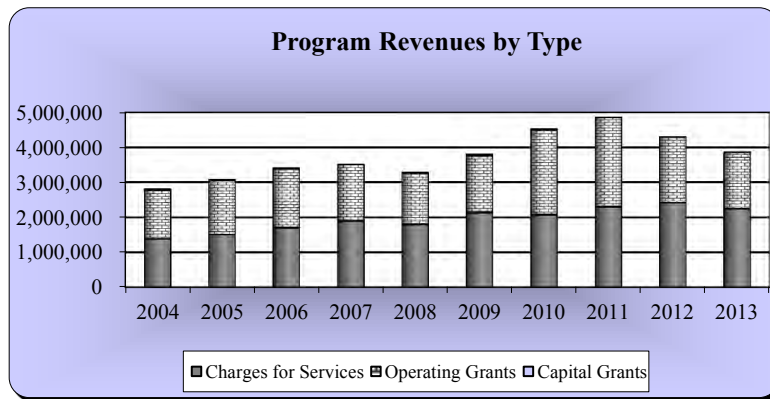
**Twinsburg City School District**

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

**Last Ten Fiscal Years**

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

(1) Accrual basis of accounting.



<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 548,592	\$ 519,817	\$ 784,576	\$ 742,335	\$ 662,032
587,341	846,169	407,997	278,442	562,136
8,369	5,744	5,075	-	-
-	37,478	60,011	61,811	57,075
55,495	-	294,137	405,787	301,741
517,929	583,877	759,240	819,861	392,494
110,327	448,062	487,864	110,297	73,806
-	116,517	101,518	-	-
148,680	146,515	151,506	148,070	126,616
-	-	-	-	-
127,915	91,666	65,666	61,845	87,575
52,657	11,971	6,200	4,761	6,800
-	12,095	13,267	9,000	9,000
-	2,063	-	-	2,510
1,325,552	1,304,507	1,279,493	1,273,323	1,138,472
316,768	389,844	438,230	375,706	436,589
<u>\$ 3,799,625</u>	<u>\$ 4,516,325</u>	<u>\$ 4,854,780</u>	<u>\$ 4,291,238</u>	<u>\$ 3,856,846</u>

**Twinsburg City School District**

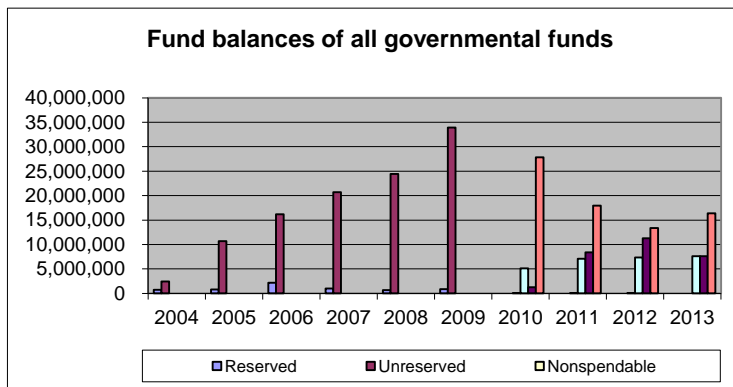
**Fund Balances, Governmental Funds (1)**

**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Reserved	368,704	524,590	826,510	438,531	363,354
Unreserved	<u>(2,140,213)</u>	<u>1,243,286</u>	<u>9,426,710</u>	<u>15,371,908</u>	<u>19,627,307</u>
<i>Total general fund</i>	<u>(1,771,509)</u>	<u>1,767,876</u>	<u>10,253,220</u>	<u>15,810,439</u>	<u>19,990,661</u>
All other governmental funds					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Reserved	353,557	286,549	1,353,096	564,043	326,056
Unreserved, undesignated, Reported in:					
Special revenue funds	888,378	940,370	1,022,396	1,194,503	1,246,070
Debt service funds	1,638,808	1,531,064	2,139,079	2,095,350	1,946,772
Capital projects funds	2,046,945	6,924,694	3,607,254	2,041,798	1,576,918
Permanent funds	<u>19,693</u>	<u>19,065</u>	<u>17,783</u>	<u>17,710</u>	<u>16,886</u>
Total all other governmental funds	<u>4,947,381</u>	<u>9,701,742</u>	<u>8,139,608</u>	<u>5,913,404</u>	<u>5,112,702</u>
<i>Total governmental funds</i>	<u>\$ 3,175,872</u>	<u>\$ 11,469,618</u>	<u>\$ 18,392,828</u>	<u>\$ 21,723,843</u>	<u>\$ 25,103,363</u>

(1) Modified accrual basis of accounting.

(2) The School District Implemented GASB 54 in fiscal year 2011.



Restated <u>2009</u>	Restated <u>2010</u>	<u>2011 (2)</u>	<u>2012</u>	<u>2013</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,242,903	8,398,103	11,251,798	7,625,557
-	28,158,134	18,018,387	13,457,929	16,474,481
389,987	-	-	-	-
28,333,950	-	-	-	-
<u>28,723,937</u>	<u>29,401,037</u>	<u>26,416,490</u>	<u>24,709,727</u>	<u>24,100,038</u>
-	35,867	66,194	50,145	-
-	5,139,012	7,084,312	7,323,157	7,588,629
-	-	-	-	-
-	(312,145)	(52,073)	(80,613)	(124,738)
481,427	-	-	-	-
1,332,610	-	-	-	-
1,812,530	-	-	-	-
2,450,853	-	-	-	-
-	-	-	-	-
<u>6,077,420</u>	<u>4,862,734</u>	<u>7,098,433</u>	<u>7,292,689</u>	<u>7,463,891</u>
<u>\$ 34,801,357</u>	<u>\$ 34,263,771</u>	<u>\$ 33,514,923</u>	<u>\$ 32,002,416</u>	<u>\$ 31,563,929</u>

**Twinsburg City School District**

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

**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>										
Property and other local taxes	\$ 31,096,530	\$ 34,957,711	\$ 40,918,315	\$ 32,913,730	\$ 32,112,894	\$ 38,097,326	\$ 27,763,472	\$ 28,007,105	\$ 27,128,145	\$ 26,404,695
Intergovernmental	6,714,708	7,464,645	8,193,032	11,784,415	13,484,609	16,651,368	18,005,049	18,455,628	16,632,397	15,897,634
Interest	108,457	320,728	874,314	1,366,841	1,166,797	317,097	69,253	63,300	39,057	36,060
Tuition and fees	288,670	302,215	417,627	543,853	384,273	732,800	728,296	782,171	1,008,564	1,082,238
Extracurricular activities	247,290	320,196	319,657	312,170	340,407	313,039	341,481	377,144	375,584	436,589
Contributions and donations	8,686	27,634	8,300	14,500	33,542	21,329	7,800	14,500	25,424	18,275
Charges for services	836,247	885,119	975,207	947,393	977,951	972,076	912,706	853,213	846,636	684,692
Rentals	49,416	44,669	57,190	105,358	76,148	107,377	84,769	51,260	51,318	71,665
Payment in lieu of taxes	118,004	36,233	113,531	77,803	97,402	50,261	187,451	-	96,607	63,290
Miscellaneous	50,270	32,575	42,379	67,034	133,095	52,190	44,085	84,311	115,791	45,554
<i>Total revenues</i>	<u>39,518,278</u>	<u>44,391,725</u>	<u>51,919,552</u>	<u>48,133,097</u>	<u>48,807,118</u>	<u>57,314,863</u>	<u>48,144,362</u>	<u>48,688,632</u>	<u>46,319,523</u>	<u>44,740,692</u>
<b>Expenditures</b>										
Current:										
Instruction:										
Regular	16,826,822	17,346,211	17,894,562	18,821,963	18,117,681	20,129,069	20,624,972	21,350,250	21,178,848	20,021,764
Special	2,454,219	2,241,483	2,633,876	2,729,387	2,980,329	3,149,042	2,904,399	2,810,573	3,172,690	3,082,834
Vocational	229,247	232,772	240,854	250,714	289,376	313,378	313,703	224,929	223,833	112,695
Student intervention services	-	-	-	-	-	-	61,741	70,895	67,693	133,387
Other	-	-	70,292	68,973	75,275	51,478	-	319,268	390,852	294,877
Support services:										
Pupil	2,706,200	2,699,572	2,915,820	2,911,298	3,177,159	3,338,524	2,712,163	2,802,849	2,701,530	2,383,821
Instructional staff	777,053	867,334	814,048	715,629	819,080	840,196	2,364,537	2,450,373	1,886,245	1,621,060
Board of education	233,304	336,239	300,089	284,542	211,097	260,220	339,020	291,636	384,137	374,348
Administration	2,422,533	2,250,273	2,424,181	2,561,318	2,947,711	3,005,225	3,150,408	3,225,043	3,011,085	2,947,827
Fiscal	643,321	835,239	876,719	991,253	888,916	1,139,227	1,126,088	1,132,134	1,102,440	1,199,051
Business	101,072	86,201	82,737	118,697	113,089	100,642	96,131	94,966	99,556	127,481
Operation and maintenance										
of plant	4,482,957	3,621,779	4,651,777	4,487,296	4,996,414	4,523,909	4,734,987	3,995,489	3,698,426	3,705,695
Pupil transportation	1,634,833	1,556,796	1,979,804	1,973,752	2,443,990	2,576,379	2,711,926	2,844,935	2,691,596	2,606,306
Central	935,714	784,494	793,281	874,403	750,522	744,582	819,332	812,400	729,061	1,155,137
Operation of non-instructional										
services	64,444	96,340	73,261	76,297	30,219	-	2,056	2,547	1,918	2,676
Operation of food services	1,133,653	1,149,358	1,191,543	1,180,463	1,274,525	1,352,871	1,407,658	1,304,931	1,245,608	1,196,116
Extracurricular activities	888,048	907,041	947,102	940,776	1,122,224	1,201,269	1,159,361	1,206,277	1,191,840	1,162,813
Capital outlay	357,360	650,693	2,675,045	1,265,914	655,843	820,729	611,143	2,787,577	406,929	219,633

(continued)



**Twinsburg City School District**

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

**Last Ten Fiscal Years**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt service:										
Principal retirement	1,906,000	2,525,000	3,213,496	2,975,575	2,968,507	3,399,993	2,380,804	3,101,765	2,542,394	1,827,191
Interest and fiscal charges	1,257,143	1,535,650	1,462,448	1,573,832	1,565,641	1,129,913	1,161,519	1,200,823	1,105,349	1,004,467
Issuance costs	413,907	-	-	-	-	-	-	-	-	-
<i>Total expenditures</i>	<u>39,467,830</u>	<u>39,722,475</u>	<u>45,240,935</u>	<u>44,802,082</u>	<u>45,427,598</u>	<u>48,076,646</u>	<u>48,681,948</u>	<u>52,029,660</u>	<u>47,832,030</u>	<u>45,179,179</u>
<i>Excess of revenues over (under) expenditures</i>	<u>50,448</u>	<u>4,669,250</u>	<u>6,678,617</u>	<u>3,331,015</u>	<u>3,379,520</u>	<u>9,238,217</u>	<u>(537,586)</u>	<u>(3,341,028)</u>	<u>(1,512,507)</u>	<u>(438,487)</u>
<b>Other financing sources (uses)</b>										
Inception of capital lease	-	-	244,593	-	-	476,349	-	-	-	-
General obligation bonds issued	364,729	-	-	-	-	-	-	2,592,180	-	-
Proceeds of refunding bonds	27,809,925	-	-	-	-	-	-	-	-	-
Proceeds of notes	-	4,000,000	-	-	-	-	-	-	-	-
Premium on debt issuance	4,141,671	-	-	-	-	-	-	-	-	-
Discount on debt issuance	(25,024)	-	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	(31,400,646)	-	-	-	-	-	-	-	-	-
Transfers in	29,294	6,124	2,600	800,000	1,007	-	-	2,008,130	-	-
Transfers out	(29,294)	(6,124)	(2,600)	(800,000)	(1,007)	-	-	(2,008,130)	-	-
<i>Total other financing sources (uses)</i>	<u>890,655</u>	<u>4,000,000</u>	<u>244,593</u>	<u>-</u>	<u>-</u>	<u>476,349</u>	<u>-</u>	<u>2,592,180</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ 941,103</u>	<u>\$ 8,669,250</u>	<u>\$ 6,923,210</u>	<u>\$ 3,331,015</u>	<u>\$ 3,379,520</u>	<u>\$ 9,714,566</u>	<u>\$ (537,586)</u>	<u>\$ (748,848)</u>	<u>\$ (1,512,507)</u>	<u>\$ (438,487)</u>
Debt service as a percentage of noncapital expenditures	9.1%	10.4%	11.0%	10.4%	10.1%	9.6%	7.4%	8.7%	7.7%	6.3%

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(1) Modified accrual basis of accounting.

Note: Governmental Funds includes general, debt service, special revenue, capital projects and permanent funds.

## Twinsburg City School District

### Assessed and Estimated Actual Value of Taxable Property

#### Last Ten Collection Years

Collection Year	Real Property			Tangible Personal Property Public Utility		Tangible Personal Property General Business		Total			Total Direct Tax Rate
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
	Residential/ Agricultural	Commercial/ Industrial/PU									
2004	\$ 456,766,720	\$ 198,619,190	\$ 1,872,531,171	\$ 15,165,980	\$ 17,234,068	\$ 190,605,189	\$ 762,420,756	\$ 861,157,079	\$ 2,652,185,996	32.47%	58.35
2005	475,979,920	204,627,250	1,944,591,914	15,270,700	17,353,068	180,390,229	721,560,916	876,268,099	2,683,505,898	32.65%	63.33
2006	530,347,920	215,240,090	2,130,251,457	17,352,370	19,718,602	140,072,213	747,051,803	903,012,593	2,897,021,862	31.17%	63.05
2007	550,288,570	219,121,380	2,198,314,143	14,401,680	16,365,545	94,310,155	754,481,240	878,121,785	2,969,160,928	29.57%	58.02
2008	563,154,630	222,756,950	2,245,461,657	11,546,480	13,121,000	46,565,793	74,505,269	844,023,853	2,333,087,926	36.18%	61.45
2009	583,328,830	250,721,040	2,382,999,629	12,279,780	13,954,295	1,637,876	2,620,602	847,967,526	2,399,574,526	35.34%	61.29
2010	587,973,030	248,945,910	2,391,196,971	12,965,370	14,733,375	800,870	1,281,392	850,685,180	2,407,211,738	35.34%	60.90
2011	590,734,210	251,321,590	2,405,873,714	13,697,530	15,565,375	-	-	855,753,330	2,421,439,089	35.34%	60.45
2012	552,207,870	213,749,370	2,188,449,257	14,371,670	16,331,443	-	-	780,328,910	2,204,780,700	35.39%	61.53
2013	555,860,160	207,391,480	2,180,718,971	15,708,750	17,850,852	-	-	778,960,390	2,198,569,824	35.43%	66.31

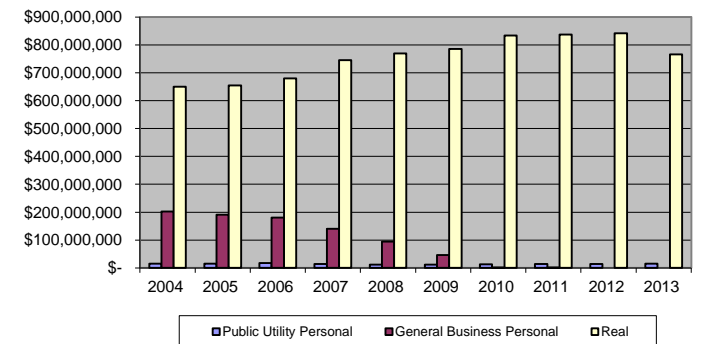
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Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property including public utility real property is 35% of estimated true value. The assessed value of public utility personal property ranges from 25% of true value for railroad property to 88% for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25% for machinery and equipment. General business inventory tangible personal property tax was being phased out beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was in 2010).

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

**Assessed Value of Taxable Property**



Source: Summit County Fiscal Officer.

**Twinsburg City School District**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Collection Years**

Collection Year		Direct Rates				Overlapping Rates						Total
		Operating Millage	Improvement Millage	Service Millage	School District	City, Township, or Village	Valley JVSD	Twinsburg Library	County of Summit	Metro Parks		
2013	Macedonia City	61.00	2.75	2.56	66.31	8.90	2.00	2.00	12.70	1.46	93.37	
	Twinsburg Twp	61.00	2.75	2.56	66.31	14.61	2.00	2.00	12.70	1.46	99.08	
	Twinsburg City	61.00	2.75	2.56	66.31	2.14	2.00	2.00	12.70	-	85.15	
	Reminderville Village	61.00	2.75	2.56	66.31	5.20	2.00	2.00	12.70	1.46	89.67	
2012	Macedonia City	44.83	2.75	13.95	61.53	8.90	2.00	2.00	12.70	1.46	88.59	
	Twinsburg Twp	44.83	2.75	13.95	61.53	14.61	2.00	2.00	12.70	1.46	94.30	
	Twinsburg City	44.83	2.75	13.95	61.53	2.10	2.00	2.00	12.70	-	80.33	
	Reminderville Village	44.83	2.75	13.95	61.53	5.20	2.00	2.00	12.70	1.46	84.89	
2011	Macedonia City	44.33	2.75	13.37	60.45	8.90	2.00	2.00	12.70	1.46	87.51	
	Twinsburg Twp	44.33	2.75	13.37	60.45	12.86	2.00	2.00	12.70	1.46	91.47	
	Twinsburg City	44.33	2.75	13.37	60.45	1.70	2.00	2.00	12.70	-	78.85	
	Reminderville Village	44.33	2.75	13.37	60.45	5.20	2.00	2.00	12.70	1.46	83.81	
2010	Macedonia City	55.35	2.75	2.80	60.90	8.90	2.00	2.00	12.70	1.46	87.96	
	Twinsburg Twp	55.35	2.75	2.80	60.90	12.86	2.00	2.00	12.70	1.46	91.92	
	Twinsburg City	55.35	2.75	2.80	60.90	1.70	2.00	2.00	12.70	-	79.30	
	Reminderville Village	55.35	2.75	2.80	60.90	5.20	2.00	2.00	12.70	1.46	84.26	
2009	Macedonia City	55.37	2.75	3.17	61.29	8.90	2.00	2.00	12.70	1.46	88.35	
	Twinsburg Twp	55.37	2.75	3.17	61.29	12.86	2.00	2.00	12.70	1.46	92.31	
	Twinsburg City	55.37	2.75	3.17	61.29	1.95	2.00	2.00	12.70	-	79.94	
	Reminderville Village	55.37	2.75	3.17	61.29	5.20	2.00	2.00	12.70	1.46	84.65	
2008	Macedonia City	55.42	2.75	3.28	61.45	8.70	2.00	1.00	12.80	1.46	87.41	
	Twinsburg Twp	55.42	2.75	3.28	61.45	12.86	2.00	1.00	12.80	1.46	91.57	
	Twinsburg City	55.42	2.75	3.28	61.45	1.93	2.00	1.00	12.80	-	79.18	
	Reminderville Village	55.42	2.75	3.28	61.45	5.20	2.00	1.00	12.80	1.46	83.91	
2007	Macedonia City	53.21	2.75	2.06	58.02	8.70	2.00	1.00	13.11	1.46	84.29	
	Twinsburg Twp	53.21	2.75	2.06	58.02	12.86	2.00	1.00	13.11	1.46	88.45	
	Twinsburg City	53.21	2.75	2.06	58.02	1.53	2.00	1.00	13.11	-	75.66	
	Reminderville Village	53.21	2.75	2.06	58.02	5.20	2.00	1.00	13.11	1.46	80.79	
2006	Macedonia City	56.58	2.75	3.72	63.05	8.70	2.00	1.00	13.07	-	87.82	
	Twinsburg Twp	56.58	2.75	3.72	63.05	12.86	2.00	1.00	13.07	-	91.98	
	Twinsburg City	56.58	2.75	3.72	63.05	1.82	2.00	1.00	12.22	-	80.09	
	Reminderville Village	56.58	2.75	3.72	63.05	5.20	2.00	1.00	13.07	-	84.32	
2005	Macedonia City	56.76	2.75	3.82	63.33	8.70	2.00	1.00	12.22	0.85	88.10	
	Twinsburg Twp	56.76	2.75	3.82	63.33	12.86	2.00	1.00	12.22	0.85	92.26	
	Twinsburg City	56.76	2.75	3.82	63.33	1.82	2.00	1.00	12.22	-	80.37	
	Reminderville Village	56.76	2.75	3.82	63.33	5.20	2.00	1.00	12.22	0.85	84.60	
2004	Macedonia City	51.83	2.75	3.77	58.35	8.70	2.00	1.00	12.22	0.85	83.12	
	Twinsburg Twp	51.83	2.75	3.77	58.35	12.86	2.00	1.00	12.22	0.85	87.28	
	Twinsburg City	51.83	2.75	3.77	58.35	2.22	2.00	1.00	12.22	-	75.79	
	Reminderville Village	51.83	2.75	3.77	58.35	5.20	2.00	1.00	12.22	0.85	79.62	

Source: Summit County Fiscal Officer.

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

**Twinsburg City School District**  
**Property Tax Levies and Collections (1)**  
**Last Ten Collection Years**

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (2)	Total Tax Collections (3)	Percent of Total Tax Collections to Current Tax Levy (3)
2004	\$34,714,937	\$ 33,193,112	95.62	\$ 974,659	\$ 34,167,771	98.42%
2005	39,597,587	38,230,175	96.55	1,572,222	39,802,397	100.52
2006	38,490,735	37,430,246	97.24	3,271,344	40,701,590	105.74
2007	31,617,656	30,557,630	96.65	1,179,985	31,737,615	100.38
2008	32,311,745	31,000,995	95.94	1,979,376	32,980,371	102.07
2009	30,637,701	29,295,694	95.62	8,656,793	37,952,487	123.88
2010	30,405,915	29,332,444	96.47	1,137,379	30,469,823	100.21
2011	30,262,067	28,710,672	94.87	1,140,964	29,851,636	98.64
2012	30,011,730	28,939,904	96.43	1,631,939	30,571,843	101.87
2013	33,957,463	32,951,558	97.04	1,005,904	33,957,462	100.00

**Source:** Summit County Fiscal Officer.

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The County does not identify delinquent tax collections by tax year.
- (3) Total tax collections includes penalty charges and interest on delinquent collections. These amounts cannot be separated because that is the manner in which the information is maintained by the County Fiscal Officer.

**Twinsburg City School District**

**Principal Taxpayers**

**Real Estate Tax**

**2012 and 2005 (1)**

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2012</u>	
		<u>Rank</u>	<u>Percent of Real Property Assessed Value</u>
Deer Run Apartments Limited	\$ 6,909,550	1	0.91%
Twinsburg Residential Associates	5,512,500	2	0.72%
Aveni-Twinsburg I LTD	4,036,150	3	0.53%
Pepsi Cola General Bottlers of Ohio, Inc.	3,110,640	4	0.41%
Apple Nine Hospitality Ownership, Inc.	3,099,770	5	0.41%
Twinsville Associates	3,089,810	6	0.40%
Twinsburg Equities Group LLC	3,046,190	7	0.40%
USF Propco I LLC	2,798,770	8	0.37%
KP Twinsburg LTD & Arm Holding IV LTD	2,514,480	9	0.33%
Pebble Creek Apartments I LLC	2,410,020	10	0.32%
<b>Totals</b>	<b>\$ 36,527,880</b>		<b>4.79%</b>
<b>Total assessed valuation</b>	<b>\$ 763,251,640</b>		

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2005 (2)</u>	
		<u>Rank</u>	<u>Percent of Real Property Assessed Value</u>
Chrysler Corporation	\$ 10,675,660	1	1.57%
Deer Run Apartments Limited	7,699,900	2	1.13%
RSV Twinsburg Hotel LTD	3,943,620	3	0.58%
Twinsburg Residential Associates	3,525,970	4	0.52%
Twinsville Associates	3,453,710	5	0.51%
Twinsburg Equities Group LLC	3,324,170	6	0.49%
Arm Holding LTD & Twinsburg Town Cntr	3,250,100	7	0.48%
Coca Cola Bottling Company	2,928,390	8	0.43%
Alliant Foodservice Inc.	2,852,630	9	0.42%
Pebble Creek Apts.	2,763,900	10	0.41%
<b>Totals</b>	<b>\$ 44,418,050</b>		<b>6.53%</b>
<b>Total assessed valuation</b>	<b>\$ 680,607,170</b>		

**Source:** Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2012 and 2005 collections were based.

(2) Information prior to 2005 is not available.

**Twinsburg City School District**

**Principal Taxpayers**

**Public Utilities Tax**

**2012 and 2005 (1)**

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2012</u>	
		<u>Rank</u>	<u>Percent of Public Utility Assessed Value</u>
Ohio Edison	\$ 12,003,060	1	76.41%
East Ohio Gas	2,032,140	2	12.94%
American Transmission	1,198,940	3	7.63%
Cleveland Electric Illuminating	463,240	4	2.95%
<b>Totals</b>	<b>\$ 15,697,380</b>		<b>99.47%</b>
<b>Total assessed valuation</b>	<b>\$ 15,708,750</b>		

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2005 (2)</u>	
		<u>Rank</u>	<u>Percent of Public Utility Assessed Value</u>
Ohio Edison	\$ 8,268,600	1	54.15%
Western Reserve Telephone	2,606,070	2	17.07%
American Transmission	1,219,040	3	7.98%
East Ohio Gas	1,112,210	4	7.28%
New Cingular Wireless	207,380	5	1.36%
<b>Totals</b>	<b>\$ 13,413,300</b>		<b>87.84%</b>
<b>Total assessed valuation</b>	<b>\$ 15,270,700</b>		

**Source:** Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2012 and 2005 collections were based.

(2) Information prior to 2005 is not available.

**Twinsburg City School District**

**Ratio of Outstanding Debt By Type**

**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Notes Payable	Capital Leases			
2004	\$ 36,655,125	\$ 1,189,000	\$ -	37,844,125	6.41%	\$ 1,231.50
2005	34,344,324	5,124,000	-	39,468,324	6.20%	1,284.36
2006	32,510,312	4,057,000	218,097	36,785,409	5.40%	1,197.05
2007	31,099,005	2,988,000	172,653	34,259,658	4.70%	1,114.86
2008	29,722,159	1,916,000	124,993	31,763,152	4.03%	1,033.62
2009	27,833,985	841,000	476,349	29,151,334	3.76%	948.63
2010	25,715,097	763,000	403,545	26,881,642	3.64%	874.77
2011	25,908,974	-	324,780	26,233,754	3.30%	1,086.87
2012	23,185,070	-	239,566	23,424,636	n/a	970.49
2013	21,204,884	-	147,375	21,352,259	n/a	884.63

**Source:** School District Financial Records.

**Twinsburg City School District**  
**Ratio of Debt to Assessed Value and Debt per Capita**  
**Last Ten Fiscal Years**

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	General Bonded Debt				
			General Bonded Debt Outstanding	Resources Available to Pay Principal	Net General Bonded Debt	Ratio of Net Bonded Debt to Estimated Actual Value	Net Bonded Debt per Capita
2004	30,730 a	\$ 2,652,185,996	\$ 36,655,125	\$ 1,638,808	\$ 35,016,317	1.32%	\$ 1,139.48
2005	30,730 a	2,683,505,898	34,344,324	1,531,064	32,813,260	1.22%	1,067.79
2006	30,730 a	2,897,021,862	32,510,312	2,139,079	30,371,233	1.05%	988.33
2007	30,730 a	2,969,160,928	31,099,005	2,095,350	29,003,655	0.98%	943.82
2008	30,730 a	2,333,087,926	29,722,159	1,946,772	27,775,387	1.19%	903.85
2009	30,730 a	2,399,574,526	27,833,985	1,812,530	26,021,455	1.08%	846.78
2010	30,730 a	2,407,211,738	25,715,097	1,555,580	24,159,517	1.00%	786.19
2011	24,137 b	2,421,439,089	25,908,974	2,308,469	23,600,505	0.97%	977.77
2012	24,137 b	2,204,780,700	23,185,070	1,559,093	21,625,977	0.98%	895.97
2013	24,137 b	2,198,569,824	21,204,884	1,393,267	19,811,617	0.90%	820.80

**Sources:** (1) U.S. Bureau of Census, Census of Population.  
(a) 2000 Federal Census  
(b) 2010 Federal Census  
(2) Summit County Fiscal Officer



**Twinsburg City School District**  
**Computation of Direct and Overlapping Bonded Debt**  
**June 30, 2013**

Jurisdiction	Net General Tax Supported Debt (1)	Percent Overlapping	Amount Applicable Twinsburg City School District
Direct:			
Twinsburg City School District	\$ 21,352,259	100.00%	\$ 21,352,259
Overlapping:			
City of Twinsburg	10,915,000	100.00%	10,915,000
Twinsburg Township	-	100.00%	-
City of Macedonia	3,432,724	1.40%	48,058
Reminderville Village	1,035,300	86.62%	896,777
Twinsburg Library	-	100.00%	-
Metro Transit	205,000	6.82%	13,981
Cuyahoga Valley JVSD (2)	-	13.45%	-
Muskingum Watershed Conservancy District	-	2.10%	-
Summit Metro Park District	-	1.95%	-
Summit County	48,555,000	6.82%	3,311,451
Total overlapping:	64,143,024		15,185,267
Total direct and overlapping debt:	\$ 85,495,283		\$ 36,537,526

**Sources:** Ohio Municipal Advisory Council.

(1) All debt reported as of December 31, 2012, except for Twinsburg City School District which is reported as of June 30, 2013.

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

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Tax Valuation	<u>\$ 861,157,079</u>	<u>\$ 876,268,099</u>	<u>\$ 745,588,010</u>	<u>\$ 769,409,950</u>	<u>\$ 785,911,580</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>77,504,137</u>	<u>78,864,129</u>	<u>67,102,921</u>	<u>69,246,896</u>	<u>70,732,042</u>
Amount of Debt Applicable to Debt Limit					
General Obligation Bonds	36,655,125	34,344,324	32,510,312	31,099,005	29,722,159
Various Purpose Notes	1,189,000	5,124,000	4,057,000	2,988,000	1,916,000
Less Amount Available in Debt Service	<u>(1,638,808)</u>	<u>(1,531,064)</u>	<u>(2,139,079)</u>	<u>(2,095,350)</u>	<u>(1,946,772)</u>
Amount of Debt Subject to Limit	<u>36,205,317</u>	<u>37,937,260</u>	<u>34,428,233</u>	<u>31,991,655</u>	<u>29,691,387</u>
Legal Debt Margin	<u>\$ 41,298,820</u>	<u>\$ 40,926,869</u>	<u>\$ 32,674,688</u>	<u>\$ 37,255,241</u>	<u>\$ 41,040,655</u>
Legal Debt Margin as a Percentage of the Debt Limit	53.29%	51.90%	48.69%	53.80%	58.02%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 861,157	\$ 876,268	\$ 745,588	\$ 769,410	\$ 785,912
Amount of Debt Subject to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unvoted Legal Debt Margin	<u>\$ 861,157</u>	<u>\$ 876,268</u>	<u>\$ 745,588</u>	<u>\$ 769,410</u>	<u>\$ 785,912</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%	100.00%

**Source:** School District Financial Records.

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

(2) Beginning in fiscal year 2006, HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>\$ 834,049,870</u>	<u>\$ 836,918,940</u>	<u>\$ 842,055,800</u>	<u>\$ 780,328,910</u>	<u>\$ 778,960,390</u>
<u>75,064,488</u>	<u>75,322,705</u>	<u>75,785,022</u>	<u>70,229,602</u>	<u>70,106,435</u>
27,833,985	25,715,097	25,908,974	23,185,070	21,204,884
841,000	763,000	-	-	-
<u>(1,812,530)</u>	<u>(1,555,580)</u>	<u>(2,308,469)</u>	<u>(1,559,093)</u>	<u>(1,393,267)</u>
<u>26,862,455</u>	<u>24,922,517</u>	<u>23,600,505</u>	<u>21,625,977</u>	<u>19,811,617</u>
<u>\$ 48,202,033</u>	<u>\$ 50,400,188</u>	<u>\$ 52,184,517</u>	<u>\$ 48,603,625</u>	<u>\$ 50,294,818</u>
64.21%	66.91%	68.86%	69.21%	71.74%
\$ 834,050	\$ 836,919	\$ 842,056	\$ 780,329	\$ 778,960
-	-	-	-	-
<u>\$ 834,050</u>	<u>\$ 836,919</u>	<u>\$ 842,056</u>	<u>\$ 780,329</u>	<u>\$ 778,960</u>
100.00%	100.00%	100.00%	100.00%	100.00%

**Twinsburg City School District**

**Demographic and Economic Statistics**

**Last Ten Years**

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate (3)</u>
2004	30,730	\$ 636,083,035	\$ 20,699	6.1%
2005	30,730	680,701,468	22,151	5.8%
2006	30,730	729,357,509	23,734	4.9%
2007	30,730	788,881,701	25,671	5.3%
2008	30,730	775,594,752	25,239	6.2%
2009	30,730	738,285,667	24,025	10.5%
2010	30,730	795,867,419	25,899	10.4%
2011	24,137	820,680,954	34,001	8.9%
2012	24,137	n/a	n/a	7.1%
2013	24,137	n/a	n/a	7.1%

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

(2) Ohio Department of Taxation.

(3) U.S. Department of Labor.

**Twinsburg City School District**

**Principal Employers**

**Current Year and Eight Years Ago (1)**

Employer	Nature of Business	2013			2006		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
RGH Enterprises	Medical Supplies	1,000	1	25.03%	-		0.00%
The School District	Education	483	2	12.09%	506	3	10.21%
Rockwell International/Allen Bradley	Programmable controls	440	3	11.01%	600	2	12.11%
CellCo Partnership (Verizon)	Communications provider	401	4	10.04%	-		0.00%
Cleveland Clinic Hospital	Hospital Care Facility	359	5	8.98%	-		0.00%
Windstream	Communications provider	341	6	8.53%	-		0.00%
Goodrich (Saffran)	Electrical Power Systems	268	7	6.71%	-		0.00%
GE Energy	Power Industry	253	8	6.33%	-		0.00%
Pepsi-Cola Bottlers	Soft drink bottling	243	9	6.08%	300	5	6.06%
RX Options	Pharmacy Benefit Managers	208	10	5.21%	-		0.00%
Hitachi Medical	Medical supplies	-		0.00%	383	4	7.73%
Daimler Chrysler Corp	Automotive stamping	-		0.00%	2,000	1	40.37%
Mid-America Packaging	Multi-wall paper packaging	-		0.00%	250	7	5.05%
Wedge Products	Pipe and metal products	-		0.00%	300	6	6.06%
U.S. Food Service	Wholesale food distribution	-		0.00%	250	8	5.05%
The City of Twinsburg	Government	-		0.00%	190	9	3.84%
General Die Casters	Aluminum and zink die castings	-		0.00%	175	10	3.53%
<b>Total</b>		<b>3,996</b>		<b>100.00%</b>	<b>4,954</b>		<b>100.00%</b>

**Source:** The City of Twinsburg

(1) Information prior to 2006 is not available.

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Regular instruction										
Elementary classroom teachers	109	110	117	112	110	110	110	106	102	104
Intermediate classroom teachers	37	37	36	35	35	36	36	36	34	32
High school classroom teachers	55	55	55	60	62	64	67	62	67	62
Special instruction										
Multi handicapped teachers	6	7	12	23	21	21	20	18	16	16
Severe behavior handicapped teachers	5	5	5	5	5	5	5	5	5	5
Developmentally handicapped teachers	4	4	4	4	4	4	4	4	4	4
Specific learning disabled teachers	16	16	14	13	14	12	10	9	9	9
Other	4	5	6	3	4	4	5	5	5	5
Vocational instruction										
High school classroom teachers	3	3	3	3	3	2	2	2	2	1
Pupil support services										
Guidance counselors	10	12	11	11	10	9	9	8	8	7
Librarians	6	6	6	6	6	7	7	6	6	6
Psychologists	4	4	4	4	5	5	5	5	4	3
Speech and language pathologists	5	5	5	4	4	4	5	4	4	4
Aides	1	1	2	2	2	35	40	40	40	33
Computer	5	5	5	0	0	0	0	0	0	0
Other	50	52	63	52	58	26	24	43	45	64
Administrators										
Elementary	2	2	2	2	2	3	2	2	2	2
Intermediate	3	3	3	3	3	3	3	3	3	3
Middle School	2	2	2	2	2	2	2	2	2	2
High school	3	3	3	3	4	4	5	5	4	4
Operation of plant										
Custodians & Maintenance	35	36	38	36	36	37	38	34	30	29
Security	2	2	3	3	2	2	2	1	1	1
Pupil transportation										
Bus drivers	38	37	39	40	45	46	46	48	48	47
Bus aides	2	3	3	3	3	5	5	5	5	5
Maintenance	2	2	3	2	2	3	3	3	3	3
Food service program										
Director	1	1	1	1	1	1	1	1	1	1
Cooks	30	32	33	34	35	35	33	33	33	31
Totals:	<u>440</u>	<u>450</u>	<u>478</u>	<u>466</u>	<u>478</u>	<u>485</u>	<u>489</u>	<u>490</u>	<u>483</u>	<u>483</u>

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

**Source:** School District records.

***Twinsburg City School District***

**Operating Statistics**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Expenses</u>	<u>Enrollment</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio</u>	<u>Percentage of students receiving free or reduced lunches</u>
2004	\$ 42,000,077	3,953	\$10,625	6.53%	226.5	17.5	12.03%
2005	\$ 39,580,531	3,872	\$10,222	-3.79%	226.5	17.1	12.76%
2006	\$ 41,777,153	4,073	\$10,257	0.34%	225.4	18.1	13.55%
2007	\$ 43,242,939	4,181	\$10,343	0.83%	225.8	18.5	12.84%
2008	\$ 44,726,178	4,263	\$10,492	1.44%	234.0	18.2	13.02%
2009	\$ 46,505,852	4,237	\$10,976	4.62%	238.5	17.8	14.55%
2010	\$ 48,251,017	4,221	\$11,431	4.15%	242.5	17.4	16.23%
2011	\$ 48,559,963	4,233	\$11,472	0.35%	239.2	17.7	18.69%
2012	\$ 47,013,588	4,266	\$11,021	-3.93%	234.0	18.2	18.66%
2013	\$ 45,398,762	4,319	\$10,511	-4.62%	238.0	18.1	18.94%

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

## Twinsburg City School District

### Building Statistics

#### Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Wilcox Primary</b>										
Constructed in 1960										
Total building square footage	85,350	85,350	85,350	85,350	85,350	85,350	85,350	85,350	85,350	85,350
Enrollment grades Pre K-1	567	594	628	641	641	639	631	626	634	657
Student capacity	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Regular instruction classrooms	43	43	43	43	43	43	43	43	43	43
Regular instruction teachers	27	28	28	28	30	31	31	30	30	30
Special instruction classrooms	5	5	5	5	5	5	5	4	3	3
Special instruction teachers	5	5	5	4	5	5	5	4	3	3
<b>Bissell Elementary</b>										
Constructed in 1963										
Total building square footage	73,684	73,684	73,684	73,684	73,684	73,684	73,684	73,684	73,684	73,684
Enrollment grades 2-3	611	623	581	612	612	662	656	607	611	633
Student capacity	975	975	975	975	975	975	975	975	975	975
Regular instruction classrooms	34	34	34	34	34	34	34	34	34	34
Regular instruction teachers	28	30	31	30	32	32	32	30	27	27
Special instruction classrooms	6	7	7	7	7	7	7	6	4	4
Special instruction teachers	6	7	7	7	7	7	7	6	4	4
<b>Dodge Intermediate School</b>										
Constructed in 1969										
Total building square footage	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410
Enrollment grades 4-6	951	943	982	977	977	962	954	987	991	970
Student capacity	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045
Regular instruction classrooms	41	41	41	41	41	41	41	42	42	42
Regular instruction teachers	47	49	47	46	46	47	47	46	45	45
Special instruction classrooms	8	9	9	9	9	9	9	9	8	8
Special instruction teachers	8	9	9	9	9	9	9	9	8	8
<b>RB Chamberlin Middle School</b>										
Constructed in 1958										
Total building square footage	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994
Enrollment grades 7-8	636	672	667	650	650	686	695	654	659	677
Student capacity	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
Regular instruction classrooms	55	55	55	55	55	55	55	55	55	55
Regular instruction teachers	34	34	33	32	35	36	36	36	34	34
Special instruction classrooms	9	9	9	9	9	9	9	8	6	6
Special instruction teachers	9	9	9	7	8	8	8	8	6	6
<b>Twinsburg High School</b>										
Constructed in 1999										
Total building square footage	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719
Enrollment grades 9-12	1,119	1,208	1,187	1,305	1,305	1,366	1,358	1,359	1,371	1,382
Student capacity	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717
Regular instruction classrooms	52	52	64	64	64	64	64	64	69	69
Regular instruction teachers	51	52	56	55	62	62	62	64	69	69
Special instruction classrooms	7	8	8	8	8	8	8	8	8	8
Special instruction teachers	7	8	8	8	8	8	8	8	8	8

Source: School District Records.



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

Fiscal Year	Twinsburg City School District Average Salary	Statewide Average Salary
2004	\$ 50,868	\$ 47,659
2005	52,394	49,438
2006	55,576	50,772
2007	57,694	53,536
2008	59,562	53,410
2009	61,962	54,656
2010	64,170	55,958
2011	65,612	56,715
2012	67,069	57,904
2013	71,162	57,904

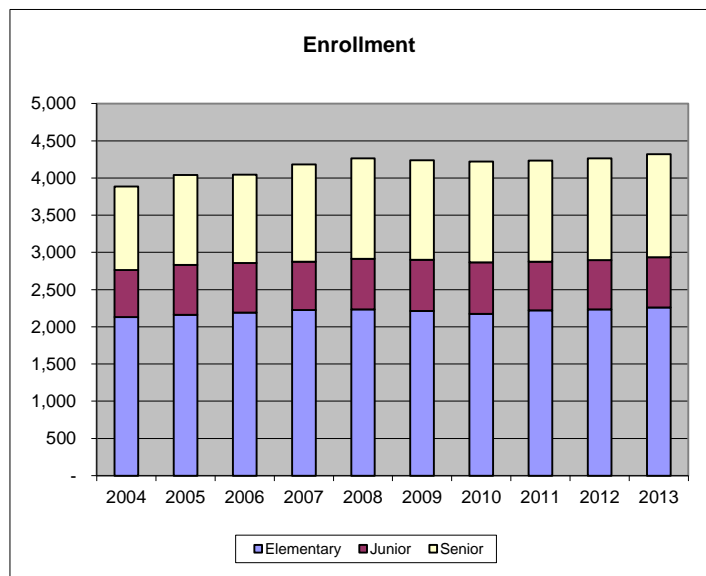
**Source:** Ohio Department of Education.

# Twinsburg City School District

## Enrollment Statistics

### Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Junior High School	Senior High School	Total
2004	2,129	636	1,119	3,884
2005	2,160	672	1,208	4,040
2006	2,191	667	1,187	4,045
2007	2,226	650	1,305	4,181
2008	2,233	682	1,348	4,263
2009	2,214	685	1,338	4,237
2010	2,173	695	1,353	4,221
2011	2,220	654	1,359	4,233
2012	2,236	659	1,371	4,266
2013	2,260	677	1,382	4,319



Source: Ohio Department of Education.

***Twinsburg City School District***

**Attendance and Graduation Rates**

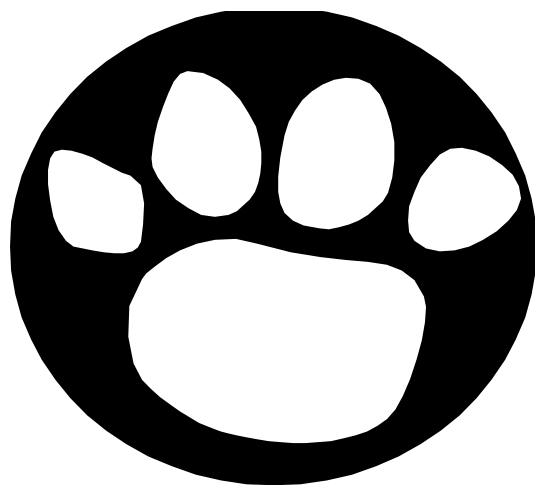
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Twinsburg City School District Attendance Rate</u>	<u>State Average</u>	<u>Twinsburg City School District Graduation Rate</u>	<u>State Average</u>
2004	96.1%	94.5%	95.9%	85.9%
2005	95.8%	94.3%	95.7%	86.2%
2006	95.8%	94.1%	90.1%	86.1%
2007	96.2%	94.1%	91.5%	86.9%
2008	96.0%	94.2%	99.4%	84.6%
2009	96.4%	94.3%	99.6%	83.0%
2010	96.3%	94.3%	98.6%	84.3%
2011	96.4%	94.5%	98.8%	84.3%
2012	96.2%	95.2%	96.2%	80% *
2013	96.1%	94.2%	94.8%	81.3%

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

\* Graduation rates have new calculation rate in 2012

Beginning with the 2011-2012 Local Report Card, the Ohio Department of Education implemented changes that affect the manner in which the graduation rate is reported. The graduation rate disclosed in the new Local Report Card represents a 4-year longitudinal graduation rate that takes into consideration the amount of time it takes an incoming freshman to successfully complete high school.





# Dave Yost • Auditor of State

**TWINSBURG CITY SCHOOL DISTRICT**

**SUMMIT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 7, 2014**