



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 the Twinsburg City School District, Summit County, (the District) as of and for the year ended June 30, 2015, 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 30, 2015, wherein we noted the District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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 opinions 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.

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

Dave Yost
Auditor of State
Columbus, Ohio

December 30, 2015



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE 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 the 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 the Twinsburg City School District's major federal program for the year ended June 30, 2015. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for the District's major federal program 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 program. However, our audit does not provide a legal determination of the District's compliance.

Basis for Qualified Opinion on Nutrition Cluster

As described in finding 2015-001 in the accompanying schedule of findings, the District did not comply with requirements regarding procurement and suspension and debarment applicable to its Nutrition Cluster major federal program. Compliance with this requirement is necessary, in our opinion, for the District to comply with requirements applicable to this program.

Qualified Opinion on Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Nutrition Cluster* paragraph, the Twinsburg City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its Nutrition Cluster for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying schedule of findings as item 2015-002. This finding did not require us to modify our compliance opinion on the major federal program.

The District's responses to our noncompliance findings are described in the accompanying corrective action plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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's 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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2015-001 to be a material weakness.

Report on Internal Control Over Compliance (Continued)

The District's response to our internal control over compliance findings is described in the accompanying corrective action plan. We did not audit the District's response and, accordingly, we express no opinion on it.

This report only describes the scope of our internal control over 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 Schedule of Federal Awards Expenditures Required by OMB Circular A-133

We have also audited the 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, 2015, 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 30, 2015, wherein we noted the District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We conducted our audit to opine on the District's' basic financial statements. The accompanying schedule of federal awards receipts and expenditures 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.



Dave Yost
Auditor of State
Columbus, Ohio

December 30, 2015

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**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR YEAR ENDED JUNE 30, 2015**

FEDERAL GRANTOR Pass Through Grantor Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
<i>Passed Through Ohio Department of Education</i>					
Child Nutrition Cluster:					
National School Breakfast Program	10.553	\$ 49,077	-	\$ 49,077	-
National School Lunch Program	10.555	340,559	\$ 83,260	340,559	\$ 83,260
Child Nutrition Cluster Total		<u>389,636</u>	<u>83,260</u>	<u>389,636</u>	<u>83,260</u>
Total U.S. Department of Agriculture		<u>389,636</u>	<u>83,260</u>	<u>389,636</u>	<u>83,260</u>
U.S. DEPARTMENT OF EDUCATION					
<i>Passed Through Ohio Department of Education</i>					
Title I, Part A Cluster:					
Title I Grants to Local Education Agencies 2014	84.010	128,312	-	67,785	-
Title I Grants to Local Education Agencies 2015	84.010	270,243	-	301,075	-
Total Title I, Part A Cluster		<u>398,555</u>	<u>-</u>	<u>368,860</u>	<u>-</u>
Special Education Cluster:					
Special Education Grants to States, IDEA B 2014	84.027	236,632	-	97,406	-
Special Education Grants to States, IDEA B 2015	84.027	568,720	-	675,924	-
ECSE IDEA Grant Fy14	84.173	-	-	829	-
ECSE IDEA Grant Fy15	84.173	14,700	-	20,607	-
Total Special Education Cluster		<u>820,052</u>	<u>-</u>	<u>794,766</u>	<u>-</u>
Improving Teacher Quality State Grants, Title II-A, 2014	84.367	12,482	-	16,270	-
Improving Teacher Quality State Grants, Title II-A, 2015	84.367	71,591	-	81,707	-
Total Improving Teacher Quality		<u>84,073</u>	<u>-</u>	<u>97,977</u>	<u>-</u>
Title III Limited English Proficiency Grant-2015	84.365	19,817	-	35,888	-
<i>Total U.S. Department of Education</i>		<u>1,322,497</u>	<u>-</u>	<u>1,297,491</u>	<u>-</u>
Total Federal Financial Assistance		<u>\$1,712,133</u>	<u>\$ 83,260</u>	<u>\$ 1,687,127</u>	<u>\$ 83,260</u>

The accompanying notes are an integral part of this schedule.

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2015**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (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 fair value. The District allocated donated food commodities to the respective programs 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, 2015**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	Yes
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Qualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	Child Nutrition Cluster: National School Lunch Program – CFDA # 10.555
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	2015-001
CFDA Title and Number	Child Nutrition Cluster: National School Lunch Program (CFDA #10.555)
Federal Award Number / Year	N/A - 2015
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Noncompliance and Material Weakness – 2 CFR Part 180.220

2 CFR Part 180.220 states that non Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions include those procurement contracts for goods and services under a non-procurement transaction (e.g., grant or cooperative agreement). When a non-Federal entity enters into a covered transaction the entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by:

- (a) Checking the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA); or
- (b) Collecting a certification from the entity; or
- (c) Adding a clause or condition to the covered transactions with that entity.

Eleven of the eleven (100%) disbursements tested were not verified by the District via the SAM.Gov website and the District did not collect a certification form or add a clause or condition to the contracts to ensure the vendors or contractors were not suspended or debarred or otherwise excluded from receiving Federal Grant monies. The District did not have in place procedures to ensure vendors were not suspended or debarred or whose principals are suspended or debarred. Subsequently, the auditors reviewed the SAM.Gov website noting the vendors or contractors were not listed as being suspended or debarred.

The District should develop procedures to ensure entities receiving payment, through Federal grants, are not suspended, debarred or otherwise excluded from participation in Federal assistance programs by selecting one of the following:

- (a) Search the Excluded Parties List System at <https://www.sam.gov/portal/public/SAM/> and maintain documentation of the search.
- (b) Require the entity to provide certification they are not included on the EPLS.
- (c) Add a clause or condition to the covered transactions stating the entity is not suspended, debarred, or otherwise excluded.

Official’s Response: Please see the following Corrective Action Plan.

Finding Number	2015-002
CFDA Title and Number	Child Nutrition Cluster: National School Lunch Program (CFDA #10.555)
Federal Award Number / Year	N/A - 2015
Federal Agency	U.S. Department of Agriculture
Pass-Through Agency	Ohio Department of Education

Noncompliance - Office of Management and Budget (OMB) Circular A-133 Subpart C, § 310(b) Schedule of Expenditures of Federal Awards

Office of Management and Budget (OMB) Circular A-133 Subpart C, § 310(b) Schedule of Expenditures of Federal Awards states the auditee shall prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. One of the minimum requirement is the schedule shall provide total federal awards expended for each individual federal program and the CFDA or other identifying number when the CFDA information is not available.

The District does not have an adequate process or system to track federal receipt and expenditure activity and information which is important for the preparation of the Schedule of Federal Awards Receipts and Expenditures (Schedule). Therefore, grant expenditure activity which was reported on the June 30, 2014 Schedule was also reported on the June 30, 2015 Schedule. Improper reporting of grant activity could result in adverse effects to future grant awards by the awarding agency or agencies.

Three adjustments were proposed and made to the Schedule including adjustments to the Special Education Cluster (CFDA#84.027) of \$179,800, the Title I Cluster (CFDA #84.010) of \$64,600 and the Child Nutrition Cluster (CFDA #10.553 and #10.555) of \$49,077.

To reduce the risk of inaccurate reporting of federal expenditures and noncompliance with OMB Circular A-133, Subpart C, § 310(b), due care should be taken in the preparation of the Schedule of Federal Awards Receipts and Expenditure. The Schedule should be reviewed after preparation and tied to underlying cash reports of the District for accuracy and evaluated for completeness.

Official's Response: Please see the following Corrective Action Plan.

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**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

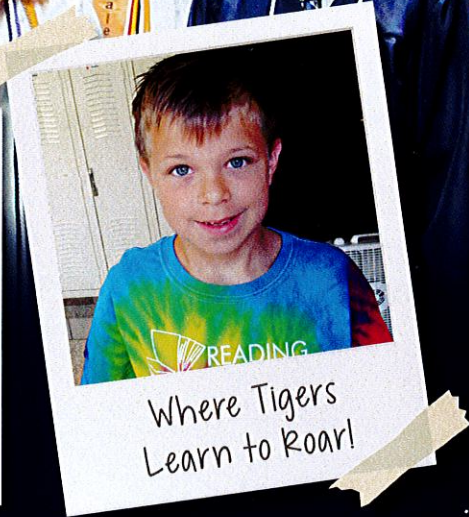
**CORRECTIVE ACTION PLAN
OMB CIRCULAR A -133 § .315 (c)
JUNE 30, 2015**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2015-001	Verify by SAM.gov website vendors or contractors were not suspended or debarred or otherwise excluded from receiving Federal Grant monies	Immediate	Donna Kelly
2015-002	Make sure Advances are not included in Federal Schedule and show Breakfast receipts as a separate item.		John Frammartino

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Twinsburg

CITY SCHOOL DISTRICT



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

TWINSBURG, OHIO

Comprehensive Annual Financial Report

For The Fiscal Year Ended
June 30, 2015

Twinsburg City School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015



where the schools and the communities are one.

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

11136 Ravenna Road
Twinsburg, Ohio 44087

**Twinsburg City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2015**

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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. Jennifer Farthing, Director of Curriculum
Mrs. Denise Traphagen, Director of Pupil Personnel

December 30, 2015

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, 2015, 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 2014-2015 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, the notes to those statements and the required supplementary information. 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 Governmental 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 a portion 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. Residents are from a broad range of socioeconomic and ethnic backgrounds. According to the 2010 Census, the population of the School District was 24,137.

As of October 2015, there were 4,099 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. To date Twinsburg residents have invested over \$75 million in School District buildings, land, furniture, equipment and vehicles.

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 68%. Enrollment projections indicate measured growth over the next ten years. Projections indicate the School District's student population is anticipated to grow to approximately 4,500 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.

A complete discussion of the School District’s reporting entity is provided in Note 1 to the basic financial statements.

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 strong growth of a large industrial park. Located within this park was a Chrysler stamping plant that closed March 2010 and shortly thereafter the buildings were demolished. The property has been cleared and is undergoing redevelopment.

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 1.25 million items in 2014. The Library celebrated its 100 birthday on May 2, 2010 and serves a population of just over 20,000.

Twinsburg hosts the Twins Days Festival on the first full weekend of August each year. The Twins Days Festival is the largest annual gathering of twins (& other multiples) in the world! It attracts twins, multiples and their families from all over the globe.

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 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 into account several factors, including tax collections, the values of new construction, foreclosures and reappraisals.

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 numerous Excellent and Excellent with Distinction rating from the Ohio Department of Education.

The litigation now referred to as the "DeRolph Case", began in 1991 ultimately found the State's method of funding school districts to be unconstitutional. Subsequently the Ohio Supreme Court relinquished jurisdiction over the case and directed the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient. Under the guise of education reform, poor performing charter schools and online schools in addition to voucher programs deleteriously divert funds from traditional public schools.

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 on the 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 2014 as required and updated the forecast in May 2015. 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. Just pick up any financial publication and see where XYZ Corporation restates its forecast to reflect market pressures. 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 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.

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 all of the performance indicators on the 2014-2015 State of Ohio Local Report Card earning an “A”. In the Progress Category the Twinsburg City School District attained an “A”. The Graduation Rate for the four and five year cohorts both earned an “A” exceeding similar districts and state averages.
- **Curriculum**
The School District offers eighteen Advanced Placement courses permitting students to earn college level credits. Additionally, Post-Secondary, Duel Credit and Credit Flex options are available to students. 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 Ohio’s Learning Standards and Next Generation Assessments. 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 Vocal/Orchestra/Band Music Programs, Cub Community Program, Interactive Media Program, Gaveliers, RBC Honor Corps, and iLead. The Great Expectations Show Choir has earned numerous Grand Champion awards. In addition, many athletic opportunities exist for student athletes. The girls’ basketball team was State Champion 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, Father’s Walk, 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. As a Result, 100% of our 3rd grade students met the requirements of the Third Grade Guarantee.
- **PBIS**
Positive Behavioral Interventions and Supports – PBIS is a School District initiative that encompasses Preschool through 12th grade. Through PBIS, the School District is promoting positive relationships, clear expectations, and while consistently acknowledging and correcting behaviors district wide. The School District’s focus is for all students to “Be Safe, Be Respectful, and Be Responsible”.
- **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.

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. The turf was replaced the summer of 2015.

➤ Energy Conservation

A House Bill 264 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. The School District in 2015 completed an energy conservation project at R.B. Chamberlin replacing a boiler and upgrading lighting and HVAC controls.

➤ Technology

All buildings are wired, networked, and have internet access. The School District has approximately 1,400 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 repurposed underutilized space into four new computer labs with two being at Dodge Intermediate and two at the High School.

➤ 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. All staff members as well as students in grades 4-12 have been trained in A.L.I.C.E., an intruder response program. Building Welcome Centers and guest access solutions have been installed in all five educational buildings.

➤ Buses

The School District has a fleet of 44 buses. The School District has developed a replacement schedule to refresh the fleet over a ten year cycle.

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 School District is at the fund level and at the object level for the general fund. Also, in 2014, the work of Mr. Aho and his staff was acknowledged when the School District received the Auditor of State Award with Distinction for its clean audit report.

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, 2014. This is the fifteenth 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.

Additional Information

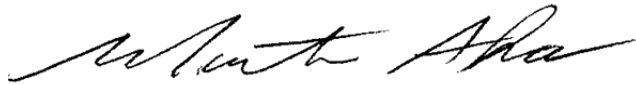
For a more in depth discussion of the financial condition of the Twinsburg City School District, please refer to the Management's Discussion and Analysis and the Notes to the Basic Financial Statements of the Comprehensive Annual Financial Report.

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 in the buildings. It is with great pride that the Twinsburg City School District presents the 2015 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, 2015

Board of Education

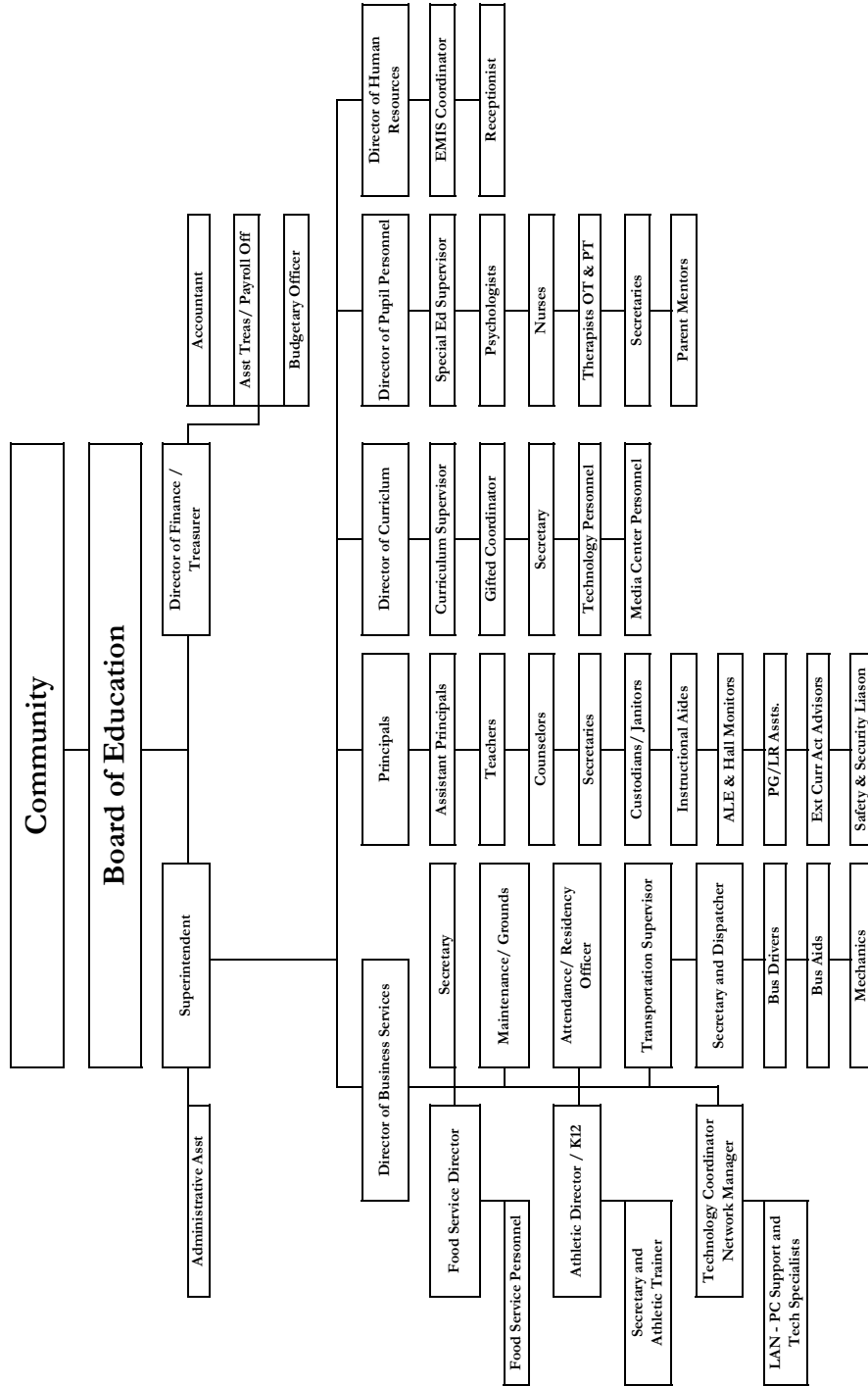
Mr. Ron Stuver	President
Mr. Rob Felber	Vice President
Ms. Kate Cain-Criswell	Member
Mrs. Tina Davis	Member
Mrs. Kathy Turle-Waldron	Member

Treasurer

Mr. Martin Aho

Administration

Mrs. Kathryn Powers	Superintendent
Mrs. Jennifer Farthing	Director of Curriculum
Mrs. Denise Traphagen	Director of Pupil Personnel
Mr. Chad Welker	Director of Business Services
Mrs. Belinda McKinney	Director of Human Resources





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, 2014



Executive Director/CEO

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, 2015, 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, 2015, 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 2 to the financial statements, during the year ended June 30, 2015, the District adopted Governmental Accounting Standard No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. We did not modify our opinion regarding this matter.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, and schedules of net pension liabilities and pension contributions 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 statements and schedules are management's responsibility, and derive 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 statements and schedules 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, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Matter – (Continued)

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 30, 2015, 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 30, 2015

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Twinsburg City School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
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, 2015. 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 2015 are as follows:

- General revenues accounted for \$48,286,239 in revenue or 92.6% of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and interest accounted for \$3,866,840 or 7.4% of total revenues of \$52,153,079.
- The School District had \$46,098,041 in expenses related to governmental activities; program revenues offset \$3,866,840 of these expenses. \$48,286,239 of general revenues was adequate to provide for these programs resulting in an increase in net position of \$6,055,038.
- Of the total governmental expenses of \$46,098,041, the amount related to instruction amounted to \$26,813,043 or 58.2% 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 increased \$3,971,132 to \$33,133,510 at June 30, 2015. The bond retirement's fund balance increased \$71,277 to \$1,845,665 at June 30, 2015. The permanent improvement's fund balance decreased \$1,463,474 to \$4,380,298 at June 30, 2015.
- The School District issued \$753,519 in energy conservation bonds during fiscal year 2015.

Using this Annual Financial Report

This annual report consists of a series of financial statements, notes to those statements and the required supplementary information. 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 2015?" These statements include all non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources 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 11. 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, 2015
 Unaudited

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2015, the School District had an increase in net position of \$6,055,038.

Table 1 provides a summary of the School District's net position for 2015 compared to 2014.

Table 1
 Net Position

	<u>Governmental Activities</u>	
	<u>2015</u>	Restated <u>2014</u>
Assets		
Current and other assets	\$ 70,129,102	\$ 69,520,064
Capital assets, net of depreciation	<u>35,818,850</u>	<u>35,171,998</u>
Total assets	<u>105,947,952</u>	<u>104,692,062</u>
Deferred outflows of resources		
Deferred charge on refunding	84,849	105,472
Pension	<u>4,214,458</u>	<u>3,449,151</u>
Total deferred outflows of resources	<u>4,299,307</u>	<u>3,554,623</u>
Liabilities		
Current and other liabilities	5,411,564	5,252,677
Long-term liabilities:		
Due within one year	2,536,419	2,726,257
Due in more than one year:		
Net pension liability	57,656,153	68,498,985
Other amounts due in more than one year	<u>18,075,754</u>	<u>19,518,586</u>
Total liabilities	<u>83,679,890</u>	<u>95,996,505</u>
Deferred inflows of resources		
Property taxes	23,738,363	25,889,358
Pension	<u>10,413,146</u>	<u>-</u>
Total deferred inflows of resources	<u>34,151,509</u>	<u>25,889,358</u>
Net Position		
Net investment in capital assets	17,773,614	15,687,483
Restricted	6,638,861	8,036,124
Unrestricted	<u>(31,996,615)</u>	<u>(37,362,785)</u>
Total net position	<u>\$ (7,584,140)</u>	<u>\$ (13,639,178)</u>

Twinsburg City School District

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2015

Unaudited

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, \$6,638,861, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net position, \$1,841,316 is restricted for debt service payments, \$4,612,245 is restricted for capital projects, \$104,054 is restricted for extracurricular activities, and \$81,246 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.

During 2015, the School District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For the reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension. This implementation also had the effect of restating net position at June 30, 2014, from \$51,410,656 to \$(13,639,178). See Note 2 to the basic financial statements for further discussion on the implementation of GASB 68.

The School District's statement of activities prepared on an accrual basis of accounting includes an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows. The School District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting in the statement of net position.

Twinsburg City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Table 2 shows change in net position for fiscal year 2015 as compared to 2014:

	Governmental Activities	
	2015	2014
Revenues		
Program revenues:		
Charges for services	\$ 2,007,800	\$ 1,904,410
Operating grants, contributions and interest	1,859,040	1,807,862
General revenues:		
Property taxes	32,877,164	34,380,832
Grants and entitlements	15,186,749	14,834,282
Payments in lieu of taxes	87,564	-
Gain on sale of capital asset	2,540	91,563
Investment earnings	20,206	27,605
Miscellaneous	112,016	85,156
Total revenues	52,153,079	53,131,710
Program Expenses		
Instruction:		
Regular	21,421,681	21,970,863
Special	4,664,830	5,141,797
Vocational	112,739	115,859
Student intervention services	300,763	200,530
Other	313,030	362,409
Support services:		
Pupils	2,325,386	2,429,833
Instructional staff	601,582	480,140
Board of education	474,628	325,433
Administration	3,188,848	3,082,993
Fiscal	1,000,576	1,498,996
Business	464,993	148,681
Operation and maintenance of plant	4,210,957	4,156,449
Pupil transportation	2,958,993	3,004,242
Central	834,858	1,140,320
Operation on non-instructional services	5,132	3,006
Operation of food services	1,131,311	1,095,152
Extracurricular activities	1,589,245	1,165,457
Interest and fiscal charges	498,489	450,305
Total expenses	46,098,041	46,772,465
Increase in net position	\$ 6,055,038	\$ 6,359,245

Twinsburg City School District

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
Unaudited

Governmental Activities

Several revenue sources fund our governmental activities with property taxes and State foundation revenues being the largest contributors. Property tax levies generated over \$32.8 million in 2015. The decrease in property tax is due partially to varying amounts available as an advance each year that are recognized as revenue. General revenues from grants and entitlements, such as the school foundation program, generated over \$15.1 million. With the combination of taxes and intergovernmental funding 92.2% 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 \$26,813,043 or 58.2% 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 \$978,415, or 3.5% mainly due to conservative spending.

Pupil services and instructional staff include the activities involved in assisting staff and the content and process of teaching pupils. These expenses represent \$2,926,968 of the total governmental program expenses, or 6.4%. These expenses increased from the prior year in the amount of \$16,995, or .6% not due to any specific item.

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 \$5,129,045 or 11.1% of governmental program expenses. Expenses of these programs increased \$72,942, or 1.4%, as compared to fiscal year 2014, driven mostly by increases in business and 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 \$4,210,957 or 9.1% 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 \$2,958,993 or 6.4% of the total governmental program expenditures. Expenses for providing this program decreased \$45,249, or 1.5% as compared to the prior year.

Overall, expenses for governmental activities decreased \$674,424 or 1.4% from fiscal year 2014 reported amounts. As seen above, the most significant cause of this decrease was due to a decrease in instructional services due to conservative spending.

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$3,449,151 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$2,476,861. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

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Total 2015 program expenses under GASB 68	\$ 46,098,041
Pension expense under GASB 68	(2,476,861)
2015 contractually required contribution	<u>3,671,854</u>
Adjusted 2015 program expenses	47,293,034
Total 2014 program expenses under GASB 27	<u>46,772,465</u>
Increase in program expenses not related to pension	<u>\$ 520,569</u>

As a result of GASB 68, the District is reporting a significant net pension liability and related deferred inflows of resources which reduce net position. In addition, the District is reporting deferred outflows of resources and a reduction of expenses related to pension for this fiscal year, which increase net position. This expense amount is the difference between the contractually required contributions and the pension expense resulting from the change in the net pension liability that is not reported as deferred inflows or outflows. These two amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities. To further explain the impact of this new accounting standard on the District's net position, additional information is presented below.

Net position	\$ (7,584,140)
Deferred outflows - pension	(4,214,458)
Deferred inflows - pension	10,413,146
Net pension liability	<u>57,656,153</u>
Net position without new standard	<u>\$ 56,270,701</u>
Impact of GASB 68 on net position end of year	\$ (63,854,841)
Pension expense under GASB 68	2,476,861
Contractually required contribution	<u>(3,671,854)</u>
Impact of GASB 68 on net position beginning of year	<u>\$ (65,049,834)</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 \$52,436,302 and total expenditures were \$50,340,117. Fund balance of the general fund increased by \$3,971,132 as compared to the 2014 ending balance. For the bond retirement debt service fund, fund balance also increased by \$71,277. The only other major governmental fund, the permanent improvement capital projects fund, fund balance decreased by \$1,463,474 from the prior year. For all the general and bond retirement major funds the increases in fund balance are primarily due to revenues exceeding current year expenditures attributed from increased intergovernmental revenue. For the permanent improvement major fund the decrease was due to increased expenditures related to the acquisition of capital assets.

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Table 3
 Change in Fund Balance

	Fund Balance <u>June 30, 2015</u>	Fund Balance <u>June 30, 2014</u>	Increase (Decrease) <u></u>
General	\$ 33,133,510	\$ 29,162,378	\$ 3,971,132
Bond retirement	1,845,665	1,774,388	71,277
Permanent improvement	4,380,298	5,843,772	(1,463,474)
Other governmental	<u>325,599</u>	<u>21,702</u>	<u>303,897</u>
Total	<u>\$ 39,685,072</u>	<u>\$ 36,802,240</u>	<u>\$ 2,882,832</u>

General Fund

The School District's general fund balance increased by \$3,971,132 this was due to several factors. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

Table 4
 General Fund - Change in Revenue

	2015 <u>Amount</u>	2014 <u>Amount</u>	Percent <u>Change</u>
Taxes	\$ 29,299,729	\$ 30,484,280	-3.89%
Intergovernmental	14,249,252	13,797,383	3.28%
Interest	20,228	27,627	-26.78%
Tuition and fees	798,153	864,203	-7.64%
Extracurricular activities	181,066	186,367	-2.84%
Gifts and donations	300	93	222.58%
Rent	59,738	49,228	21.35%
Payment in lieu of taxes	87,564	-	100.00%
Miscellaneous	<u>70,657</u>	<u>92,537</u>	-23.64%
Total	<u>\$ 44,766,687</u>	<u>\$ 45,501,718</u>	

Overall revenues within the general fund decreased \$735,031 for the fiscal year. This is mainly due to a decrease in property tax and tuition and fees revenues for the current fiscal year.

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

Table 5
 General Fund - Change in Expenditures by Type

<u>Expenditures</u>	2015 <u>Amount</u>	2014 <u>Amount</u>	Percent <u>Change</u>
Instruction	\$ 25,098,001	\$ 24,921,703	0.71%
Support services	14,423,671	14,196,184	1.60%
Extracurricular activities	921,034	886,412	3.91%
Capital outlay	-	372,091	100.00%
Debt service	376,957	486,675	-22.54%
Total	<u>\$ 40,819,663</u>	<u>\$ 40,863,065</u>	

General fund expenditures decreased \$43,402 or .11 percent from the previous year. The overall decrease in expenditures over the prior year is not attributable to any individual item.

Bond Retirement Fund

The School District's bond retirement fund balance increased by \$71,277 due to current year revenues exceeding current year expenditures. The revenues of the fund are property taxes, calculated by the county fiscal officer, state homestead and rollback money computed as a percentage of the tax due to the fund and miscellaneous. 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 decreased by \$1,463,474 due to an increase in current year expenditures related to the acquisition of capital assets. 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 2015, 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.

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For the general fund, the final budget basis revenue and other financing source estimate was \$42,649,779 which was a \$1,183,355 increase from the original budget estimate of \$41,466,424. 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 \$43,803,258 which was \$1,153,479 more than final budgeted amounts primarily due to an increase in miscellaneous revenue not known during the budgeting process.

The original expenditure appropriation amount of \$43,984,345 was revised during the fiscal year to a final amount of \$42,194,185. The reduction of \$1,790,160 was necessary with the need to cut operating costs in order to conserve resources to help offset a budget deficit. Actual expenditures were \$516,570 less than final budgeted amounts.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2015, the School District had \$35,818,850 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 6 shows fiscal year 2015 balances compared to fiscal year 2014.

Table 6
Capital Assets, at Fiscal Year End
(Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Land	\$ 1,147,310	\$ 1,147,310
Construction in progress	95,243	197,828
Land improvements	1,101,072	501,142
Buildings and improvements	31,029,809	31,064,843
Furniture, fixtures and equipment	995,914	1,107,189
Vehicles	1,449,502	1,153,686
Total capital assets	<u>\$ 35,818,850</u>	<u>\$ 35,171,998</u>

The most significant capital assets during the year were for seven new school busses, the completion of the welcome centers and computer lab renovation. The total carrying value of capital assets increased \$646,852 for the current fiscal year due to current year capital asset additions exceeding depreciation expense. See Note 8 to the basic financial statements for detail on the School District's capital assets.

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Debt

At June 30, 2015 the School District had \$18,130,085 in bonds and capital leases outstanding with \$2,143,764 due within one year. Table 7 summarizes debt outstanding as of June 30:

Table 7
 Outstanding Debt at Fiscal Year End

	Governmental Activities <u>2015</u>	Governmental Activities <u>2014</u>
General obligation bonds	\$ 17,859,384	\$ 19,250,794
Capital leases	<u>270,701</u>	<u>339,193</u>
Total outstanding	<u>\$ 18,130,085</u>	<u>\$ 19,589,987</u>

At June 30, 2015, the School District's overall legal debt margin was \$55,155,557 with an unvoted debt margin of \$790,770. The School District bond rating was unchanged during the year. See Notes 14 and 15 to the basic financial statements for detail on the School District's long-term obligations.

Current Issues Affecting Financial Condition

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

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

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

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, 2015

	Governmental Activities
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 37,903,990
Cash and cash equivalents:	
In segregated accounts	58,256
Receivables:	
Accounts	178,688
Intergovernmental	675,599
Taxes	31,276,006
Inventory held for resale	36,563
Capital assets:	
Nondepreciable capital assets	1,242,553
Depreciable capital assets	78,675,060
Accumulated depreciation	(44,098,763)
Total capital assets	35,818,850
Total assets	105,947,952
 <u>Deferred outflows of resources:</u>	
Deferred charge on refunding	84,849
Pension	4,214,458
Total deferred outflows of resources	4,299,307
 <u>Liabilities:</u>	
Accounts payable	307,457
Contracts payable	385,438
Accrued wages	3,669,565
Intergovernmental payable	983,061
Undistributed monies	11,278
Accrued interest payable	52,084
Unearned revenue	2,681
Notes payable	
Long-term liabilities:	
Due within one year	2,536,419
Due in more than one year:	
Net pension liability	57,656,153
Other amounts due in more than one year	18,075,754
Total liabilities	83,679,890
 <u>Deferred inflows of resources:</u>	
Property taxes	23,738,363
Pension	10,413,146
Total deferred inflows of resources	34,151,509
 <u>Net position:</u>	
Net investment in capital assets	17,773,614
Restricted for:	
Capital projects	4,612,245
Debt service	1,841,316
Extracurricular activities	104,054
Other purposes	81,246
Unrestricted	(31,996,615)
Total net position	\$ (7,584,140)

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2015

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Revenue and Changes in Net Position
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$ 21,421,681	\$ 623,241	\$ 105,955	\$ (20,692,485)
Special	4,664,830	187,722	341,446	(4,135,662)
Vocational	112,739	-	-	(112,739)
Student intervention services	300,763	-	28,674	(272,089)
Other	313,030	-	326,251	13,221
Support services:				
Pupils	2,325,386	53,465	290,048	(1,981,873)
Instructional staff	601,582	-	17,398	(584,184)
Board of education	474,628	-	-	(474,628)
Administration	3,188,848	-	164,325	(3,024,523)
Fiscal	1,000,576	-	-	(1,000,576)
Business	464,993	-	-	(464,993)
Operation and maintenance of plant	4,210,957	59,738	-	(4,151,219)
Pupil transportation	2,958,993	-	-	(2,958,993)
Central	834,858	-	9,000	(825,858)
Operation of non-instructional services	5,132	-	-	(5,132)
Operation of food services	1,131,311	649,772	481,204	(335)
Extracurricular activities	1,589,245	433,862	-	(1,155,383)
Interest and fiscal charges	498,489	-	94,739	(403,750)
Total governmental activities	<u>\$ 46,098,041</u>	<u>\$ 2,007,800</u>	<u>\$ 1,859,040</u>	<u>(42,231,201)</u>

General Revenues:

Property taxes levied for:

General purposes	29,334,955
Debt service	1,772,225
Capital outlay	1,769,984
Grants and entitlements not restricted to specific programs	15,186,749
Gain on sale of capital asset	2,540
Payment in lieu of taxes	87,564
Investment earnings	20,206
Miscellaneous	112,016
Total general revenues	<u>48,286,239</u>

Change in net position

6,055,038

Net position beginning of year, restated

(13,639,178)

Net position end of year

\$ (7,584,140)

See accompanying notes to the basic financial statements.

Twinsburg City School District
Balance Sheet
Governmental Funds
June 30, 2015

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 31,223,865	\$ 1,440,486	\$ 4,476,017	\$ 423,304	\$ 37,563,672
Cash and cash equivalents:					
In segregated accounts	-	-	-	58,256	58,256
Receivables:					
Taxes	27,984,796	1,600,160	1,691,050	-	31,276,006
Accounts	131,949	41,340	-	5,399	178,688
Intergovernmental	393,531	-	-	282,068	675,599
Interfund	179,480	-	-	-	179,480
Inventory held for resale	-	-	-	36,563	36,563
Total assets	\$ 59,913,621	\$ 3,081,986	\$ 6,167,067	\$ 805,590	\$ 69,968,264
<u>Liabilities:</u>					
Accounts payable	\$ 216,673	\$ -	\$ 80,904	\$ 9,880	\$ 307,457
Contracts payable	-	-	385,438	-	385,438
Accrued wages	3,456,239	-	-	213,326	3,669,565
Interfund payable	-	-	-	179,480	179,480
Intergovernmental payable	924,730	-	-	58,331	983,061
Undistributed monies	11,278	-	-	-	11,278
Unearned revenue	-	-	-	2,681	2,681
Total liabilities	4,608,920	-	466,342	463,698	5,538,960
<u>Deferred inflows of resources:</u>					
Property taxes	21,255,584	1,199,424	1,283,355	-	23,738,363
Unavailable revenue	295,391	-	-	16,293	311,684
Unavailable revenue - delinquent property taxes	620,216	36,897	37,072	-	694,185
Total deferred inflows of resources	22,171,191	1,236,321	1,320,427	16,293	24,744,232
<u>Fund balances:</u>					
Restricted	-	1,845,665	4,380,298	417,451	6,643,414
Assigned	3,184,483	-	-	-	3,184,483
Unassigned	29,949,027	-	-	(91,852)	29,857,175
Total fund balances	33,133,510	1,845,665	4,380,298	325,599	39,685,072
Total liabilities, deferred inflows of resources and fund balances	\$ 59,913,621	\$ 3,081,986	\$ 6,167,067	\$ 805,590	\$ 69,968,264

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, 2015

Total governmental funds balances		\$ 39,685,072
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.		35,818,850
Other long-term assets that are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:		
Property taxes	\$ 694,185	
Extracurricular activities	40	
Intergovernmental	16,293	
Tuition and fees	295,332	
Miscellaneous	19	
Total	<u>1,005,869</u>	1,005,869
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
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in the funds:		
Deferred outflows - pension	4,214,458	
Deferred inflows - pension	(10,413,146)	
Net pension liability	(57,656,153)	
Total	<u>(63,854,841)</u>	(63,854,841)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(52,084)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (17,859,384)	
Compensated absences	(2,482,088)	
Capital leases	(270,701)	
Total	<u>(20,612,173)</u>	(20,612,173)
Deferred charges on refunding related to the issuance of long-term refunding debt will be amortized over the life of the debt on the statement of net position.		<u>84,849</u>
Net position of governmental activities		<u>\$ (7,584,140)</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 29,299,729	\$ 1,777,113	\$ 1,767,506	\$ -	\$ 32,844,348
Intergovernmental	14,249,252	619,829	424,830	2,116,032	17,409,943
Interest	20,228	-	-	42	20,270
Tuition and fees	798,153	-	-	-	798,153
Extracurricular activities	181,066	-	-	252,456	433,522
Gifts and donations	300	-	-	23,200	23,500
Charges for services	-	-	-	629,116	629,116
Rent	59,738	-	-	-	59,738
Payment in lieu of taxes	87,564	-	-	-	87,564
Miscellaneous	70,657	41,340	-	18,151	130,148
Total revenues	44,766,687	2,438,282	2,192,336	3,038,997	52,436,302
Expenditures:					
Current:					
Instruction:					
Regular	20,354,686	-	145,509	101,017	20,601,212
Special	4,381,483	-	-	388,026	4,769,509
Vocational	114,678	-	-	-	114,678
Student intervention services	247,154	-	-	39,485	286,639
Other	-	-	-	340,005	340,005
Support services:					
Pupils	2,077,904	-	-	300,583	2,378,487
Instructional staff	566,358	-	22,478	34,599	623,435
Board of education	475,273	-	-	-	475,273
Administration	3,029,947	-	-	174,152	3,204,099
Fiscal	968,366	48,598	-	-	1,016,964
Business	345,028	-	-	-	345,028
Operation and maintenance of plant	3,612,899	-	547,275	-	4,160,174
Pupil transportation	2,611,448	-	120,543	-	2,731,991
Central	736,448	-	101,321	-	837,769
Operation of non-instructional services	-	-	-	5,132	5,132
Operation of food services	-	-	-	1,127,073	1,127,073
Extracurricular activities	921,034	-	-	261,549	1,182,583
Capital outlay	-	-	2,691,183	753,519	3,444,702
Debt service:					
Principal retirement	238,492	1,790,000	-	-	2,028,492
Interest and fiscal charges	138,465	528,407	-	-	666,872
Total expenditures	40,819,663	2,367,005	3,628,309	3,525,140	50,340,117
Excess of revenues over (under) expenditures	3,947,024	71,277	(1,435,973)	(486,143)	2,096,185
Other financing sources (uses):					
Sale of capital assets	33,128	-	-	-	33,128
Proceeds from sale of bonds	-	-	-	753,519	753,519
Transfers in	27,501	-	-	36,521	64,022
Transfers out	(36,521)	-	(27,501)	-	(64,022)
Total other financing sources (uses)	24,108	-	(27,501)	790,040	786,647
Net change in fund balances	3,971,132	71,277	(1,463,474)	303,897	2,882,832
Fund balances beginning of year	29,162,378	1,774,388	5,843,772	21,702	36,802,240
Fund balances end of year	\$ 33,133,510	\$ 1,845,665	\$ 4,380,298	\$ 325,599	\$ 39,685,072

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, 2015

Net change in fund balances - total governmental funds	\$ 2,882,832
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	\$ 3,444,702
Capital contributions	12,087
Depreciation expense	<u>(2,420,362)</u>
Excess of net capital asset additions over depreciation expense	1,036,427
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.	(389,575)
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	\$ 32,816
Extracurricular activities	40
Intergovernmental	(364,218)
Tuition and fees	45,580
Miscellaneous	<u>19</u>
Net change in deferred inflows of resources during the year	(285,763)
Contractually required pension contributions are reported as expenditures in the governmental funds; however, the statement of activities reports these amounts as deferred outflows.	3,671,854
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.	(2,476,861)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	2,028,492
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:	
Decrease in compensated absences	\$ 172,768
Decrease in accrued interest	4,077
Amortization of:	
Premium	184,929
Deferred cost of refunding	<u>(20,623)</u>
Total additional expenditures	341,151
The issuance of long-term bonds results in other financing sources and uses in the governmental funds, but these transactions are reflected in the statement of net position as long-term liabilities.	<u>(753,519)</u>
Change in net position of governmental activities	<u><u>\$ 6,055,038</u></u>
See accompanying notes to the basic financial statements.	

Twinsburg City School District
Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Taxes	\$ 27,249,886	\$ 27,411,219	\$ 27,411,219	\$ -
Intergovernmental	13,206,538	14,203,428	14,203,896	468
Interest	30,000	16,847	20,206	3,359
Tuition and fees	712,635	732,765	733,782	1,017
Rent	50,000	49,228	61,224	11,996
Extracurricular activities	135,000	134,136	134,136	-
Miscellaneous	82,365	85,852	111,780	25,928
Total revenues	<u>41,466,424</u>	<u>42,633,475</u>	<u>42,676,243</u>	<u>42,768</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	20,936,051	20,507,949	20,364,195	143,754
Special	4,734,302	4,641,119	4,602,635	38,484
Vocational	119,570	115,045	115,045	-
Student intervention services	251,755	246,834	244,734	2,100
Support services:				
Pupils	2,368,304	2,150,969	2,134,541	16,428
Instructional staff	616,740	615,345	604,338	11,007
Board of education	602,338	570,311	538,998	31,313
Administration	3,588,167	3,110,740	3,068,028	42,712
Fiscal	1,527,452	1,007,360	994,138	13,222
Business	304,225	345,208	342,208	3,000
Operation and maintenance of plant	3,995,337	3,998,591	3,913,030	85,561
Pupil transportation	2,986,797	2,834,766	2,757,966	76,800
Central	735,437	836,307	824,614	11,693
Extracurricular activities	882,095	881,373	880,877	496
Debt service:				
Principal retirement	170,000	170,000	170,000	-
Interest and fiscal charges	125,775	122,268	122,268	-
Total expenditures	<u>43,944,345</u>	<u>42,154,185</u>	<u>41,677,615</u>	<u>476,570</u>
Excess of revenues over (under) expenditures	<u>(2,477,921)</u>	<u>479,290</u>	<u>998,628</u>	<u>519,338</u>
<u>Other financing sources (uses):</u>				
Refund of prior year expenditures	-	16,304	104,206	87,902
Advances in	-	-	244,400	244,400
Advances out	(40,000)	(40,000)	-	40,000
Transfers in	-	-	778,409	778,409
Total other financing sources (uses)	<u>(40,000)</u>	<u>(23,696)</u>	<u>1,127,015</u>	<u>1,150,711</u>
Net change in fund balance	(2,517,921)	455,594	2,125,643	1,670,049
Fund balances at beginning of year	27,465,709	27,465,709	27,465,709	-
Prior year encumbrances appropriated	638,294	638,294	638,294	-
Fund balances at end of year	<u>\$ 25,586,082</u>	<u>\$ 28,559,597</u>	<u>\$ 30,229,646</u>	<u>\$ 1,670,049</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Fund Net Position
Internal Service Fund
June 30, 2015

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

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, 2015

	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	\$ 340,318

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trust	
	Scholarships	Agency
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 13,953	\$ 340,969
Accounts receivable	-	9,245
Total assets	<u>\$ 13,953</u>	<u>\$ 350,214</u>
<u>Liabilities:</u>		
Accounts payable	\$ -	\$ 1,591
Undistributed monies	-	116
Due to students	-	348,507
Total liabilities	<u>\$ -</u>	<u>\$ 350,214</u>
<u>Net position:</u>		
Held in trust for scholarships	<u>\$ 13,953</u>	

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, 2015

	<u>Scholarships</u>
<u>Additions:</u>	
Interest	<u>\$ 10</u>
<u>Deductions:</u>	
Payments in accordance with trust agreements	<u>3,000</u>
Change in net position	(2,990)
Net position beginning of year	<u>16,943</u>
Net position end of year	<u><u>\$ 13,953</u></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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the School District

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

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. The Board controls the School District's five instructional/support facilities staffed by 218 non-certificated employees and 266 certificated (including administrators) teaching and support personnel that provide services to 4,158 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, 2015.

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 16 to the basic financial statements.

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.

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 and deferred outflows of resources, liabilities and deferred inflows of resources is reported as fund balance. The School District has three major governmental funds:

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

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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.

The other governmental funds of the School District account for grants and other resources whose uses are restricted, committed or assigned to a particular purpose.

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 accounts for scholarships. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's two agency funds account for student activities managed by the student body and money temporarily held for Ohio High School Athletic Association (OHSAA) tournaments.

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.

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.

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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 Nonexchange 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.

Nonexchange 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 nonexchange 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.

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

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. For the School District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. This amount is related to a debt refunding in the current fiscal year. The deferred outflows of resources related to pension are explained in Note 12.

In addition to liabilities, the statement 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, 2015, but which were levied to finance year 2016 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. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 12)

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. Unused donated commodities are reported in the account "Inventory held for resale" within the basic financial statements.

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, 2015

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 2015. 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, 2015

I. Inventory

Within the basic financial statements, inventories are presented at cost on a first-in, first-out basis and are expended/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 18.

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. Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the bonds outstanding method and is presented as deferred outflows of resources on the statement of net position.

M. Capital Assets

General capital assets are those assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net 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.

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

All reported capital assets, other than land and construction in progress, 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

N. Net pension liability and pension expense

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

The current accounting standard requires School District's to report their proportionate share of the net pension liability using the earning approach to pension accounting instead of the funding approach as previously used. The funding approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability. Under the new standards, the net pension liability equals the School District's proportionate share of each plan's collective present value of estimated future pension benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. The unfunded portion of this benefit of exchange is a liability of the School District. However, the School District is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the plan.

There is no repayment schedule for the net pension liability. The School District has no control over the changes in the pension benefits, contributions rate, and return on investments affecting the balance of the net pension liability. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

O. 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.

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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 (including early retirement incentives) 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.

P. 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.

Q. 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.

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.

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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. The purpose constraint that represents the intended use is established by the Board of Education or by their designated official. 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 or by State statute. The Treasurer is authorized to assign fund balance using encumbrances for planned purchases, provided such amounts have been lawfully appropriated. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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.

R. Net Position

Net position represents the difference between assets, deferred outflows of resources, 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.

S. 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.

T. 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.

Twinsburg City School District
 Notes to the Basic Financial Statements
 For the Fiscal Year Ended June 30, 2015

U. 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 - CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For fiscal year 2015, the School District implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported June 30, 2014:

Net position June 30, 2014	\$51,410,656
Adjustments:	
Net pension liability	(68,498,985)
Deferred outflow - payments subsequent to measurement date	<u>3,449,151</u>
Restated net position June 30, 2014	<u><u>(\$13,639,178)</u></u>

Other than employer contributions subsequent to the measurement date, the School District made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

NOTE 3 – 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:

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Fund Balances	General	Bond Retirement	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Restricted for</u>					
Instructional programs	\$ -	\$ -	\$ -	\$ 69,521	\$ 69,521
Athletics and music	-	-	-	104,054	104,054
Food service	-	-	-	37,276	37,276
Student intervention	-	-	-	1,188	1,188
Technology	-	-	-	10,537	10,537
Permanent improvements	-	-	4,380,298	-	4,380,298
Building improvements and repairs	-	-	-	194,875	194,875
Debt service payments	-	1,845,665	-	-	1,845,665
Total restricted	-	1,845,665	4,380,298	417,451	6,643,414
<u>Assigned</u>					
Public school support	282,355	-	-	-	282,355
Various purchases on order*	584,245	-	-	-	584,245
Next year's budget	2,317,883	-	-	-	2,317,883
Total assigned	3,184,483	-	-	-	3,184,483
Unassigned (deficit)	29,949,027	-	-	(91,852)	29,857,175
Total fund balances	\$ 33,133,510	\$ 1,845,665	\$ 4,380,298	\$ 325,599	\$ 39,685,072

*Purchases on order consist primarily of supplies and purchased services.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues and other sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and other uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. 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).

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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.

Net Change in Fund Balance	
	<u>General</u>
GAAP basis	\$ 3,971,132
Revenue accruals	(1,909,040)
Advances in	244,400
Expenditure accruals	(120,728)
Budgeted as part of special revenue fund:	
Revenues	(110,326)
Transfers to general fund	778,409
Transfers from capital improvement fund	(27,501)
Expenditures	93,200
Encumbrances (Budget Basis) outstanding at year end	<u>(793,903)</u>
Budget basis	<u>\$ 2,125,643</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing within five years 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;

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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 notes rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

Deposits:

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 \$136,900. The School District's bank balance of \$510,387 was not exposed to custodial credit risk.

Investments:

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

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<u>Investment type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
Repurchase agreements	\$ 35,810,000	Daily	AA+ ⁽¹⁾
STAR Ohio	<u>2,370,268</u>	53.4 ⁽²⁾	AAAm ⁽¹⁾
	<u>\$ 38,180,268</u>		

⁽¹⁾ Standard and Poor's rating

⁽²⁾ Days (Average)

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2015.

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 2015 amount to \$20,228, which includes \$3,784 assigned from other School District funds.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's \$35,810,000 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, a Federal Home Loan Mortgage Corporation (FHLMC) 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 STAR Ohio an AAAM rating. The School District's investment policy requires certain credit ratings for some investments as allowed by state law.

NOTE 6 - PROPERTY TAX

Property taxes are levied and assessed on a calendar year basis 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.

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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 2015 represents collections of calendar year 2014 taxes. Real property taxes received in calendar year 2015 were levied after April 1, 2014, on the assessed value listed as of January 1, 2014, 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 2015 represents collections of calendar year 2014 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien December 31, 2013, were levied after April 1, 2014 and are collected 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.

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, 2015, are available to finance fiscal year 2016 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, 2015 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 \$6,108,996 in the general fund, \$363,839 in the bond retirement debt service fund and \$370,623 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 2015 taxes were collected are:

<u>Property Category</u>	<u>2014 Assessed Value</u>	<u>2013 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 554,729,190	\$ 561,417,970
Commercial, industrial and minerals	218,170,140	207,431,330
<u>Tangible Personal Property</u>		
Public utilities	<u>17,870,400</u>	<u>17,091,010</u>
Total	<u>\$ 790,769,730</u>	<u>\$ 785,940,310</u>

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

NOTE 7 - RECEIVABLES

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 \$393,531 for State Employees Retirement refunds, interest reimbursements and tuition and the special revenue funds recorded intergovernmental receivables for state and federal grants the amount of \$282,068.

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2015</u>
Capital assets, not being depreciated:				
Land	\$ 1,147,310	\$ -	\$ -	\$ 1,147,310
Construction in progress	<u>197,828</u>	<u>876,773</u>	<u>(979,358)</u>	<u>95,243</u>
Total capital assets, not being depreciated	<u>1,345,138</u>	<u>876,773</u>	<u>(979,358)</u>	<u>1,242,553</u>
Capital assets, being depreciated:				
Land improvements	4,635,190	1,047,106	(623,794)	5,058,502
Buildings and improvements	64,351,091	1,745,433	-	66,096,524
Furniture, fixtures and equipment	4,267,769	146,252	(64,893)	4,349,128
Vehicles	<u>2,856,198</u>	<u>620,583</u>	<u>(305,875)</u>	<u>3,170,906</u>
Total capital assets, being depreciated	<u>76,110,248</u>	<u>3,559,374</u>	<u>(994,562)</u>	<u>78,675,060</u>
Less: Accumulated depreciation				
Land improvements	(4,134,048)	(88,495)	265,113	(3,957,430)
Buildings and improvements	(33,286,248)	(1,780,467)	-	(35,066,715)
Furniture, fixtures and equipment	(3,160,580)	(257,221)	64,587	(3,353,214)
Vehicles	<u>(1,702,512)</u>	<u>(294,179)</u>	<u>275,287</u>	<u>(1,721,404)</u>
Total accumulated depreciation	<u>(42,283,388)</u>	<u>(2,420,362)</u>	<u>604,987</u>	<u>(44,098,763)</u>
Total capital assets being depreciated, net	<u>33,826,860</u>	<u>1,139,012</u>	<u>(389,575)</u>	<u>34,576,297</u>
Governmental activities capital assets, net	<u>\$ 35,171,998</u>	<u>\$ 2,015,785</u>	<u>\$ (1,368,933)</u>	<u>\$ 35,818,850</u>

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Depreciation expense was charged to governmental functions as follows:

Instruction:	<u>Amount</u>
Regular	\$ 1,850,750
Vocational	324
Support services:	
Instructional staff	4,885
Administration	90,640
Operation and maintenance of plant	100,605
Pupil transportation	289,519
Operation of food services	13,067
Extracurricular activities	<u>70,572</u>
	<u>\$ 2,420,362</u>

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2015 consisted of the following:

	<u>Interfund</u>	<u>Interfund</u>
	<u>Receivable</u>	<u>Payable</u>
General fund	\$ 179,480	\$ -
Nonmajor governmental funds	<u>-</u>	<u>179,480</u>
Totals	<u>\$ 179,480</u>	<u>\$ 179,480</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, 2015, all interfund loans outstanding are anticipated to be repaid in fiscal year 2016.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2015, consisted of the following:

Transfers from general fund to:	
Nonmajor governmental funds	\$ 36,521
Transfers to general fund from:	
Permanent improvement fund	\$ 27,501

Transfers made during the current fiscal year to and from the general fund were to reclassify old advances as transfers from various funds.

NOTE 10 – ACCOUNTABILITY

As of June 30, 2015, 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>Fund</u>	<u>Amount</u>
Title VI-B	\$ 45,132
Title III	12,214
Title I	24,062
EHA preschool grant	5,349
Improving teacher quality	5,095

NOTE 11 - RISK MANAGEMENT

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

The School District maintains 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 the Stark County Schools Council of Governments (COG) to provide medical/surgical, dental, vision, life insurance and accidental death and dismemberment insurance for its employees and their covered dependents. Established in 1987, the COG is a shared risk pool comprised of eighty-five member school districts, educational service centers, libraries, colleges and related agencies. Although, the School Districted has contracted with the COG they do not have a controlling vote since they are not located within Stark County. The employer participants pay monthly contributions that are placed in a common fund from which eligible claims and expenses are paid for employees and their covered dependents. This plan contains a stop-loss provision of \$500,000 per participant and an aggregate stop-loss provision of over \$200 million. Premium contributions are determined annually in a manner that ensures the pool is funded up to the aggregate stop loss attachment point. Premium holidays may be declared by the COG to ensure reserves do not exceed thirty percent.

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

NOTE 12 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions between an employer and its employees of salaries and benefits for employee services. Pensions are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

A. School Employee Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

	Eligible to Retire on or before <u>August 1, 2017</u> *	Eligible to Retire on or after <u>August 1, 2017</u>
Full benefits	Age 65 with 5 years of service credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2015, the allocation to pension, death benefits, and Medicare B was 13.18 percent. The remaining 0.82 percent of the 14 percent employer contribution rate was allocated to the Health Care Fund.

The School District's contractually required contribution to SERS was \$839,723 for fiscal year 2015. Of this amount \$81,966 is reported as an intergovernmental payable.

B. State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service.

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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 DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability 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 – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2015, plan members were required to contribute 12 percent of their annual covered salary. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2015 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$2,832,131 for fiscal year 2015. Of this amount \$424,984 is reported as an intergovernmental payable.

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate share of the net pension liability	\$11,165,200	\$46,490,953	\$57,656,153
Proportion of the net pension liability	0.220615%	0.1911363%	
Pension expense	\$637,467	\$1,839,394	\$2,476,861

At June 30, 2015, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 95,028	\$ 447,576	\$ 542,604
School District contributions subsequent to the measurement date	<u>839,723</u>	<u>2,832,131</u>	<u>3,671,854</u>
Total deferred outflows of resources	<u>\$ 934,751</u>	<u>\$ 3,279,707</u>	<u>\$ 4,214,458</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	<u>\$ 1,812,143</u>	<u>\$ 8,601,003</u>	<u>\$ 10,413,146</u>

\$3,671,854 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal <u>Year</u>	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2016	\$ (429,279)	\$ (2,038,357)	\$ (2,467,636)
2017	(429,279)	(2,038,357)	(2,467,636)
2018	(429,279)	(2,038,357)	(2,467,636)
2019	<u>(429,278)</u>	<u>(2,038,356)</u>	<u>(2,467,634)</u>
Total	<u>\$ (1,717,115)</u>	<u>\$ (8,153,427)</u>	<u>\$ (9,870,542)</u>

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2014, are presented below:

Wage inflation	3.25 percent
Future salary increases, including inflation	4 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment rate of return	7.75 percent net of investments expense, including inflation
Actuarial cost method	Entry age normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

Twinsburg City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Asset class	Target allocation	Long term expected real rate of return
Cash	1.00 %	0.00 %
US stocks	22.50	5.00
Non-US stocks	22.50	5.50
Fixed income	19.00	1.50
Private equity	10.00	10.00
Real assets	10.00	5.00
Multi-asset strategies	<u>15.00</u>	7.50
Total	<u>100.00 %</u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current discount rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$ 15,929,422	\$11,165,200	\$7,158,076

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment rate of return	7.75 percent, net of investment expenses
Cost-of-living adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date.

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset class</u>	<u>Target allocation</u>	<u>Long term expected real rate of return</u>
Domestic equity	31.00 %	8.00 %
International equity	26.00	7.85
Alternatives	14.00	8.00
Fixed income	18.00	3.75
Real estate	10.00	6.75
Liquidity reserves	<u>1.00</u>	3.00
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease <u>(6.75%)</u>	Current discount rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
School District's proportionate share of the net pension liability	\$ 66,556,868	\$46,490,953	\$29,521,941

NOTE 13 – POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System (SERS)

The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. 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.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2015, 0.82 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2015, this amount was \$20,450. Statutes provides that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2015, the School District's surcharge obligation was \$106,781.

The School District's contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$163,752, \$110,381, and \$118,477, respectively. For fiscal year 2015, 28.8 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2014 and 2013.

B. State Teachers Retirement System (STRS)

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

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

Funding Policy – Ohio Revised Code Chapter 3307 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. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2015, STRS did not allocate any employer contributions to post-employment health care. The School District’s contributions for health care for the fiscal years ended June 30, 2015, 2014, and 2013 were \$0, \$191,390, and \$199,937 respectively. The full amount has been contributed for fiscal years 2015, 2014 and 2013.

NOTE 14 - BONDED DEBT AND OTHER LONG-TERM OBLIGATIONS

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

	Balance <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30</u>	Due within <u>one year</u>
<u>Governmental Long-term Obligations</u>					
<u>General Obligation Bonds</u>					
2004 School Facilities Refunding					
Bonds, 2.0-5.0%, maturing					
December 1, 2021	\$ 1,725,000	\$ -	\$ (1,725,000)	\$ -	\$ -
2013 School Facilities Refunding					
Bonds, 4.25-5.0%, maturing					
December 1, 2021	14,495,000	-	(65,000)	14,430,000	1,860,000
Unamortized premium	945,794	-	(184,929)	760,865	-
2010 Energy conservation Improvement					
Bonds, 5.375%, maturing					
December 1, 2025	2,085,000	-	(170,000)	1,915,000	170,000
2014 Energy conservation Improvement					
Bonds, 3.60%, maturing					
December 1, 2028	-	753,519	-	753,519	41,514
Total bonds	<u>19,250,794</u>	<u>753,519</u>	<u>(2,144,929)</u>	<u>17,859,384</u>	<u>2,071,514</u>
<u>Other Long-term Obligations</u>					
Capital lease payable	339,193	-	(68,492)	270,701	72,250
Long-term compensated absences	2,515,326	558,577	(631,081)	2,442,822	353,389
Early retirement incentives	139,530	39,266	(139,530)	39,266	39,266
Total other long-term obligations	<u>2,994,049</u>	<u>597,843</u>	<u>(839,103)</u>	<u>2,752,789</u>	<u>464,905</u>
<u>Net pension liability</u>					
STRS	55,379,719	-	(8,888,766)	46,490,953	-
SERS	13,119,266	-	(1,954,066)	11,165,200	-
Total net pension liability	<u>68,498,985</u>	<u>-</u>	<u>(10,842,832)</u>	<u>57,656,153</u>	<u>-</u>
Total governmental long-term obligations	<u>\$ 90,743,828</u>	<u>\$ 1,351,362</u>	<u>\$ (13,826,864)</u>	<u>\$ 78,268,326</u>	<u>\$ 2,536,419</u>

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

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.

In fiscal year 2014, the School District issued \$14,525,000 in general obligation bonds to be used for the refunding of a portion of the 2004 School Facilities Refunding Bonds. The 2013 School Facilities Refunding Bonds proceeds consisted of bond principal and \$1,131,062 of premium. The net proceeds of \$15,507,360 (after payment of underwriting fees, insurance, and other issuance costs) was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments of the portion of the 2004 School Facilities Refunding Bonds refunded. As a result, the bonds are considered to be defeased and the liability is not reported by the School District. The difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources on the Statements of Net Position. The premium of the new debt was significant and is amortized over the life of the new bonds using the bonds outstanding method of amortization. The School District advance refunded the School Facilities Refunding Bonds to reduce their total debt service payments over the next eight years and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$929,271.

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 general 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.

On November 19, 2014, the School District issued \$753,519 in energy conservation improvement bonds at an interest rate of 3.60%. 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 general fund.

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

The School District pays pension obligations related to employee compensation from the fund benefitting from their service.

Twinsburg City School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2015

Principal and interest requirements to amortize all bonds and notes outstanding at June 30, 2015 are as follows:

Fiscal Year	2013 School Facilities Refunding Bonds Serial		2010 Energy Conservation Improvement Bonds		2014 Energy Conservation Improvement Bonds	
	Principal	Interest	Principal	Interest**	Principal	Interest
2016	\$ 1,860,000	\$ 463,050	\$ 170,000	\$ 98,363	\$ 41,514	\$ 26,379
2017	1,925,000	398,137	170,000	89,225	43,912	24,842
2018	1,990,000	330,995	175,000	79,953	45,493	23,232
2019	2,060,000	261,538	175,000	70,547	47,131	21,565
2020	2,125,000	189,765	175,000	61,141	48,828	19,838
2021-2025	4,470,000	154,521	875,000	164,609	271,804	71,025
2026-2029	-	-	175,000	4,703	254,837	18,754
Total	<u>\$ 14,430,000</u>	<u>\$ 1,798,006</u>	<u>\$ 1,915,000</u>	<u>\$ 568,541</u>	<u>\$ 753,519</u>	<u>\$ 205,635</u>

**included \$540,510 of direct pays from the federal government

NOTE 15 - CAPITALIZED LEASES - LESSEE DISCLOSURE

During a prior fiscal 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 the general fund. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by the lease have been capitalized as equipment in the amount of \$416,019, which is equal to the present value of the future minimum lease payments at the time of acquisition. Principal payments in the current fiscal year totaled \$68,492.

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
2016	\$ 84,989
2017	84,989
2018	84,989
2019	<u>42,494</u>
Total minimum lease payments	297,461
Less: amount representing interest	<u>(26,760)</u>
Total	<u>\$ 270,701</u>

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

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 2015, the School District contributed \$141,719 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 200 school districts, educational service centers, joint vocational school districts, and developmental disabilities boards in 35 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 2015 the School District paid \$150,833 and \$232,144 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 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

NOTE 17 - CONTINGENCIES

Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2015, 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, 2015.

Twinsburg City School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2015

School Foundation Adjustments

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2014-2015 school year, traditional school districts must comply with minimum hours of instruction, instead of minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year end. As of the date of this report, ODE has not yet finalized the impact of enrollment adjustments to the June 30, 2015 Foundation funding for the School District; therefore, the financial statement impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the School District.

NOTE 18 - STATUTORY RESERVES

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. The School District may replace using general fund revenues with proceeds from various sources (offsets), such as bond or levy proceeds related to the acquisition, replacement, enhancement, maintenance or repair of permanent 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 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, 2014	\$ -
Current year set-aside requirement	716,238
Current year offset	<u>(2,077,787)</u>
Total	<u>\$ (1,361,549)</u>
Balance carried forward to future years	<u>\$ -</u>

Required Supplementary Information

Twinsburg City School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Two Fiscal Years (1)

	<u>2014</u>	<u>2013</u>
School Employees Retirement System (SERS) of Ohio		
School District's proportion of the net pension liability	0.220615%	0.220615%
School District's proportionate share of the net pension liability	\$ 11,165,200	\$ 13,119,266
School District's covered employee payroll	\$ 6,308,932	\$ 6,409,270
School District's proportionate share of the net pension liability as a percentage of its covered employee payroll	176.97%	204.69%
Plan fiduciary net position as a percentage of total pension liability	71.70%	65.52%
	<u>2014</u>	<u>2013</u>
State Teachers Retirement System (STRS) of Ohio		
School District's proportion of the net pension liability	0.1911363%	0.1911363%
School District's proportionate share of the net pension liability	\$ 46,490,953	\$ 55,379,719
School District's covered employee payroll	\$ 19,805,638	\$ 19,472,554
School District's proportionate share of the net pension liability as a percentage of its covered employee payroll	234.74%	284.40%
Plan fiduciary net position as a percentage of total pension liability	74.70%	69.30%

(1) Information prior to 2013 is not available and the amounts presented are as of the School District's measurement date which is the prior fiscal year end.

Twinsburg City School District
Required Supplementary Information
Schedule of School District Contributions
Last Three Fiscal Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
School Employees Retirement System (SERS) of Ohio			
Contractually required contribution	\$ 839,723	\$ 874,418	\$ 887,043
Contributions in relation to contractually required contribution	<u>(839,723)</u>	<u>(874,418)</u>	<u>(887,043)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered employee payroll	\$ 6,371,191	\$ 6,308,932	\$ 6,409,270
Contributions as a percentage of covered employee payroll	13.18%	13.86%	13.84%

	<u>2015</u>	<u>2014</u>	<u>2013</u>
State Teachers Retirement System (STRS) of Ohio			
Contractually required contribution	\$ 2,832,131	\$ 2,574,733	\$ 2,531,432
Contributions in relation to contractually required contribution	<u>(2,832,131)</u>	<u>(2,574,733)</u>	<u>(2,531,432)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered employee payroll	\$ 20,229,507	\$ 19,805,638	\$ 19,472,554
Contributions as a percentage of covered employee payroll	14.00%	13.00%	13.00%

(1) Information prior to 2013 is not available.

Twinsburg City School District
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2015

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 2014 and 2015.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014 and 2015. See the notes to the basic financials for the methods and assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal year 2014 and 2015.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014 and 2015. See the notes to the basic financials for the methods and assumptions in this calculation.

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.

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.

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.

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 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

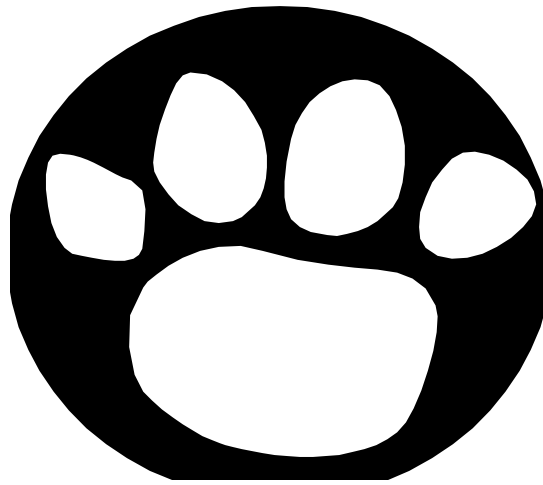
Capital project funds are established to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The capital projects funds are:

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, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>			
Equity in pooled cash and cash equivalents	\$ 228,429	\$ 194,875	\$ 423,304
Cash and cash equivalents:			
In segregated accounts	58,256	-	58,256
Receivables:			
Accounts	5,399	-	5,399
Intergovernmental	282,068	-	282,068
Inventory held for resale	36,563	-	36,563
Total assets	<u>\$ 610,715</u>	<u>\$ 194,875</u>	<u>\$ 805,590</u>
<u>Liabilities:</u>			
Accounts payable	\$ 9,880	\$ -	\$ 9,880
Accrued wages	213,326	-	213,326
Interfund payable	179,480	-	179,480
Intergovernmental payable	58,331	-	58,331
Unearned revenue	2,681	-	2,681
Total liabilities	<u>463,698</u>	<u>-</u>	<u>463,698</u>
<u>Deferred inflows of resources:</u>			
Unavailable revenue	<u>16,293</u>	<u>-</u>	<u>16,293</u>
<u>Fund balances:</u>			
Restricted	222,576	194,875	417,451
Unassigned	(91,852)	-	(91,852)
Total fund balances	<u>130,724</u>	<u>194,875</u>	<u>325,599</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 610,715</u>	<u>\$ 194,875</u>	<u>\$ 805,590</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, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>			
Intergovernmental	\$ 2,116,032	\$ -	\$ 2,116,032
Interest	42	-	42
Extracurricular activities	252,456	-	252,456
Gifts and donations	23,200	-	23,200
Charges for services	629,116	-	629,116
Miscellaneous	18,151	-	18,151
Total revenues	<u>3,038,997</u>	<u>-</u>	<u>3,038,997</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	101,017	-	101,017
Special	388,026	-	388,026
Student intervention services	39,485	-	39,485
Other	340,005	-	340,005
Support services:			
Pupils	300,583	-	300,583
Instructional staff	34,599	-	34,599
Administration	174,152	-	174,152
Operation of non-instructional services	5,132	-	5,132
Operation of food services	1,127,073	-	1,127,073
Extracurricular activities	261,549	-	261,549
Capital outlay	-	753,519	753,519
Total expenditures	<u>2,771,621</u>	<u>753,519</u>	<u>3,525,140</u>
Excess of revenues over (under) expenditures	<u>267,376</u>	<u>(753,519)</u>	<u>(486,143)</u>
<u>Other financing sources:</u>			
Proceeds from the sale of bonds	-	753,519	753,519
Transfers in	36,521	-	36,521
Total other financing sources	<u>36,521</u>	<u>753,519</u>	<u>790,040</u>
Net change in fund balance	303,897	-	303,897
Fund balances (deficit) at beginning of year	<u>(173,173)</u>	<u>194,875</u>	<u>21,702</u>
Fund balances at end of year	<u>\$ 130,724</u>	<u>\$ 194,875</u>	<u>\$ 325,599</u>

Twinsburg City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2015

	Food Service	Miscellaneous Local Grants	District Managed Student Activity	Management Information Systems	Data Comm- unications	Alternative Schools
<u>Assets:</u>						
Equity in pooled cash and cash equivalents	\$ 54,449	\$ 53,078	\$ 99,217	\$ 162	\$ 10,375	\$ -
Cash and cash equivalents:						
In segregated accounts	53,072	-	5,184	-	-	-
Receivables:						
Accounts	-	4,600	49	-	-	-
Intergovernmental	-	-	-	-	-	10,065
Inventory held for resale	36,563	-	-	-	-	-
Total assets	<u>\$ 144,084</u>	<u>\$ 57,678</u>	<u>\$ 104,450</u>	<u>\$ 162</u>	<u>\$ 10,375</u>	<u>\$ 10,065</u>
<u>Liabilities:</u>						
Accounts payable	\$ 379	\$ 3,151	\$ 396	\$ -	\$ -	\$ -
Accrued wages	72,079	-	-	-	-	-
Interfund payable	-	-	-	-	-	8,877
Intergovernmental payable	34,350	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>106,808</u>	<u>3,151</u>	<u>396</u>	<u>-</u>	<u>-</u>	<u>8,877</u>
<u>Deferred inflows of resources:</u>						
Unavailable revenue	-	-	-	-	-	-
<u>Fund balances:</u>						
Restricted	37,276	54,527	104,054	162	10,375	1,188
Unassigned	-	-	-	-	-	-
Total fund balances	<u>37,276</u>	<u>54,527</u>	<u>104,054</u>	<u>162</u>	<u>10,375</u>	<u>1,188</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 144,084</u>	<u>\$ 57,678</u>	<u>\$ 104,450</u>	<u>\$ 162</u>	<u>\$ 10,375</u>	<u>\$ 10,065</u>

Miscellaneous State Grants	Title VI-B	Title III	Title I	EHA Preschool Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$ 11,148	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,429
-	-	-	-	-	-	58,256
-	-	-	750	-	-	5,399
8,563	160,933	16,503	59,594	6,406	20,004	282,068
-	-	-	-	-	-	36,563
<u>\$ 19,711</u>	<u>\$ 160,933</u>	<u>\$ 16,503</u>	<u>\$ 60,344</u>	<u>\$ 6,406</u>	<u>\$ 20,004</u>	<u>\$ 610,715</u>
\$ 4,717	\$ 1,112	\$ -	\$ -	\$ -	\$ 125	\$ 9,880
-	69,735	12,428	43,298	4,017	11,769	213,326
-	107,204	14,369	31,737	5,907	11,386	179,480
-	11,721	1,920	6,690	1,831	1,819	58,331
-	-	-	2,681	-	-	2,681
<u>4,717</u>	<u>189,772</u>	<u>28,717</u>	<u>84,406</u>	<u>11,755</u>	<u>25,099</u>	<u>463,698</u>
-	16,293	-	-	-	-	16,293
14,994	-	-	-	-	-	222,576
-	(45,132)	(12,214)	(24,062)	(5,349)	(5,095)	(91,852)
<u>14,994</u>	<u>(45,132)</u>	<u>(12,214)</u>	<u>(24,062)</u>	<u>(5,349)</u>	<u>(5,095)</u>	<u>130,724</u>
<u>\$ 19,711</u>	<u>\$ 160,933</u>	<u>\$ 16,503</u>	<u>\$ 60,344</u>	<u>\$ 6,406</u>	<u>\$ 20,004</u>	<u>\$ 610,715</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, 2015

	Food Service	Miscellaneous Local Grants	District Managed Student Activity	Management Information Systems	Data Comm- unications	Alternative Schools
<u>Revenues:</u>						
Intergovernmental	\$ 481,162	\$ -	\$ -	\$ -	\$ 9,000	\$ 29,440
Interest	42	-	-	-	-	-
Extracurricular activities	-	-	252,456	-	-	-
Gifts and donations	18,700	4,500	-	-	-	-
Charges for services	629,116	-	-	-	-	-
Miscellaneous	1,956	16,195	-	-	-	-
Total revenues	<u>1,130,976</u>	<u>20,695</u>	<u>252,456</u>	<u>-</u>	<u>9,000</u>	<u>29,440</u>
<u>Expenditures:</u>						
Current:						
Instruction:						
Regular	-	8,644	-	-	-	-
Special	-	7,763	-	-	-	-
Student intervention services	-	-	-	-	-	29,404
Other	-	-	-	-	-	-
Support services:						
Pupils	-	-	-	-	-	-
Instructional staff	-	-	-	2,000	-	-
Administration	-	-	-	-	-	-
Operation of non-instructional services	5,132	-	-	-	-	-
Operation of food services	1,127,073	-	-	-	-	-
Extracurricular activities	-	-	261,549	-	-	-
Total expenditures	<u>1,132,205</u>	<u>16,407</u>	<u>261,549</u>	<u>2,000</u>	<u>-</u>	<u>29,404</u>
Excess of revenues over (under) expenditures	<u>(1,229)</u>	<u>4,288</u>	<u>(9,093)</u>	<u>(2,000)</u>	<u>9,000</u>	<u>36</u>
<u>Other financing sources</u>						
Transfers in	-	-	-	-	-	7,585
Net change in fund balance	(1,229)	4,288	(9,093)	(2,000)	9,000	7,621
Fund balances (deficit) at beginning of year	38,505	50,239	113,147	2,162	1,375	(6,433)
Fund balances (deficit) at end of year	<u>\$ 37,276</u>	<u>\$ 54,527</u>	<u>\$ 104,054</u>	<u>\$ 162</u>	<u>\$ 10,375</u>	<u>\$ 1,188</u>

Miscellaneous State Grants	Title VI-B	Title III	Title I	EHA Preschool Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$ 27,765	\$ 949,992	\$ 38,022	\$ 455,468	\$ 21,106	\$ 104,077	\$ 2,116,032
-	-	-	-	-	-	42
-	-	-	-	-	-	252,456
-	-	-	-	-	-	23,200
-	-	-	-	-	-	629,116
-	-	-	-	-	-	18,151
<u>27,765</u>	<u>949,992</u>	<u>38,022</u>	<u>455,468</u>	<u>21,106</u>	<u>104,077</u>	<u>3,038,997</u>
636	-	-	-	-	91,737	101,017
14,276	288,467	50,236	-	27,284	-	388,026
144	-	-	9,937	-	-	39,485
-	-	-	340,005	-	-	340,005
-	300,583	-	-	-	-	300,583
-	5,050	-	8,004	-	19,545	34,599
-	174,152	-	-	-	-	174,152
-	-	-	-	-	-	5,132
-	-	-	-	-	-	1,127,073
-	-	-	-	-	-	261,549
<u>15,056</u>	<u>768,252</u>	<u>50,236</u>	<u>357,946</u>	<u>27,284</u>	<u>111,282</u>	<u>2,771,621</u>
<u>12,709</u>	<u>181,740</u>	<u>(12,214)</u>	<u>97,522</u>	<u>(6,178)</u>	<u>(7,205)</u>	<u>267,376</u>
-	28,936	-	-	-	-	36,521
12,709	210,676	(12,214)	97,522	(6,178)	(7,205)	303,897
2,285	(255,808)	-	(121,584)	829	2,110	(173,173)
<u>\$ 14,994</u>	<u>\$ (45,132)</u>	<u>\$ (12,214)</u>	<u>\$ (24,062)</u>	<u>\$ (5,349)</u>	<u>\$ (5,095)</u>	<u>\$ 130,724</u>

Twinsburg City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2015

	<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>\$ 101,578</u>	<u>\$ 194,875</u>
 <u>Fund balances:</u>			
Restricted	<u>93,297</u>	<u>101,578</u>	<u>194,875</u>
Total liabilities and fund balances	<u>\$ 93,297</u>	<u>\$ 101,578</u>	<u>\$ 194,875</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, 2015

	<u>Building</u>	<u>Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Capital outlay	753,519	-	753,519
Excess of revenues under expenditures	(753,519)	-	(753,519)
<u>Other financing sources:</u>			
Proceeds from the sale of bonds	753,519	-	753,519
Net change in fund balance	-	-	-
Fund balances at beginning of year	93,297	101,578	194,875
Fund balances at end of the year	<u>\$ 93,297</u>	<u>\$ 101,578</u>	<u>\$ 194,875</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, 2015**

General Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 27,411,219	\$ 27,411,219	\$ -
Intergovernmental	14,203,428	14,203,896	468
Interest	16,847	20,206	3,359
Tuition and fees	732,765	733,782	1,017
Rent	49,228	61,224	11,996
Extracurricular activities	134,136	134,136	-
Miscellaneous	85,852	111,780	25,928
Total revenues	<u>42,633,475</u>	<u>42,676,243</u>	<u>42,768</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular:			
Salaries and wages	14,312,546	14,297,538	15,008
Fringe benefits	5,407,678	5,315,497	92,181
Purchased services	474,827	474,241	586
Materials and supplies	281,862	246,086	35,776
Capital outlay	1,318	1,218	100
Other	29,718	29,615	103
Total regular	<u>20,507,949</u>	<u>20,364,195</u>	<u>143,754</u>
Special:			
Salaries and wages	2,572,828	2,572,828	-
Fringe benefits	1,130,782	1,121,282	9,500
Purchased services	937,172	908,188	28,984
Materials and supplies	337	337	-
Total special	<u>4,641,119</u>	<u>4,602,635</u>	<u>38,484</u>
Vocational:			
Salaries and wages	86,461	86,461	-
Fringe benefits	28,584	28,584	-
Total vocational	<u>115,045</u>	<u>115,045</u>	<u>-</u>
Student intervention services:			
Salaries and wages	177,501	177,501	-
Fringe benefits	69,333	67,233	2,100
Total other	<u>246,834</u>	<u>244,734</u>	<u>2,100</u>
Total instruction	<u>25,510,947</u>	<u>25,326,609</u>	<u>184,338</u>

(Continued)

Twinsburg City School District

**Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP) and Actual
For the Fiscal Year Ended June 30, 2015**

General Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Support services:			
Pupils:			
Salaries and wages	1,302,197	1,302,197	-
Fringe benefits	471,850	463,860	7,990
Purchased services	364,389	357,208	7,181
Materials and supplies	12,533	11,276	1,257
Total pupils	<u>2,150,969</u>	<u>2,134,541</u>	<u>16,428</u>
Instructional staff:			
Salaries and wages	298,003	298,003	-
Fringe benefits	126,613	115,713	10,900
Purchased services	180,639	180,539	100
Materials and supplies	9,916	9,909	7
Other	174	174	-
Total instructional staff	<u>615,345</u>	<u>604,338</u>	<u>11,007</u>
Board of education:			
Salaries and wages	53,880	53,880	-
Fringe benefits	29,641	29,641	-
Purchased services	368,870	338,845	30,025
Materials and supplies	13,264	13,264	-
Other	104,656	103,368	1,288
Total board of education	<u>570,311</u>	<u>538,998</u>	<u>31,313</u>
Administration:			
Salaries and wages	2,002,392	1,993,600	8,792
Fringe benefits	957,597	925,597	32,000
Purchased services	116,966	116,032	934
Materials and supplies	32,837	31,851	986
Other	948	948	-
Total administration	<u>3,110,740</u>	<u>3,068,028</u>	<u>42,712</u>
Fiscal:			
Salaries and wages	300,517	300,517	-
Fringe benefits	123,008	122,008	1,000
Purchased services	26,442	23,236	3,206
Materials and supplies	3,673	3,656	17
Other	553,720	544,721	8,999
Total fiscal	<u>1,007,360</u>	<u>994,138</u>	<u>13,222</u>
Business:			
Salaries and wages	230,095	230,095	-
Fringe benefits	57,838	54,838	3,000
Purchased services	3,760	3,760	-
Materials and supplies	53,515	53,515	-
Total business	<u>345,208</u>	<u>342,208</u>	<u>3,000</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, 2015**

	General Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operation and maintenance of plant:			
Salaries and wages	1,433,752	1,416,594	17,158
Fringe benefits	648,168	636,168	12,000
Purchased services	1,692,116	1,636,886	55,230
Materials and supplies	224,555	223,382	1,173
Total operation and maintenance of plant	<u>3,998,591</u>	<u>3,913,030</u>	<u>85,561</u>
Pupil transportation:			
Salaries and wages	1,640,582	1,575,449	65,133
Fringe benefits	682,320	672,320	10,000
Purchased services	110,392	109,642	750
Materials and supplies	401,472	400,555	917
Total pupil transportation	<u>2,834,766</u>	<u>2,757,966</u>	<u>76,800</u>
Central:			
Salaries and wages	179,113	178,113	1,000
Fringe benefits	75,977	74,477	1,500
Purchased services	541,343	532,930	8,413
Materials and supplies	39,874	39,094	780
Total central	<u>836,307</u>	<u>824,614</u>	<u>11,693</u>
Total support services	<u>15,469,597</u>	<u>15,177,861</u>	<u>291,736</u>
Extracurricular activities:			
Academic and subject oriented activities:			
Salaries and wages	129,983	129,983	-
Fringe benefits	17,657	17,657	-
Materials and supplies	275	179	96
Other	110	110	-
Total academic and subject oriented activities	<u>148,025</u>	<u>147,929</u>	<u>96</u>
Sports oriented activities:			
Salaries and wages	572,261	572,261	-
Fringe benefits	120,794	120,794	-
Purchased services	28,994	28,594	400
Materials and supplies	11,299	11,299	-
Total sports oriented activities	<u>733,348</u>	<u>732,948</u>	<u>400</u>
Total extracurricular activities	<u>881,373</u>	<u>880,877</u>	<u>496</u>
Debt service:			
Principal retirement	170,000	170,000	-
Interest and fiscal charges	122,268	122,268	-
Total expenditures	<u>42,154,185</u>	<u>41,677,615</u>	<u>476,570</u>
Excess of revenues over expenditures	<u>479,290</u>	<u>998,628</u>	<u>519,338</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, 2015**

	General Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Other financing sources (uses):</u>			
Refund of prior year expenditures	16,304	104,206	87,902
Advances in	-	244,400	244,400
Advances out	(40,000)	-	40,000
Transfers in	-	778,409	778,409
Total other financing sources (uses)	<u>(23,696)</u>	<u>1,127,015</u>	<u>1,150,711</u>
Net change in fund balance	455,594	2,125,643	1,670,049
Fund balance at beginning of year	27,465,709	27,465,709	-
Prior year encumbrances appropriated	638,294	638,294	-
Fund balance at end of year	<u>\$ 28,559,597</u>	<u>\$ 30,229,646</u>	<u>\$ 1,670,049</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, 2015

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 9,540	\$ 9,540	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	12,363	12,363	-
Net change in fund balance	(2,823)	(2,823)	-
Fund balance at beginning of year	2,380	2,380	-
Prior year encumbrances appropriated	1	1	-
Fund balance (deficit) at end of year	\$ (442)	\$ (442)	\$ -

Adult Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Current:			
Total expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	89,696	89,696	-
Fund balance at end of year	\$ 89,696	\$ 89,696	\$ -

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, 2015

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 19	\$ 22	\$ 3
Tuition and fees	53,415	53,465	50
Extracurricular activities	46,556	46,893	337
Gifts and donations	300	300	-
Total revenues	<u>100,290</u>	<u>100,680</u>	<u>390</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	40,473	40,203	270
Support services:			
Pupils	18,101	18,101	-
Instructional staff	2,306	2,306	-
Administration	13,731	13,731	-
Extracurricular activities	46,851	44,807	2,044
Total expenditures	<u>121,462</u>	<u>119,148</u>	<u>2,314</u>
Excess of revenues under expenditures	<u>(21,172)</u>	<u>(18,468)</u>	<u>2,704</u>
<u>Other financing uses:</u>			
Transfers out	<u>(778,409)</u>	<u>(778,409)</u>	<u>-</u>
Net change in fund balance	(799,581)	(796,877)	2,704
Fund balance at beginning of year	1,065,743	1,065,743	-
Prior year encumbrances appropriated	10,438	10,438	-
Fund balance at end of year	<u>\$ 276,600</u>	<u>\$ 279,304</u>	<u>\$ 2,704</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, 2015

Bond Retirement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,708,300	\$ 1,708,300	\$ -
Intergovernmental	619,829	619,829	-
Total revenues	<u>2,328,129</u>	<u>2,328,129</u>	<u>-</u>
<u>Expenditures:</u>			
Debt service:			
Principal retirement	1,838,598	1,838,598	-
Interest and fiscal charges	528,407	528,407	-
Total expenditures	<u>2,367,005</u>	<u>2,367,005</u>	<u>-</u>
Net change in fund balance	(38,876)	(38,876)	-
Fund balance at beginning of year	1,479,362	1,479,362	-
Fund balance at end of year	<u>\$ 1,440,486</u>	<u>\$ 1,440,486</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, 2015

Permanent Improvement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,652,957	\$ 1,652,957	\$ -
Intergovernmental	424,830	424,830	-
Total revenues	<u>2,077,787</u>	<u>2,077,787</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Regular	941,294	941,294	-
Support services:			
Instructional staff	22,835	22,835	-
Operation and maintenance of plant	56,746	56,746	-
Pupil transportation	744,295	744,295	-
Central	353,924	352,743	1,181
Capital outlay	2,091,039	2,065,559	25,480
Total expenditures	<u>4,210,133</u>	<u>4,183,472</u>	<u>26,661</u>
Net change in fund balance	(2,132,346)	(2,105,685)	26,661
Fund balance at beginning of year	5,178,789	5,178,789	-
Prior year encumbrances appropriated	594,661	594,661	-
Fund balance at end of year	<u>\$ 3,641,104</u>	<u>\$ 3,667,765</u>	<u>\$ 26,661</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, 2015

Food Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 397,309	\$ 397,309	\$ -
Interest	30	42	12
Gifts and donations	18,700	18,700	-
Charges for services	625,504	629,116	3,612
Miscellaneous	1,956	1,956	-
Total revenues	<u>1,043,499</u>	<u>1,047,123</u>	<u>3,624</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	5,132	5,132	-
Operation of food services	1,098,812	1,062,373	36,439
Total expenditures	<u>1,103,944</u>	<u>1,067,505</u>	<u>36,439</u>
Net change in fund balance	(60,445)	(20,382)	40,063
Fund balance at beginning of year	95,939	95,939	-
Prior year encumbrances appropriated	3,665	3,665	-
Fund balance at end of year	<u>\$ 39,159</u>	<u>\$ 79,222</u>	<u>\$ 40,063</u>

Miscellaneous Local Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 4,500	\$ 4,500	\$ -
Miscellaneous	9,595	11,595	2,000
Total revenues	<u>14,095</u>	<u>16,095</u>	<u>2,000</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	11,518	11,518	-
Special	7,763	7,763	-
Total expenditures	<u>19,281</u>	<u>19,281</u>	<u>-</u>
Net change in fund balance	(5,186)	(3,186)	2,000
Fund balance at beginning of year	50,118	50,118	-
Prior year encumbrances appropriated	120	120	-
Fund balance at end of year	<u>\$ 45,052</u>	<u>\$ 47,052</u>	<u>\$ 2,000</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, 2015

District Managed Student Activity Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Extracurricular activities	\$ 250,444	\$ 252,407	\$ 1,963
<u>Expenditures:</u>			
Current:			
Extracurricular activities	299,729	295,823	3,906
Net change in fund balance	(49,285)	(43,416)	5,869
Fund balance at beginning of year	101,061	101,061	-
Prior year encumbrances appropriated	8,163	8,163	-
Fund balance at end of year	<u>\$ 59,939</u>	<u>\$ 65,808</u>	<u>\$ 5,869</u>

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	2,000	2,000	-
Net change in fund balance	(2,000)	(2,000)	-
Fund balance at beginning of year	2,162	2,162	-
Fund balance at end of year	<u>\$ 162</u>	<u>\$ 162</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, 2015

Data Communications Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 9,000	\$ 9,000	\$ -
<u>Expenditures:</u>			
Current:			
Total expenditures	-	-	-
Net change in fund balance	9,000	9,000	-
Fund balance at beginning of year	1,375	1,375	-
Fund balance at end of year	<u>\$ 10,375</u>	<u>\$ 10,375</u>	<u>\$ -</u>

Alternative Schools Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 23,048	\$ 23,048	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Student intervention services	29,629	29,629	-
Net change in fund balance	(6,581)	(6,581)	-
Fund balance (deficit) at beginning of year	(2,296)	(2,296)	-
Fund balance (deficit) at end of year	<u>\$ (8,877)</u>	<u>\$ (8,877)</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, 2015

Miscellaneous State Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 27,669	\$ 27,669	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	20,349	16,325	4,024
Special	18,164	18,164	-
Student intervention services	144	144	-
Total expenditures	38,657	34,633	4,024
Excess of revenues under expenditures	(10,988)	(6,964)	4,024
<u>Other financing uses:</u>			
Refund of prior year receipts	(1,080)	(1,080)	-
Net change in fund balance	(12,068)	(8,044)	4,024
Fund balance (deficit) at beginning of year	(5,101)	(5,101)	-
Fund balance (deficit) at end of year	<u>\$ (17,169)</u>	<u>\$ (13,145)</u>	<u>\$ 4,024</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, 2015

Title VI-B Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 805,352	\$ 805,352	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	287,030	287,030	-
Support services:			
Pupils	316,953	316,953	-
Instructional staff	5,801	5,801	-
Administration	174,138	174,138	-
Total expenditures	783,922	783,922	-
Excess of revenues over expenditures	21,430	21,430	-
<u>Other financing uses:</u>			
Advances out	(179,800)	(179,800)	-
Net change in fund balance	(158,370)	(158,370)	-
Fund balance at beginning of year	8,373	8,373	-
Prior year encumbrances appropriated	32,201	32,201	-
Fund balance (deficit) at end of year	\$ (117,796)	\$ (117,796)	\$ -

Title III Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 19,817	\$ 19,817	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	35,988	35,988	-
Net change in fund balance	(16,171)	(16,171)	-
Fund balance at beginning of year	1,702	1,702	-
Fund balance (deficit) at end of year	\$ (14,469)	\$ (14,469)	\$ -

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, 2015

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 398,555	\$ 398,555	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Student intervention services	9,966	9,966	-
Other	350,169	350,169	-
Support services:			
Instructional staff	8,754	8,754	-
Total expenditures	368,889	368,889	-
Excess of revenues over expenditures	29,666	29,666	-
<u>Other financing uses:</u>			
Advances out	(64,600)	(64,600)	-
Net change in fund balance	(34,934)	(34,934)	-
Fund balance at beginning of year	3,168	3,168	-
Fund balance (deficit) at end of year	\$ (31,766)	\$ (31,766)	\$ -

EHA Preschool Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 14,700	\$ 14,700	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	21,436	21,436	-
Net change in fund balance	(6,736)	(6,736)	-
Fund balance at beginning of year	829	829	-
Fund balance (deficit) at end of year	\$ (5,907)	\$ (5,907)	\$ -

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, 2015

Improving Teacher Quality Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 84,073	\$ 84,073	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	78,557	78,557	-
Support services:			
Instructional staff	19,420	19,420	-
Total expenditures	<u>97,977</u>	<u>97,977</u>	<u>-</u>
Net change in fund balance	(13,904)	(13,904)	-
Fund balance at beginning of year	2,518	2,518	-
Fund balance (deficit) at end of year	<u>\$ (11,386)</u>	<u>\$ (11,386)</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, 2015

Building Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Capital outlay	753,519	753,519	-
Excess of revenues under expenditures	(753,519)	(753,519)	-
<u>Other financing sources:</u>			
Bonds issued	753,519	753,519	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	93,297	93,297	-
Fund balance (deficit) at end of year	\$ 93,297	\$ 93,297	\$ -

Replacement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Rent	\$ 5,000	\$ -	\$ (5,000)
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	5,000	-	(5,000)
Fund balance at beginning of year	101,578	101,578	-
Fund balance at end of year	\$ 106,578	\$ 101,578	\$ (5,000)

Internal Service Fund

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

Fiduciary Funds

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

Statement of Changes in Assets and Liabilities - Agency Funds

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, 2015

Employee Benefits Self Insurance Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<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>

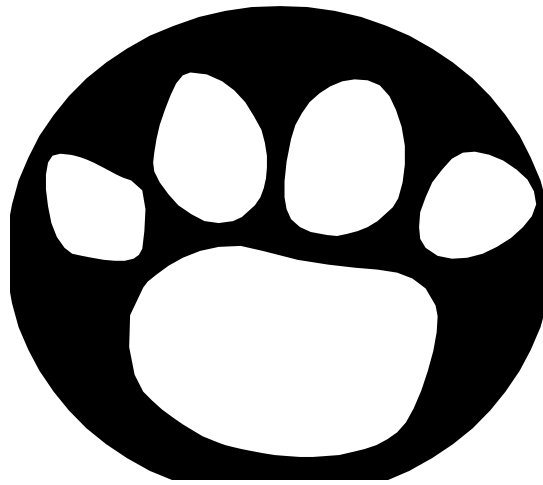
Twinsburg City School District
Schedule of Revenues, Expenses
and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2015

Scholarships Private Purpose Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 9	\$ 10	\$ 1
<u>Expenses:</u>			
Current:			
Payments in accordance with trust agreements	3,000	3,000	-
Net change in fund balance	(2,991)	(2,990)	1
Fund balance at beginning of year	16,943	16,943	-
Fund balance at end of year	<u>\$ 13,952</u>	<u>\$ 13,953</u>	<u>\$ 1</u>

Twinsburg City School District
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2015

	Beginning Balance July 1, 2014	Additions	Deductions	Ending Balance June 30, 2015
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 337,270	\$ 392,087	\$ 388,504	\$ 340,853
Accounts receivable	-	9,245	-	9,245
Total assets	<u>\$ 337,270</u>	<u>\$ 401,332</u>	<u>\$ 388,504</u>	<u>\$ 350,098</u>
<u>Liabilities:</u>				
Accounts payable	\$ 254	\$ 1,591	\$ 254	\$ 1,591
Due to students	337,016	401,586	390,095	348,507
Total liabilities	<u>\$ 337,270</u>	<u>\$ 403,177</u>	<u>\$ 390,349</u>	<u>\$ 350,098</u>
 <u>District Agency</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 778	\$ 16,265	\$ 16,927	\$ 116
Total assets	<u>\$ 778</u>	<u>\$ 16,265</u>	<u>\$ 16,927</u>	<u>\$ 116</u>
<u>Liabilities:</u>				
Undistributed monies	\$ 778	\$ 16,265	\$ 16,927	\$ 116
Total liabilities	<u>\$ 778</u>	<u>\$ 16,265</u>	<u>\$ 16,927</u>	<u>\$ 116</u>
 <u>Total All Agency Funds</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 338,048	\$ 408,352	\$ 405,431	\$ 340,969
Accounts receivable	-	9,245	-	9,245
Total assets	<u>\$ 338,048</u>	<u>\$ 417,597</u>	<u>\$ 405,431</u>	<u>\$ 350,214</u>
<u>Liabilities:</u>				
Accounts payable	\$ 254	\$ 1,591	\$ 254	\$ 1,591
Undistributed monies	778	16,265	16,927	116
Due to students	337,016	401,586	390,095	348,507
Total liabilities	<u>\$ 338,048</u>	<u>\$ 419,442</u>	<u>\$ 407,276</u>	<u>\$ 350,214</u>



STATISTICAL SECTION

Statistical Section

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

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

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

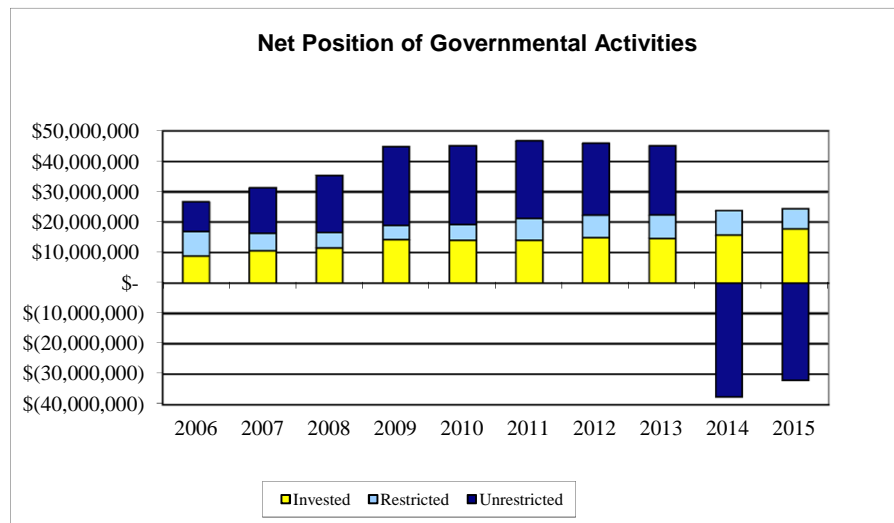
Net Position by Component (1)

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	Restated <u>2009</u>	<u>2010</u>
Net investment in capital assets	\$ 8,833,951	\$ 10,544,221	\$ 11,581,201	\$ 14,221,195	\$ 14,090,880
Restricted for:					
Capital projects	4,910,255	2,565,410	1,843,593	2,913,343	3,313,853
Debt service	2,047,762	1,975,458	1,704,913	1,622,479	1,518,941
Permanent fund - scholarships					
Expendable	7,783	7,710	6,886	-	-
Nonexpendable	10,000	10,000	10,000	-	-
Food services	-	-	-	129,238	24,711
School supplies	-	-	-	13,500	14,748
Extracurricular activities	-	-	-	106,638	93,677
Adult education	-	-	-	112,569	118,313
Community services	-	-	-	855,680	824,594
Other purposes	1,116,440	1,248,093	1,386,655	138,290	204,056
Unrestricted (deficit)	9,727,433	14,969,270	18,888,251	26,027,480	26,036,007
Total net position	<u>\$ 26,653,624</u>	<u>\$ 31,320,162</u>	<u>\$ 35,421,499</u>	<u>\$ 46,140,412</u>	<u>\$ 46,239,780</u>

(1) Accrual basis of accounting.

(2) The School District implemented GASB 68 during fiscal year 2015.



<u>2011</u>	<u>Restated 2012</u>	<u>2013</u>	<u>Restated 2014</u>	<u>2015 (2)</u>
\$ 14,128,078	\$ 14,909,061	\$ 14,716,989	\$ 15,687,483	\$ 17,773,614
4,602,751	5,573,709	6,025,272	6,073,241	4,612,245
2,290,640	1,546,770	1,365,517	1,769,351	1,841,316
-	-	-	-	-
-	-	-	-	-
-	22,654	-	-	-
-	-	-	-	-
128,059	148,588	131,756	113,147	104,054
-	-	-	-	-
-	-	-	-	-
73,443	67,175	56,314	80,385	81,246
25,506,956	23,639,080	22,755,563	(37,362,785)	(31,996,615)
<u>\$ 46,729,927</u>	<u>\$ 45,907,037</u>	<u>\$ 45,051,411</u>	<u>\$ (13,639,178)</u>	<u>\$ (7,584,140)</u>

Twinsburg City School District

Changes in Net Position of Governmental Activities (1)

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	Restated <u>2009</u>	<u>2010</u>
Expenses					
Regular instruction	\$ 18,811,120	\$ 19,972,785	\$ 19,390,041	\$ 21,234,913	\$ 21,964,455
Special instruction	2,654,746	2,762,997	2,977,965	3,183,358	2,962,910
Vocational instruction	242,618	254,634	292,318	316,696	302,980
Student intervention services	-	-	-	-	61,741
Other	70,292	68,973	75,275	51,478	-
Pupil support	2,872,792	2,920,267	3,143,887	3,365,863	2,697,561
Instructional staff support	1,014,004	916,284	1,020,310	1,044,498	2,620,750
Board of education	300,089	284,542	211,097	260,220	339,020
Administration	2,590,753	2,746,732	3,124,015	3,235,878	3,274,612
Fiscal	879,079	996,254	890,809	1,135,987	1,125,999
Business	82,509	119,632	128,518	85,888	97,471
Operation and maintenance of plant	4,807,732	4,710,038	5,228,770	4,759,477	5,011,765
Pupil transportation	2,066,262	2,102,712	2,609,477	2,800,049	2,885,379
Central	1,130,148	971,967	849,936	887,039	994,783
Operation of non-instructional services	73,261	76,297	30,219	-	2,056
Operation of food services	1,247,386	1,231,117	1,323,671	1,406,453	1,467,504
Extracurricular activities	1,054,860	1,050,443	1,233,531	1,326,623	1,292,277
Interest and fiscal charges	1,879,502	2,057,265	2,196,339	1,428,004	1,149,754
Total expenses	\$ 41,777,153	\$ 43,242,939	\$ 44,726,178	\$ 46,522,424	\$ 48,251,017
Program Revenues					
Charges for services:					
Regular instruction	\$ 107,032	\$ 243,624	\$ 46,178	\$ 410,805	\$ 399,344
Special instruction	-	11,092	9,670	7,400	10,566
Adult/continuing	6,050	6,688	5,850	8,369	5,744
Student intervention services instruction	-	-	-	-	9,351
Other instruction	-	-	3,064	2,402	-
Pupil support	197,492	228,765	225,049	259,129	224,640
Administration	17,685	12,400	22,794	26,611	23,254
Business	-	30,606	-	-	-
Operation and maintenance of plant	17,685	98,670	93,396	125,661	91,666
Pupil transportation	2,966	-	5,100	7,200	8,333
Central	-	-	-	-	867
Operation of non-instructional services	-	-	-	-	-
Operation of food service	975,207	947,394	977,952	972,076	912,706
Extracurricular activities	378,607	313,115	402,220	313,768	389,844
Operating grants and contributions:					
Regular instruction	140,669	134,579	149,878	137,787	120,473
Special instruction	578,743	515,561	275,627	579,941	835,603
Adult/continuing	-	-	-	-	-
Student intervention services instruction	-	-	-	-	28,127
Other instruction	78,123	80,550	58,765	53,093	-
Pupil support	194,761	212,196	337,945	258,800	359,237
Instructional staff support	254,449	158,868	185,942	110,327	448,062
Board of education	-	-	-	-	116,517
Administration	67,379	114,033	138,530	122,069	123,261
Operation and maintenance of plant	-	-	-	2,254	-
Central	-	-	-	-	11,228
Operation of non-instructional services	83,876	77,296	132	-	2,063
Operation of food services	282,268	292,289	321,291	353,476	391,801
Extracurricular activities	1,463	30,148	-	3,000	-
Interest and fiscal charges	-	-	-	-	-

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 22,565,253	\$ 22,319,458	\$ 22,000,065	\$ 21,970,863	\$ 21,421,681
2,879,214	3,230,989	3,071,338	5,141,797	4,664,830
227,431	198,687	114,721	115,859	112,739
70,895	67,693	133,387	200,530	300,763
319,268	390,852	295,566	362,409	313,030
2,776,729	2,703,374	2,377,141	2,429,833	2,325,386
2,649,453	2,074,706	1,620,694	480,140	601,582
291,636	384,137	374,348	325,433	474,628
3,405,245	3,176,089	2,945,174	3,082,993	3,188,848
1,137,742	1,106,318	1,204,727	1,498,996	1,000,576
95,686	131,066	104,712	148,681	464,993
4,282,262	3,955,087	3,887,992	4,156,449	4,210,957
3,057,280	2,904,778	2,809,153	3,004,242	2,958,993
992,250	910,173	1,241,916	1,140,320	834,858
2,547	1,918	2,676	3,006	5,132
1,365,418	1,292,913	1,216,009	1,095,152	1,131,311
1,341,620	1,308,438	1,247,144	1,165,457	1,589,245
1,100,034	856,912	751,999	450,305	498,489
<u>\$ 48,559,963</u>	<u>\$ 47,013,588</u>	<u>\$ 45,398,762</u>	<u>\$ 46,772,465</u>	<u>\$ 46,098,041</u>

\$ 654,706	\$ 618,977	\$ 545,321	\$ 346,579	\$ 623,241
9,095	98,282	244,875	345,512	187,722
5,075	-	-	-	-
5,669	7,253	417	-	-
-	-	-	-	-
236,514	377,523	202,309	125,598	53,465
24,522	24,603	33,523	8,760	-
-	-	-	-	-
65,666	61,845	87,575	55,165	59,738
6,200	4,761	6,800	-	-
-	-	-	-	-
-	-	2,510	-	-
856,883	848,940	684,692	626,537	649,772
438,230	375,706	436,589	396,259	433,862
129,870	123,358	116,711	200,238	105,955
398,902	180,160	317,261	327,522	341,446
-	-	-	-	-
54,342	54,558	56,658	27,522	28,674
294,137	405,787	301,741	337,562	326,251
522,726	442,338	190,185	255,653	290,048
487,864	110,297	73,806	10,795	17,398
101,518	-	-	-	-
126,984	123,467	93,093	158,298	164,325
-	-	-	-	-
13,267	9,000	9,000	9,000	9,000
-	-	-	-	-
422,610	424,383	453,780	481,179	481,204
-	-	-	93	-
-	-	-	-	94,739

Twinsburg City School District

Changes in Net Position of Governmental Activities (1)

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	Restated <u>2009</u>	<u>2010</u>
Capital grants and contributions:					
Regular instruction	2,000	-	-	-	-
Pupil transportation	18,634	-	22,220	45,457	3,638
<i>Total program revenues</i>	<u>\$ 3,405,089</u>	<u>\$ 3,507,874</u>	<u>\$ 3,281,603</u>	<u>\$ 3,799,625</u>	<u>\$ 4,516,325</u>
Net expense	<u>\$ (38,372,064)</u>	<u>\$ (39,735,065)</u>	<u>\$ (41,444,575)</u>	<u>\$ (42,722,799)</u>	<u>\$ (43,734,692)</u>
General revenues					
Property taxes levied for:					
General purposes	\$ 33,982,118	\$ 28,464,999	\$ 27,821,725	\$ 32,990,871	\$ 23,959,198
Debt service	5,652,231	3,800,882	3,434,754	3,380,229	2,241,073
Capital outlay	1,049,659	444,431	803,376	1,724,166	1,606,944
Grants and entitlements not restricted to specific programs	6,478,610	10,219,989	12,112,533	14,938,516	15,735,651
Payment in lieu taxes	113,531	77,803	97,402	50,261	187,451
Gain on the sale of capital asset	-	-	-	-	-
Investment earnings	862,930	1,348,505	1,155,273	313,861	68,720
Miscellaneous	78,238	44,994	120,849	43,808	35,023
<i>Total general revenues</i>	<u>\$ 48,217,317</u>	<u>\$ 44,401,603</u>	<u>\$ 45,545,912</u>	<u>\$ 53,441,712</u>	<u>\$ 43,834,060</u>
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Change in net position</i>	<u>\$ 9,845,253</u>	<u>\$ 4,666,538</u>	<u>\$ 4,101,337</u>	<u>\$ 10,718,913</u>	<u>\$ 99,368</u>

(1) Accrual basis of accounting.

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 4,854,780</u>	<u>\$ 4,291,238</u>	<u>\$ 3,856,846</u>	<u>\$ 3,712,272</u>	<u>\$ 3,866,840</u>
<u>\$ (43,705,183)</u>	<u>\$ (42,722,350)</u>	<u>\$ (41,541,916)</u>	<u>\$ (43,060,193)</u>	<u>\$ (42,231,201)</u>
\$ 24,565,437	\$ 23,483,020	\$ 23,114,175	\$ 30,483,600	\$ 29,334,955
2,069,686	1,894,214	1,648,599	2,057,158	1,772,225
1,659,029	1,609,440	1,451,552	1,840,074	1,769,984
15,764,529	14,813,873	14,335,878	14,834,282	15,186,749
-	96,607	63,290	-	87,564
-	-	-	91,563	2,540
59,960	34,627	35,871	27,605	20,206
76,689	97,604	36,925	85,156	112,016
<u>\$ 44,195,330</u>	<u>\$ 42,029,385</u>	<u>\$ 40,686,290</u>	<u>\$ 49,419,438</u>	<u>\$ 48,286,239</u>
-	(129,925)	-	-	-
<u>\$ 490,147</u>	<u>\$ (822,890)</u>	<u>\$ (855,626)</u>	<u>\$ 6,359,245</u>	<u>\$ 6,055,038</u>

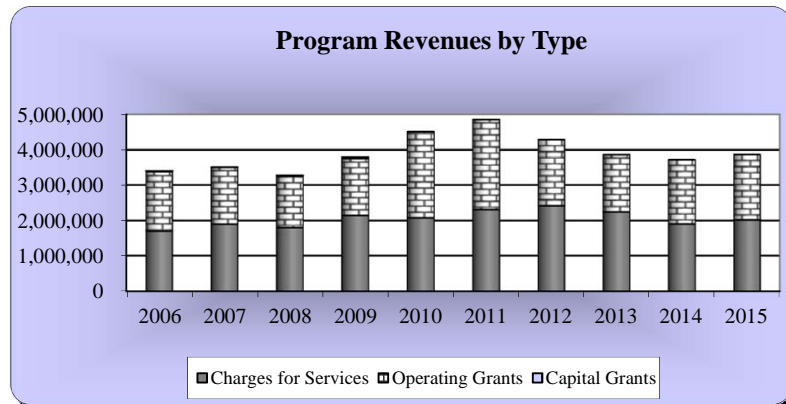
Twinsburg City School District

Program Revenues of Governmental Activities by Function (1)

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:					
<i>Function</i>					
Regular instruction	\$ 249,701	\$ 378,203	\$ 196,056	\$ 548,592	\$ 519,817
Special instruction	578,743	526,653	285,297	587,341	846,169
Adult/continuing	6,050	6,688	5,850	8,369	5,744
Student intervention	-	-	-	-	37,478
Other	78,123	80,550	61,829	55,495	-
Pupil support	392,253	440,961	562,994	517,929	583,877
Instructional staff support	254,449	158,868	185,942	110,327	448,062
Board of education	-	-	-	-	116,517
Administration	85,064	126,433	161,324	148,680	146,515
Business	-	30,606	-	-	-
Operation and maintenance of plant	17,685	98,670	93,396	127,915	91,666
Pupil transportation	21,600	-	27,320	52,657	11,971
Central	-	-	-	-	12,095
Operation of non-instructional services	83,876	77,296	132	-	2,063
Operation of food service	1,257,475	1,239,683	1,299,243	1,325,552	1,304,507
Extracurricular activities	380,070	343,263	402,220	316,768	389,844
Interest and fiscal charges	-	-	-	-	-
Total program revenues	\$ 3,405,089	\$ 3,507,874	\$ 3,281,603	\$ 3,799,625	\$ 4,516,325

(1) Accrual basis of accounting.



	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	784,576	\$ 742,335	\$ 662,032	\$ 546,817	\$ 729,196
	407,997	278,442	562,136	673,034	529,168
	5,075	-	-	-	-
	60,011	61,811	57,075	27,522	28,674
	294,137	405,787	301,741	337,562	326,251
	759,240	819,861	392,494	381,251	343,513
	487,864	110,297	73,806	10,795	17,398
	101,518	-	-	-	-
	151,506	148,070	126,616	167,058	164,325
	-	-	-	-	-
	65,666	61,845	87,575	55,165	59,738
	6,200	4,761	6,800	-	-
	13,267	9,000	9,000	9,000	9,000
	-	-	2,510	-	-
	1,279,493	1,273,323	1,138,472	1,107,716	1,130,976
	438,230	375,706	436,589	396,352	433,862
	-	-	-	-	94,739
	<u>\$ 4,854,780</u>	<u>\$ 4,291,238</u>	<u>\$ 3,856,846</u>	<u>\$ 3,712,272</u>	<u>\$ 3,866,840</u>

Twinsburg City School District

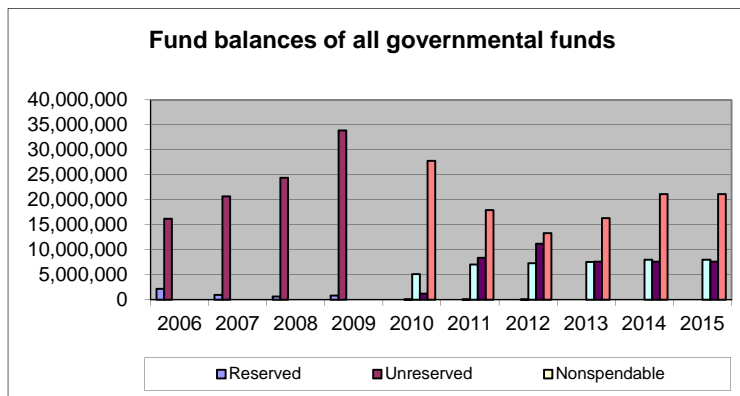
Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Restated 2009</u>	<u>Restated 2010</u>
General fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	-	-	-	-	1,242,903
Unassigned	-	-	-	-	28,158,134
Reserved	826,510	438,531	363,354	389,987	-
Unreserved	9,426,710	15,371,908	19,627,307	28,333,950	-
Total general fund	10,253,220	15,810,439	19,990,661	28,723,937	29,401,037
All other governmental funds					
Nonspendable	-	-	-	-	35,867
Restricted	-	-	-	-	5,139,012
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(312,145)
Reserved	1,353,096	564,043	326,056	481,427	-
Unreserved, undesignated, Reported in:					
Special revenue funds	1,022,396	1,194,503	1,246,070	1,332,610	-
Debt service funds	2,139,079	2,095,350	1,946,772	1,812,530	-
Capital projects funds	3,607,254	2,041,798	1,576,918	2,450,853	-
Permanent funds	17,783	17,710	16,886	-	-
Total all other governmental funds	8,139,608	5,913,404	5,112,702	6,077,420	4,862,734
Total governmental funds	\$ 18,392,828	\$ 21,723,843	\$ 25,103,363	\$ 34,801,357	\$ 34,263,771

(1) Modified accrual basis of accounting.

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



<u>2011 (2)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -
8,398,103	11,251,798	7,625,557	7,628,790	3,184,483
18,018,387	13,457,929	16,474,481	21,533,588	29,949,027
-	-	-	-	-
-	-	-	-	-
<u>26,416,490</u>	<u>24,709,727</u>	<u>24,100,038</u>	<u>29,162,378</u>	<u>33,133,510</u>
66,194	50,145	-	-	-
7,084,312	7,323,157	7,588,629	8,023,687	6,643,414
-	-	-	-	-
(52,073)	(80,613)	(124,738)	(383,825)	(91,852)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>7,098,433</u>	<u>7,292,689</u>	<u>7,463,891</u>	<u>7,639,862</u>	<u>6,551,562</u>
<u>\$ 33,514,923</u>	<u>\$ 32,002,416</u>	<u>\$ 31,563,929</u>	<u>\$ 36,802,240</u>	<u>\$ 39,685,072</u>

Twinsburg City School District

Changes in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues										
Property and other local taxes	\$ 40,918,315	\$ 32,913,730	\$ 32,112,894	\$ 38,097,326	\$ 27,763,472	\$ 28,007,105	\$ 27,128,145	\$ 26,404,695	\$ 34,380,396	\$ 32,844,348
Intergovernmental	8,193,032	11,784,415	13,484,609	16,651,368	18,005,049	18,455,628	16,632,397	15,897,634	16,319,453	17,409,943
Interest	874,314	1,366,841	1,166,797	317,097	69,253	63,300	39,057	36,060	27,662	20,270
Tuition and fees	417,627	543,853	384,273	732,800	728,296	782,171	1,008,564	1,082,238	864,203	798,153
Extracurricular activities	319,657	312,170	340,407	313,039	341,481	377,144	375,584	436,589	396,259	433,522
Contributions and donations	8,300	14,500	33,542	21,329	7,800	14,500	25,424	18,275	6,643	23,500
Charges for services	975,207	947,393	977,951	972,076	912,706	853,213	846,636	684,692	621,969	629,116
Rentals	57,190	105,358	76,148	107,377	84,769	51,260	51,318	71,665	56,028	59,738
Payment in lieu of taxes	113,531	77,803	97,402	50,261	187,451	-	96,607	63,290	-	87,564
Miscellaneous	42,379	67,034	133,095	52,190	44,085	84,311	115,791	45,554	110,905	130,148
<i>Total revenues</i>	<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>	<u>52,783,518</u>	<u>52,436,302</u>
Expenditures										
Current:										
Instruction:										
Regular	17,894,562	18,821,963	18,117,681	20,129,069	20,624,972	21,350,250	21,178,848	20,021,764	20,141,611	20,601,212
Special	2,633,876	2,729,387	2,980,329	3,149,042	2,904,399	2,810,573	3,172,690	3,082,834	5,083,367	4,769,509
Vocational	240,854	250,714	289,376	313,378	313,703	224,929	223,833	112,695	114,094	114,678
Student intervention services	-	-	-	-	61,741	70,895	67,693	133,387	200,530	286,639
Other	70,292	68,973	75,275	51,478	-	319,268	390,852	294,877	350,122	340,005
Support services:										
Pupil	2,915,820	2,911,298	3,177,159	3,338,524	2,712,163	2,802,849	2,701,530	2,383,821	2,448,095	2,378,487
Instructional staff	814,048	715,629	819,080	840,196	2,364,537	2,450,373	1,886,245	1,621,060	501,277	623,435
Board of education	300,089	284,542	211,097	260,220	339,020	291,636	384,137	374,348	325,433	475,273
Administration	2,424,181	2,561,318	2,947,711	3,005,225	3,150,408	3,225,043	3,011,085	2,947,827	3,130,508	3,204,099
Fiscal	876,719	991,253	888,916	1,139,227	1,126,088	1,132,134	1,102,440	1,199,051	1,500,554	1,016,964
Business	82,737	118,697	113,089	100,642	96,131	94,966	99,556	127,481	111,955	345,028
Operation and maintenance										
of plant	4,651,777	4,487,296	4,996,414	4,523,909	4,734,987	3,995,489	3,698,426	3,705,695	4,070,502	4,160,174
Pupil transportation	1,979,804	1,973,752	2,443,990	2,576,379	2,711,926	2,844,935	2,691,596	2,606,306	2,824,835	2,731,991
Central	793,281	874,403	750,522	744,582	819,332	812,400	729,061	1,155,137	1,088,156	837,769
Operation of non-instructional services	73,261	76,297	30,219	-	2,056	2,547	1,918	2,676	3,006	5,132
Operation of food services	1,191,543	1,180,463	1,274,525	1,352,871	1,407,658	1,304,931	1,245,608	1,196,116	1,083,443	1,127,073
Extracurricular activities	947,102	940,776	1,122,224	1,201,269	1,159,361	1,206,277	1,191,840	1,162,813	1,114,913	1,182,583
Capital outlay	2,675,045	1,265,914	655,843	820,729	611,143	2,787,577	406,929	219,633	1,161,940	3,444,702

(continued)

Twinsburg City School District

Changes in Fund Balances, Governmental Funds (1)

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt service:										
Principal retirement	3,213,496	2,975,575	2,968,507	3,399,993	2,380,804	3,101,765	2,542,394	1,827,191	2,025,273	2,028,492
Interest and fiscal charges	1,462,448	1,573,832	1,565,641	1,129,913	1,161,519	1,200,823	1,105,349	1,004,467	687,319	666,872
Issuance costs	-	-	-	-	-	-	-	-	148,702	-
<i>Total expenditures</i>	<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>	<u>48,115,635</u>	<u>50,340,117</u>
<i>Excess of revenues over (under) expenditures</i>	<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>	<u>4,667,883</u>	<u>2,096,185</u>
Other financing sources (uses)										
Inception of capital lease	244,593	-	-	476,349	-	-	-	-	372,091	-
General obligation bonds issued	-	-	-	-	-	2,592,180	-	-	-	753,519
Sale of capital assets	-	-	-	-	-	-	-	-	49,635	33,128
Proceeds of refunding bonds	-	-	-	-	-	-	-	-	14,525,000	-
Proceeds of notes	-	-	-	-	-	-	-	-	-	-
Premium on debt issuance	-	-	-	-	-	-	-	-	1,131,062	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	(15,507,360)	-
Transfers in	2,600	800,000	1,007	-	-	2,008,130	-	-	3,961	64,022
Transfers out	(2,600)	(800,000)	(1,007)	-	-	(2,008,130)	-	-	(3,961)	(64,022)
<i>Total other financing sources (uses)</i>	<u>244,593</u>	<u>-</u>	<u>-</u>	<u>476,349</u>	<u>-</u>	<u>2,592,180</u>	<u>-</u>	<u>-</u>	<u>570,428</u>	<u>786,647</u>
<i>Net change in fund balances</i>	<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>	<u>\$ 5,238,311</u>	<u>\$ 2,882,832</u>
Debt service as a percentage of noncapital expenditures	11.0%	10.4%	10.1%	9.6%	7.4%	8.7%	7.7%	6.3%	6.1%	5.7%

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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		Tangible Personal Property		Total			Total Direct Tax Rate
	Assessed Value		Estimated Actual Value	Public Utility		General Business		Assessed Value	Estimated Actual Value	Ratio	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value				
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
2014	561,417,970	207,431,330	2,196,712,286	17,091,010	19,421,602	-	-	785,940,310	2,216,133,888	35.46%	66.23
2015	554,729,190	218,170,140	2,208,283,800	17,870,400	20,307,273	-	-	790,769,730	2,228,591,073	35.48%	65.80

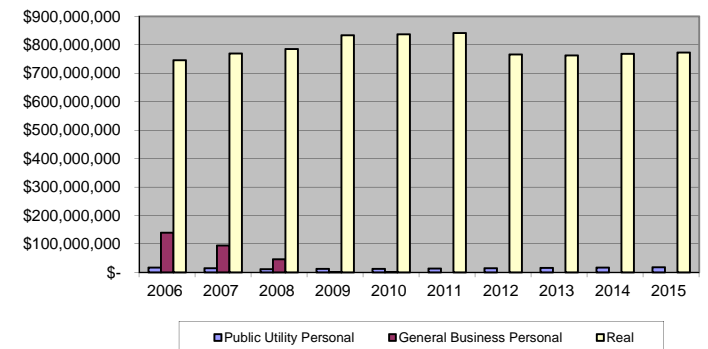
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Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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 phased out beginning in 2006. The listing percentages during the phase out were 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 was 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					
		Operating Millage	Improvement Millage	Service Millage	School District	City, Township, or Village	Valley JVSD	Twinsburg Library	County of Summit	Metro Parks	Total
2015	Macedonia City	60.85	2.75	2.20	65.80	8.90	2.00	2.00	12.70	1.46	92.86
	Twinsburg Twp	60.85	2.75	2.20	65.80	14.61	2.00	2.00	12.70	1.46	98.57
	Twinsburg City	60.85	2.75	2.20	65.80	2.13	2.00	2.00	12.70	-	84.63
	Reminderville Village	60.85	2.75	2.20	65.80	5.20	2.00	2.00	12.70	1.46	89.16
2014	Macedonia City	60.86	2.75	2.62	66.23	8.90	2.00	2.00	12.70	1.46	93.29
	Twinsburg Twp	60.86	2.75	2.62	66.23	14.61	2.00	2.00	12.70	1.46	99.00
	Twinsburg City	60.86	2.75	2.62	66.23	2.06	2.00	2.00	12.70	-	84.99
	Reminderville Village	60.86	2.75	2.62	66.23	5.20	2.00	2.00	12.70	1.46	89.59
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

Source: Summit County Fiscal Officer.

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

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

<u>Collection Year (2)</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (2)</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (3)</u>	<u>Total Tax Collections (4)</u>	<u>Percent of Total Tax Collections to Current Tax Levy (3)</u>
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
2014	34,005,915	33,263,008	97.82	742,907	34,005,915	100.00

Source: Summit County Fiscal Officer.

(1) Includes homestead exemptions and rollback of locally assessed taxes which is reimbursed by the State and reported as intergovernmental revenue.

(2) The 2015 information cannot be presented because all collections have not been made by June 30, 2015.

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

(4) The County's current reporting system does not track delinquent tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

Twinsburg City School District

Principal Taxpayers

Real Estate Tax

2015 and 2006 (1)

<u>Name of Taxpayer</u>	<u>Assessed Value</u>	<u>2015</u>	
		<u>Rank</u>	<u>Percent of Real Property Assessed Value</u>
Deer Run Apartments Limited	\$ 7,349,920	1	0.95%
Twinsburg Residential Associates	5,044,110	2	0.65%
Great Lakes Industrial Portfolio	4,141,100	3	0.54%
Aveni-Twinsburg I LTD	4,020,330	4	0.52%
Pepsi Cola General Bottlers of Ohio, Inc.	3,302,980	5	0.43%
Twinsville Associates	3,159,630	6	0.41%
Apple Nine Hospitality Ownership, Inc.	3,098,380	7	0.40%
Ohio Industrial LLC	3,016,570	8	0.39%
General Electric Co.	2,994,350	9	0.39%
First Industrial Investment	2,970,770	10	0.38%
Totals	\$ 39,098,140		5.06%
Total assessed valuation	\$ 772,899,330		

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

Source: Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections were based.

Twinsburg City School District

Principal Taxpayers

Public Utilities Tax

2015 and 2006 (1)

<u>Name of Taxpayer</u>	<u>2015</u>		
	<u>Assessed Value</u>	<u>Rank</u>	<u>Percent of Public Utility Assessed Value</u>
Ohio Edison	\$ 13,458,560	1	75.31%
East Ohio Gas	2,176,470	2	12.18%
American Transmission	1,696,440	3	9.49%
Cleveland Electric Illuminating	529,370	4	2.96%
Totals	\$ 17,860,840		99.95%
Total assessed valuation	\$ 17,870,400		

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

Source: Summit County Fiscal Officer.

(1) The amounts presented represent the assessed values upon which 2015 and 2006 collections were based.

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			
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	2.85%	970.49
2013	21,204,884	-	147,375	21,352,259	2.45%	884.63
2014	19,250,794	-	339,193	19,589,987	n/a	811.62
2015	17,859,384	-	270,701	18,130,085	n/a	751.13

Source: School District Financial Records.
n/a - information is not available at this time.

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

General Bonded Debt

Fiscal Year	Population (1)	Estimated Actual Value of Taxable Property (2)	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
2006	30,730 a	\$ 2,897,021,862	\$ 32,510,312	\$ 2,047,762	\$ 30,462,550	1.05%	\$ 991.30
2007	30,730 a	2,969,160,928	31,099,005	1,975,458	29,123,547	0.98%	947.72
2008	30,730 a	2,333,087,926	29,722,159	1,704,913	28,017,246	1.20%	911.72
2009	30,730 a	2,399,574,526	27,833,985	1,622,479	26,211,506	1.09%	852.96
2010	30,730 a	2,407,211,738	25,715,097	1,518,941	24,196,156	1.01%	787.38
2011	24,137 b	2,421,439,089	25,908,974	2,290,640	23,618,334	0.98%	978.51
2012	24,137 b	2,204,780,700	23,185,070	1,546,770	21,638,300	0.98%	896.48
2013	24,137 b	2,198,569,824	21,204,884	1,365,517	19,839,367	0.90%	821.95
2014	24,137 b	2,216,133,888	19,250,794	1,769,351	17,481,443	0.79%	724.26
2015	24,137 b	2,228,591,073	17,859,384	1,841,316	16,018,068	0.72%	663.63

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 Debt
June 30, 2015

Jurisdiction	Net General Tax Supported Debt (1)	Percent Overlapping	Amount Applicable Twinsburg City School District
Direct:			
Twinsburg City School District	\$ 18,130,085	100.00%	\$ 18,130,085
Overlapping:			
City of Twinsburg	6,720,000	100.00%	6,720,000
Twinsburg Township	-	100.00%	-
City of Macedonia	3,267,352	1.89%	61,753
Reminderville Village	978,400	83.32%	815,203
Twinsburg Library	-	100.00%	-
Metro Transit	-	6.95%	-
Cuyahoga Valley Career Center (2)	-	13.63%	-
Muskingum Watershed Conservancy District	-	2.06%	-
Summit Metro Park District	-	2.07%	-
Summit County	37,505,000	6.95%	2,606,598
Total overlapping:	48,470,752		10,203,554
Total direct and overlapping debt:	\$ 66,600,837		\$ 28,333,639

Sources: Ohio Municipal Advisory Council.

(1) All debt reported as of December 31, 2014, except for Twinsburg City School District which is reported as of June 30, 2015.

(2) Cuyahoga Valley Career Center; Summit County Valuation ONLY.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Tax Valuation	<u>\$ 745,588,010</u>	<u>\$ 769,409,950</u>	<u>\$ 785,911,580</u>	<u>\$ 834,049,870</u>
Debt Limit - 9% of Taxable Valuation (1)	<u>67,102,921</u>	<u>69,246,896</u>	<u>70,732,042</u>	<u>75,064,488</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Bonds	32,510,312	31,099,005	29,722,159	27,833,985
Various Purpose Notes	4,057,000	2,988,000	1,916,000	841,000
Less Amount Available in Debt Service	<u>(2,139,079)</u>	<u>(2,095,350)</u>	<u>(1,946,772)</u>	<u>(1,812,530)</u>
Amount of Debt Subject to Limit	<u>34,428,233</u>	<u>31,991,655</u>	<u>29,691,387</u>	<u>26,862,455</u>
Legal Debt Margin	<u>\$ 32,674,688</u>	<u>\$ 37,255,241</u>	<u>\$ 41,040,655</u>	<u>\$ 48,202,033</u>
Legal Debt Margin as a Percentage of the Debt Limit	48.69%	53.80%	58.02%	64.21%
Unvoted Debt Limit - .10% of Taxable Valuation (1)	\$ 745,588	\$ 769,410	\$ 785,912	\$ 834,050
Amount of Debt Subject to Limit	-	-	-	-
Unvoted Legal Debt Margin	<u>\$ 745,588</u>	<u>\$ 769,410</u>	<u>\$ 785,912</u>	<u>\$ 834,050</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	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>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>\$ 836,918,940</u>	<u>\$ 842,055,800</u>	<u>\$ 780,328,910</u>	<u>\$ 778,960,390</u>	<u>\$ 785,940,310</u>	<u>\$ 790,769,730</u>
<u>75,322,705</u>	<u>75,785,022</u>	<u>70,229,602</u>	<u>70,106,435</u>	<u>70,734,628</u>	<u>71,169,276</u>
25,715,097	25,908,974	23,185,070	21,204,884	19,250,794	17,859,384
763,000	-	-	-	-	-
<u>(1,555,580)</u>	<u>(2,308,469)</u>	<u>(1,559,093)</u>	<u>(1,393,267)</u>	<u>(1,774,388)</u>	<u>(1,845,665)</u>
<u>24,922,517</u>	<u>23,600,505</u>	<u>21,625,977</u>	<u>19,811,617</u>	<u>17,476,406</u>	<u>16,013,719</u>
<u>\$ 50,400,188</u>	<u>\$ 52,184,517</u>	<u>\$ 48,603,625</u>	<u>\$ 50,294,818</u>	<u>\$ 53,258,222</u>	<u>\$ 55,155,557</u>
66.91%	68.86%	69.21%	71.74%	75.29%	77.50%
\$ 836,919	\$ 842,056	\$ 780,329	\$ 778,960	\$ 785,940	\$ 790,770
-	-	-	-	-	-
<u>\$ 836,919</u>	<u>\$ 842,056</u>	<u>\$ 780,329</u>	<u>\$ 778,960</u>	<u>\$ 785,940</u>	<u>\$ 790,770</u>
100.00%	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>
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	872,746,012	36,158	7.1%
2013	24,137	894,077,909	37,042	7.1%
2014	24,137	n/a	n/a	5.5%
2015	24,137	n/a	n/a	5.0%

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

(2) Ohio Department of Taxation.

(3) U.S. Department of Labor.

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

Twinsburg City School District

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2015			2006		
		Number of Employees	Rank	Percentage of Total Employment	Number of Employees	Rank	Percentage of Total Employment
RGH Enterprises	Medical Supplies	930	1	19.46%	-		0.00%
RX Options	Medical	600	2	12.55%	-		0.00%
Windstream	Communications provider	580	3	12.13%	-		0.00%
Rockwell International/Allen Bradley	Programmable controls	500	4	10.46%	600	2	12.11%
The School District	Education	475	5	9.94%	506	3	10.21%
CellCo Partnership (Verizon)	Communications provider	370	6	7.74%	-		0.00%
Cleveland Clinic Hospital	Hospital Care Facility	365	7	7.64%	-		0.00%
GE Energy	Power Industry	300	8	6.28%	-		0.00%
Pepsi-Cola Bottlers	Soft drink bottling	300	8	6.28%	300	5	6.06%
Safran Power	Electrical Power Systems	200	9	4.18%	-		0.00%
The City of Twinsburg	Government	160	10	3.35%	190	9	3.84%
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%
General Die Casters	Aluminum and zink die castings	-		0.00%	175	10	3.53%
Total		<u>4,780</u>		<u>100.00%</u>	<u>4,954</u>		<u>100.00%</u>

Source: The City of Twinsburg

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

<u>Function/Program</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>	<u>2014</u>	<u>2015</u>
Regular instruction										
Elementary classroom teachers	117	112	110	110	110	106	102	104	104	104
Intermediate classroom teachers	36	35	35	36	36	36	34	32	32	34
High school classroom teachers	55	60	62	64	67	62	67	62	62	68
Special instruction										
Multi handicapped teachers	12	23	21	21	20	18	16	16	16	12
Severe behavior handicapped teachers	5	5	5	5	5	5	5	5	5	4
Developmentally handicapped teachers	4	4	4	4	4	4	4	4	4	4
Specific learning disabled teachers	14	13	14	12	10	9	9	9	9	5
Other	6	3	4	4	5	5	5	5	5	5
Vocational instruction										
High school classroom teachers	3	3	3	2	2	2	2	1	1	1
Pupil support services										
Guidance counselors	11	11	10	9	9	8	8	7	7	8
Librarians	6	6	6	7	7	6	6	6	6	5
Psychologists	4	4	5	5	5	5	4	3	3	3.5
Speech and language pathologists	5	4	4	4	5	4	4	4	4	4
Aides	2	2	2	35	40	40	40	33	33	37
Computer	5	0	0	0	0	0	0	0	0	0
Other	63	52	58	26	24	43	45	64	65	64
Administrators										
Elementary	2	2	2	3	2	2	2	2	2	4
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	4	4	5	5	4	4	4	4
Operation of plant										
Custodians & Maintenance	38	36	36	37	38	34	30	29	29	28
Security	3	3	2	2	2	1	1	1	1	1
Pupil transportation										
Bus drivers	39	40	45	46	46	48	48	47	47	44
Bus aides	3	3	3	5	5	5	5	5	5	5
Maintenance	3	2	2	3	3	3	3	3	3	3
Food service program										
Director	1	1	1	1	1	1	1	1	1	1
Cooks	33	34	35	35	33	33	33	31	31	30
Totals:	<u>478</u>	<u>466</u>	<u>478</u>	<u>485</u>	<u>489</u>	<u>490</u>	<u>483</u>	<u>483</u>	<u>484</u>	<u>483.5</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>
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%
2014	\$ 46,772,465	4,234	\$11,047	5.09%	242.0	17.5	18.79%
2015	\$ 46,098,041	4,158	\$11,087	0.36%	243.0	17.1	18.27%

Source: School District Records, Ohio Department of Education.

Twinsburg City School .

Building Statistics

Last Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Wilcox Primary										
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	628	641	641	639	631	626	634	657	657	640
Student capacity	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Regular instruction classroom:	43	43	43	43	43	43	43	43	43	43
Regular instruction teachers	28	28	30	31	31	30	30	30	30	31
Special instruction classrooms	5	5	5	5	5	4	3	3	3	3
Special instruction teachers	5	4	5	5	5	4	3	3	3	3
Bissell Elementary										
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	581	612	612	662	656	607	611	633	633	617
Student capacity	975	975	975	975	975	975	975	975	975	975
Regular instruction classroom:	34	34	34	34	34	34	34	34	34	34
Regular instruction teachers	31	30	32	32	32	30	27	27	27	28
Special instruction classrooms	7	7	7	7	7	6	4	4	4	4
Special instruction teachers	7	7	7	7	7	6	4	4	4	5
Dodge Intermediate School										
Constructed in 1969										
Total building square footage	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410	119,410
Enrollment grades 4-6	982	977	977	962	954	987	991	970	970	950
Student capacity	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045	1,045
Regular instruction classroom:	41	41	41	41	41	42	42	42	42	42
Regular instruction teachers	47	46	46	47	47	46	45	45	45	45
Special instruction classrooms	9	9	9	9	9	9	8	8	8	8
Special instruction teachers	9	9	9	9	9	9	8	8	8	8
RB Chamberlin Middle School										
Constructed in 1958										
Total building square footage	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994	128,994
Enrollment grades 7-8	667	650	650	686	695	654	659	677	677	645
Student capacity	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032	1,032
Regular instruction classroom:	55	55	55	55	55	55	55	55	55	55
Regular instruction teachers	33	32	35	36	36	36	34	34	34	34
Special instruction classrooms	9	9	9	9	9	8	6	6	6	6
Special instruction teachers	9	7	8	8	8	8	6	6	6	6
Twinsburg High School										
Constructed in 1999										
Total building square footage	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719	286,719
Enrollment grades 9-12	1,187	1,305	1,305	1,366	1,358	1,359	1,371	1,382	1,382	1,306
Student capacity	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717
Regular instruction classroom:	64	64	64	64	64	64	69	69	69	69
Regular instruction teachers	56	55	62	62	62	64	69	69	69	68
Special instruction classrooms	8	8	8	8	8	8	8	8	8	8
Special instruction teachers	8	8	8	8	8	8	8	8	8	8

Source: School District Records.

Twinsburg City School District

Teachers' Salaries

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Twinsburg City School District Average Salary</u>	<u>Statewide Average Salary</u>
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
2014	70,585	55,916
2015	70,964	57,916

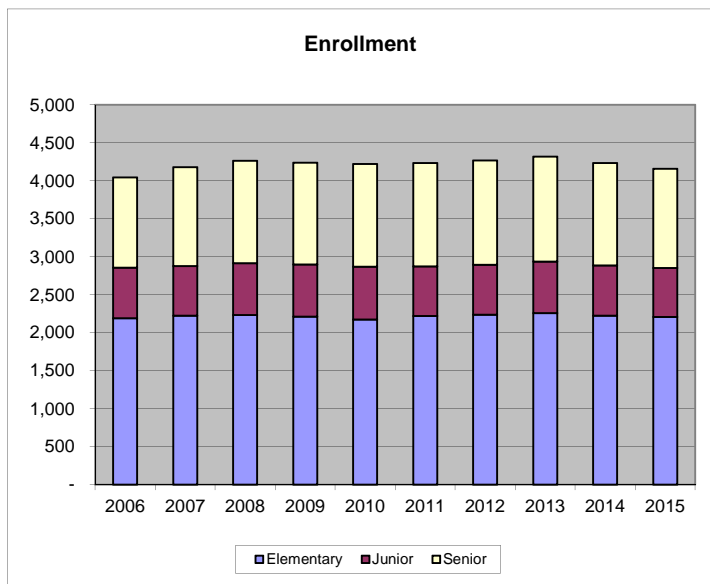
Source: Ohio Department of Education.

Twinsburg City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Junior High School	Senior High School	Total
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
2014	2,223	664	1,347	4,234
2015	2,207	645	1,306	4,158



Source: Ohio Department of Education.

Twinsburg City School District

Attendance and Graduation Rates

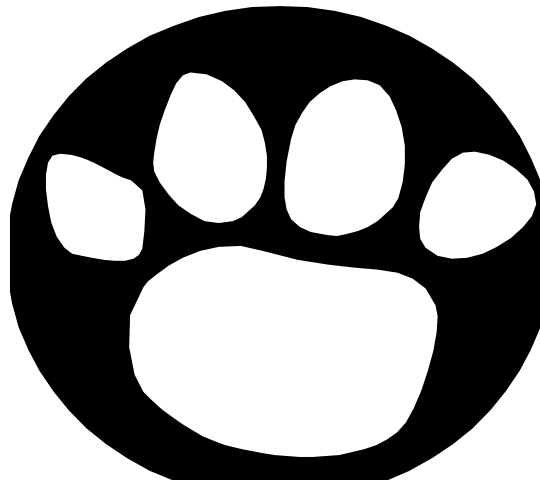
Last Ten Fiscal Years

<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>
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%
2014	95.0%	94.3%	96.8%	82.2%
2015	96.0%	94.5%	97.1%	82.4%

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
FEBRUARY 2, 2016**