



**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2003



**Auditor of State
Betty Montgomery**

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

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**Auditor of State
Betty Montgomery**

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

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

To the Board of Education:

We have audited the basic financial statements of the Twinsburg City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated April 9, 2004, in which we noted the District implemented Governmental Accounting Standards Board Statement No. 34. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated April 9, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 9, 2004.

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

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

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

Betty Montgomery
Auditor of State

April 9, 2004



**Auditor of State
Betty Montgomery**

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Twinsburg City School District, Summit County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2003. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2003.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance that did not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 9, 2004.

Schedule of Receipts and Expenditures of Federal Awards

We have audited the basic financial statements of the governmental activities, each major fund and the remaining fund information of the District, as of and for the year ended June 30, 2003, and have issued our report thereon dated April 9, 2004 wherein we noted the District implemented Governmental Accounting Standards Board Statement No. 34. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Receipts and Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, it is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

April 9, 2004

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed through the Ohio Department of Education</i>						
Child Nutrition Cluster:						
National School Lunch Program - Commodity	N/A	10.550		\$63,144		\$63,144
National School Lunch Program - Subsidy	N/A	10.555	\$197,258		\$197,258	
Total U.S. Department of Agriculture - Child Nutrition Cluster			197,258	63,144	197,258	63,144
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed through the Ohio Department of Education</i>						
Title I, Grants to Local Education Agencies	50070-C1-S1 02	84.010			55,741	
	50070-C1-S1 03		157,189		196,770	
Total Title I, Grants to Local Education Agencies			157,189		252,511	
<i>Special Education Cluster Grants</i>						
Special Education - Grants to States	50070-6B-SF 01	84.027	15,000			
	50070-6B-SF 02		98,683		133,949	
	50070-6B-SF 03		236,475		276,880	
Total Special Education - Grants to States			350,158		410,829	
Special Education Preschool Grants	50070-PG-S1 03	84.173	21,521		22,105	
Total Special Education Cluster Grants			371,679		432,934	
Eisenhower Professional Development	50070-MS-S1 02	84.281	1,561		4,566	
Innovative Education Program Strategies	50070-C2-S1 02	84.298			5,842	
	50070-C2-S1 03		23,455		26,427	
Total Innovative Education Program Strategies			23,455		32,269	
Class Size Reduction Subsidy	50070-CR-S1 01	84.340			522	
	50070-CR-S1 02				16,855	
					1,148	
Total Class Size Reduction Subsidy					18,525	
Assistive Technology Infusion	50070-AT-S2 03	84.352	15,482		11,955	
Title II-A Teacher Quality	50070-TR-S1 03	84.367	95,182		98,423	
Title III - LEP/Immigrant	50070-T3-S1 03	84.365	16,584		20,730	
Title II-D Education Tech.	50070-TJ-S1 03	84.318	4,882		4,457	
Safe and Drug Free Schools and Communities Grants	50070-DR-S1 01	84.186			3,100	
	50070-DR-S1 02		5,294		5,294	
	50070-DR-S1 03		8,441		12,373	
Total Safe and Drug Free Schools and Communities Grants			13,735		20,767	
Total U.S. Department of Education			699,749		897,137	
Totals			\$897,007	\$63,144	\$1,094,395	\$63,144

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

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B—CHILD NUTRITION CLUSTER

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster – CFDA #84.027/84.173
<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.

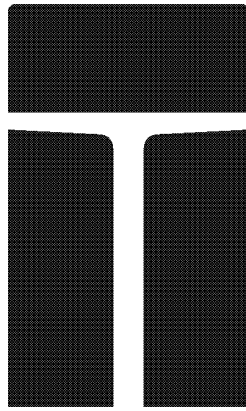
3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**TWINSBURG CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid: <i>Explain:</i>
2002-10977-001	Merit Pay – Merit Bonus', given to employees, were not approved by the Board.	Yes	Finding No Longer Valid
2002-10977-002	Tuition Reimbursements – Tuition was incorrectly reimbursed.	Yes	Finding No Longer Valid



TWINSBURG CITY SCHOOL DISTRICT

Twinsburg, Ohio

**Comprehensive
Annual Financial Report**

Fiscal Year Ended June 30, 2003

Twinsburg City School District

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2003

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

Twinsburg City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2003

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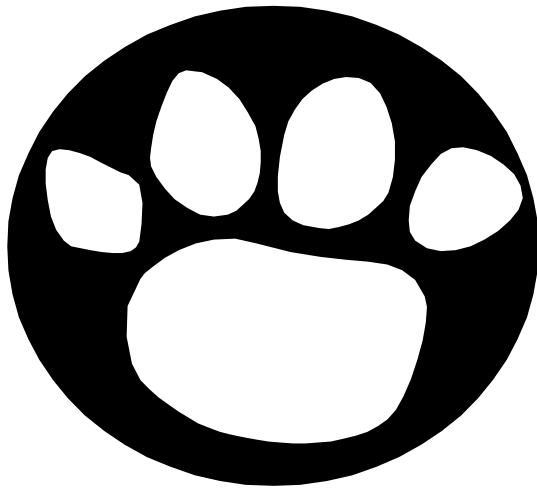
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Twinsburg City School District
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2003

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INTRODUCTORY SECTION



Twinsburg City School District

11136 Ravenna Road • Twinsburg, Ohio 44087-1022

Phone: (330) 486-2000

Fax: (330) 425-7216

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

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

March 19, 2004

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

The Comprehensive Financial Report (CAFR) of the Twinsburg City School District, the “School District” for the fiscal year ended June 30, 2003, 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 2002-2003 fiscal year.

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

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

This CAFR is presented in three sections:

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

The Financial Section, includes the Independent Accountants’ Report, Management’s Discussion and Analysis, the Basic Financial Statements, Notes that provide an overview of the School Districts financial position and operating results, the combining statements for nonmajor funds, and other schedules that provide detailed information relative to the basic financial statements.

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

The Reporting Entity

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

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

Description of the School District

The School District serves an area of approximately 30 square miles. It comprises the City of Twinsburg, Twinsburg Township and portions of the Village of Reminderville and the City of Macedonia. It is located in the Northeast corner of Summit County and is approximately 21 miles southeast of downtown Cleveland and 24 miles northwest of Akron. According to the 2000 Census, the population of the School District was 30,730.

As of October 2003, there were 3,795 students attending the five schools in the School District. They are: Wilcox Primary, Bissell Elementary, Dodge Intermediate, Chamberlin Middle School, and Twinsburg High School. The School District also owns a central office building, a bus garage, a football stadium, and various athletic fields.

There has been a steady growth in student population over the past ten years. The 1992-93 enrollment was 2,431 students. Over the past ten years the student population has increased nearly 55%. Most-likely enrollment projections completed by DeJong and Associates in December 2000 indicate continued growth over the next ten years. New projection studies are in, taking into consideration the changing economic factors in this post September 11 environment. The district student population is anticipated to plateau at approximately 4,200 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 Code.

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

The Treasurer is the Chief Fiscal Officer of the School District and is responsible directly to the Board for all financial operations, investments, custody of School District funds and assets, and serves as Secretary to the Board. Martin Aho has served in this capacity since July 2002. He has over twelve years of public sector employment experience. After seven years of service with the State Auditors Office, he was an Assistant Treasurer for three years. He has an MBA from the University of Akron. The Treasurers office employs three additional staff members.

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

Economic Condition and Future Outlook

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

Twinsburg City and Township have experienced strong business growth over the past ten years. The growth is continuing and land is available for this use. Daimler-Chrysler has plans to expand its equipment inventory, in spite of its own economic concerns. A well-managed tax incentive program has assisted the growth. The future benefits of such a plan are being realized at this point as most businesses are ending their abatement periods and remaining in the community.

The School District's financial condition continues to be an area of focus for the Board of Education and Administration. In litigation now referred to as the "DeRolph Case", the Perry County Court of Common Pleas in 1995 declared the State's method of funding school districts to be unconstitutional. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient. The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations. The DeRolph Case was appealed to the United States Supreme Court, which decided not to hear the case.

Major Initiatives and Accomplishments

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

Students – Staff - District

➤ **Local Report Card**

The School District achieved an Effective rating on the 2003 Report Card.

- Scholarships
Over \$2 million in scholarships were awarded to School District students from various sources for 43 schools. The School District had one National Merit Scholarship finalist and one National Merit Commended Student.
- High School Test Scores
Average SAT score of 1064.
Average ACT score 22.
12th Grade proficiency test scores were above State standards in all areas.
- Helping Hands Project and Operation Christmas Child
Chamberlin and Dodge students assisted over 160 children with needs over the holidays.
- Power of the Pen Team
Placed in the top 10 in the Ohio state writing competition.
- Talent Show
Fourth Annual R.B. Chamberlin Middle School Talent show held.
- Mini-PANDA Program
Students and parents at Dodge Intermediate School participated in a program where students learn about the side effects of drugs and alcohol.
- Parent Guidance Workshops and Proficiency Nights
These workshops were among many of the opportunities available to parents to learn parenting skills and/or to learn about school requirements. Topics included peer pressure, anger management, school success, etc.
- Grandparent Days
Grandparents are invited to each of the schools through grade 8 for special programs of music, drama, and reading to their grandchildren.
- Fine Arts Festival in each school building
Held annually to display the works of students from throughout the School District.
- Information Literacy Academy
The weeklong Twinsburg Information Literacy Academy with over 20 teachers was held prior to the beginning of the school year to provide key resource personnel in each school to implement the Information Literacy Course of Study for 2002-2003.
- Gifted Identification
Students are identified in the areas of Superior Cognitive Ability, Specific Academic Ability, Creative Thinking Ability, and Visual-Performing Arts Ability. Two unique programs are in place for these students. A self-contained, team taught class exists at the fourth, fifth and sixth grade levels. Additionally, Project Plus is a seminar program for grades seven and eight taught by a national expert in gifted education.

- **Project Labs**
Established at R.B. Chamberlin Middle School, Bissell Elementary and Wilcox Primary to enable students to work with the Internet and multimedia productions.
- **Reading Wall of Fame at Wilcox Primary**
Displays photos and descriptions of student who have become early readers.
- **Parent-to-Parent Support Group**
The parent mentorship program assists special education parents with the process of education of their children. Two parent mentors are hired through a state grant.
- **Music Program**
The High School vocal music group Great Expectations took many first place awards. The orchestra has grown from fourth to the high school grade level. The band continues to include student musicians from grade five and above. Joint concerts at the holidays continue a long-held Twinsburg tradition.
- **Interactive Media Program**
A highly active class for the Interactive Media Program continues at the High School. This class has changed the meaning of “morning announcements”. Students cannot wait to see the creative, innovative energy that this addition has brought the school.
- **Summer Institute for Reading Intervention**
The fourth Summer Institute for Reading Intervention took place in August welcoming Twinsburg teachers and those in neighboring districts.
- **Post Secondary Option**
During the 2002-2003 school year 29 Twinsburg High School students attended local colleges and universities earning college credits.
- **Entry Year Program**
The Twinsburg Entry Year Program for teachers new to the district welcomes and supports teachers new to the profession. 100% of the entry year teachers passed their state required Praxis III peer evaluation in Spring 2003.

Plant and Educational Support

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

- Technology
All buildings are wired, networked, and have Internet access. The School District has approximately 900 computers for student and staff use. Other technologies that support education are also available. All staff and students have e-mail access. The School District utilized State SchoolNet monies to enhance the technology.
- Security
The School District has implemented a School District-wide security plan to protect the students and the staff. All buildings have security equipment and procedures. The Supervisor of Protective Services monitors the plan.
- Planning
 - Continuous Improvement Plan –The Board of Education’s approved Continuous Improvement Plan was developed with input from various stakeholders of the School District. In addition to the overall plan, each building developed its annual goals within the plan. It also includes a mechanism to monitor and update it annually.
 - Enrollment Projections – In December 2000, DeJong and Associates completed enrollment projections for the School District. Enrollment projections are reviewed and updated as needed and are used to guide the School District’s planning in this time of growth.
 - Facilities Planning –The District is working with the Ohio School Facilities Commission in their Expedited Local Share Program to identify future facilities needs and repairs.
 - Five-Year Financial Forecast – Each School District in Ohio is required to complete a five-year financial forecast annually. This School District completed the forecast in December 2003 as required by law. This document is updated regularly and serves as a financial roadmap for the School District.

Financial Information

This is the first year the School District has prepared financial statements following GASB Statement No. 34 “Basic Financial Statements – Management’s Discussion and Analysis – State and Local Governments.” GASB Statement No. 34 creates new basic financial statements for reporting on the School Districts financial activities as follows:

Government-wide financial statements – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by businesses.

Fund financial statements – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include reconciliation to the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

Statement of budgetary comparison – This statement presents a comparison of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, cash disbursements and encumbrances.

As determined by criteria established by GASB Statement No. 34, the School District does not report any activities that qualify as enterprise or business type activities. As part of this new reporting model, management is also responsible for preparing a discussion and analysis of the School District. This discussion follows the Independent Accountant's Report, providing an assessment of the School District's finances for fiscal year 2003 and the outlook for the future. Because that discussion focuses on major funds, the financial highlights provided in this letter focus on certain nonmajor funds of the School District.

Internal Controls

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

Single Audit Act

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

Budgetary Controls

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

The level of budgetary control is established at the fund level for all funds. The School District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to the succeeding years and are not reappropriated.

The basis of accounting and the various funds utilized by the Twinsburg City School District are fully described in Note 2 of the basic financial statements.

As an additional safeguard, a blanket bond covers all employees, and a separate, higher limit bond covers certain individuals in policy-making roles.

Cash Management

The School District invests cash in accordance with the investment laws for public schools in the State of Ohio. The Treasurer of the School District is required to remain current on investment issues by attending an annual one-day workshop provided by the State Treasurer. The fiscal officer has complied with this obligation. During the year, the School District invested in Certificates of Deposit and an overnight “sweep” account that provides competitive rates for public entities. The Federal Deposit Insurance Corporation and/or collateral pledges of government securities protect all investments.

Risk Management

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

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

Pension Plans

All School District employees are covered by either the State Teachers Retirement System of Ohio (STRS) or the School Employees Retirement System of Ohio (SERS). Membership is mandatory for virtually all employees and law dictates which system an employee is to become a member. Members of STRS are required to contribute 9.3% of salaries and wages to the system. This is matched by 14% by the School District. Members of SERS are required to contribute 9% of salary and wages and the School District provides a 14% match. For employees under SERS who earn \$14,500 working a defined full year, the School District must pay the difference of the employers share as a surcharge. Membership in either plan excludes employees from Social Security payments. Employees hired after July 1, 1987 must pay 1.45% for Medicaid and this amount is matched by 1.45% by the School District.

Other Information

Independent Audit

Provisions of the State statute require the School District's financial statements to be audited annually by the Ohio Auditor of State. This audit is also designed to meet the Federal Single Audit Act amendment of 1996. The Ohio Auditor of State performed the audit for the year ended June 30, 2003. The auditor's unqualified opinion rendered on the School District's basic financial statements, and their report on the combining and individual fund statements and schedules are included in the financial section of this Comprehensive Annual Financial Report.

Reporting Achievement

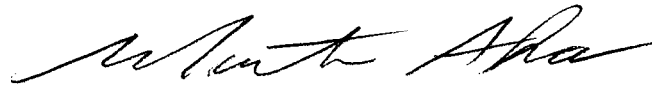
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School District for its CAFR for the fiscal year ended June 30, 2002. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded this certificate, a government must publish an easily readable and efficiently organized report. The report must satisfy Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current report continues to conform to the Certificate of Achievement Program Requirements, and it is being submitted to the GFOA to determine its eligibility for another certificate.

Acknowledgements

I wish to express my appreciation and thanks to the individuals who assisted with the preparation of this Comprehensive Annual Financial Report. It is with great pride that the Twinsburg City School District presents the 2003 Comprehensive Annual Financial Report to the citizens and taxpayers of the School District.

Respectfully Submitted,



Martin Aho
Director of Finance/Treasurer



James G. Jones
Superintendent

Twinsburg City School District
Public Officials Roster
For the Fiscal Year Ended June 30, 2003

Board of Education

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

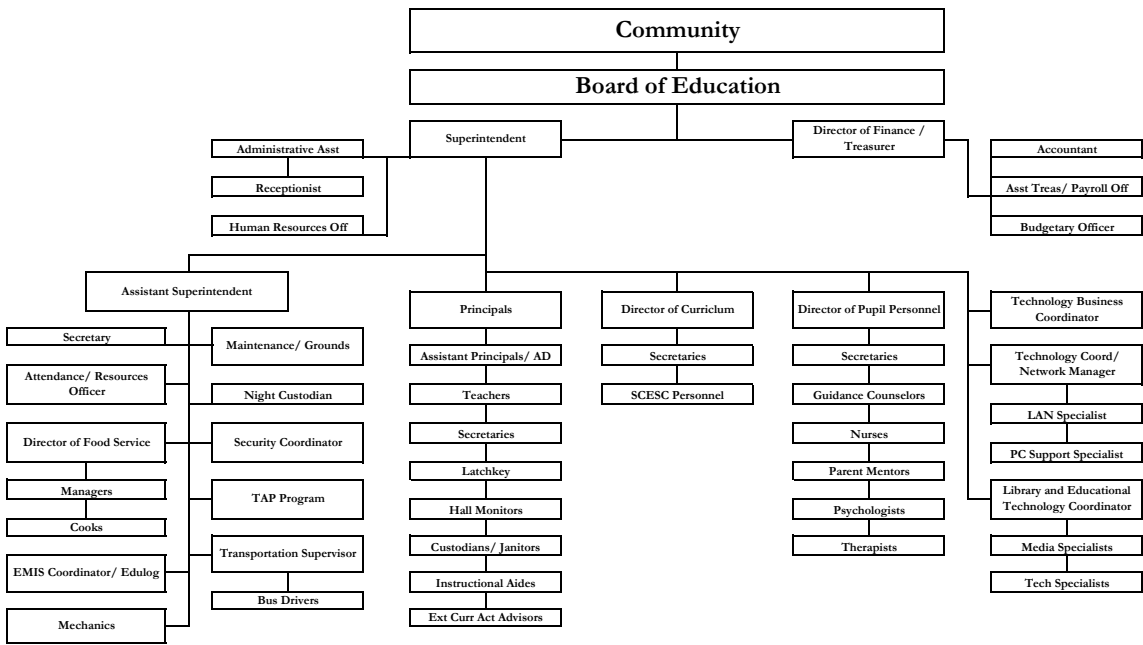
Director of Finance/ Treasurer

Mr. Martin Aho

Administration

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

*Twinsburg City School District
Organizational Chart*



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Twinsburg City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Twinsburg City School District, Summit County, Ohio, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major funds, and the aggregate remaining fund information of the District, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

April 9, 2004

TWINSBURG CITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

This discussion and analysis of Twinsburg City School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2003. 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. Since this is the first year of financial presentation under Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", some analyses with prior year data is not available. Future Management Discussion and Analyses will be comparative.

Financial Highlights

Key financial highlights for 2003 are as follows:

- General revenues accounted for \$38,464,690 in revenue or 93.4 percent of all revenues. Program specific revenues in the form of charges for services, operating grants, contributions and interest, and capital grants and contributions accounted for \$2,699,105 or 6.6 percent of total revenues of \$41,163,795.
- The School District had \$37,968,392 in expenses related to governmental activities; program revenues offset \$2,699,105 of these expenses. \$38,464,690 of general revenues was available to provide for these programs resulting in an increase in net assets of \$3,195,403.
- Total expenses amounted to \$37,968,392, and expenses related to instruction amounted to \$20,382,467 or 53.7 percent of this total.
- At the end of the fiscal year, the deficit fund balance for the general fund is \$(1,633,542), which is a decreasing deficit from the prior year balance of \$(3,569,247).

Using this Annual Financial Report

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

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

TWINSBURG CITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While these statements contain information about a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and helps answer the question, "How did we do financially during 2003?" These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting, takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net assets and the statement of activities, the School Districts' activities are considered to be all governmental activities.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general and bond retirement debt service funds.

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

TWINSBURG CITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The School District as a Whole

Recall that the statement of net assets provides the perspective of the School District as a whole. This is the School District's first year for reporting government-wide financial statements using the accrual basis of accounting; therefore a comparison with the prior year is not available. A comparative analysis will be presented in future years when prior year information is available.

Table 1 provides a summary of the School District's net assets for 2003.

Table 1
Net Assets

	<i>Governmental</i> <u><i>Activities</i></u>
Assets	
<i>Current and other assets</i>	\$ 44,067,324
<i>Capital assets, net of depreciation</i>	47,958,152
<i>Total assets</i>	<u>92,025,476</u>
Liabilities	
<i>Current and other liabilities</i>	36,238,173
<i>Long-term liabilities:</i>	
<i>Due within one year</i>	3,205,650
<i>Due in more than one year</i>	37,892,752
<i>Total liabilities</i>	<u>77,336,575</u>
Net Assets	
<i>Invested in capital assets, net of debt</i>	12,392,903
<i>Restricted</i>	3,997,286
<i>Unrestricted</i>	<u>(1,701,288)</u>
<i>Total net assets</i>	<u>\$ 14,688,901</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2003, the School District's assets exceeded liabilities by \$14,688,901.

Capital assets, net of related debt reported on the government-wide statements represent the largest component of net assets or 84 percent of total net assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles, and are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net assets, \$3,997,286, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net assets, \$965,032 is restricted for debt service payments and \$1,948,924 is restricted for capital projects, a small amount, \$19,540, is restricted for a nonexpendable portion of a permanent fund and finally \$1,063,790 is restricted for other purposes. The remaining balance of net assets of (\$1,701,288) is unrestricted and reflects the amount not available to meet the government's ongoing obligations to students and staff.

TWINSBURG CITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

Table 2 shows change in net assets for fiscal year 2003. Since this is the first year the School District has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to fiscal year 2002 are not available. In future years a comparative analysis of government-wide data will be presented.

Table 2
Change in Net Assets

	<u>Governmental Activities</u>
Revenues	
<i>Program revenues:</i>	
Charges for services	\$ 1,350,988
Operating grants, contributions and interest	1,287,903
Capital grants and contributions	60,214
<i>General revenues:</i>	
Property taxes	32,876,557
Grants and entitlements	5,132,142
Payments in lieu of taxes	166,822
Investment earnings	144,319
Miscellaneous	144,850
Total revenues	<u>41,163,795</u>
Program Expenses	
<i>Instruction:</i>	
Regular	18,081,544
Special	2,066,144
Vocational	232,941
Adult/continuing	1,838
<i>Support services:</i>	
Pupils	2,068,969
Instructional staff	1,041,935
Board of education	457,425
Administration	1,891,545
Fiscal	743,385
Business	91,832
Operation and maintenance of plant	4,481,000
Pupil transportation	1,368,493
Central	1,126,835
Community services	88,192
Extracurricular activities	877,680
Food service operations	1,130,591
Interest and fiscal charges	2,218,043
Total expenses	<u>37,968,392</u>
Increase in net assets	<u>\$ 3,195,403</u>

TWINSBURG CITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
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 2003. General revenues from grants and entitlements, such as the school foundation program, generated over \$5.1 million. With the combination of taxes and intergovernmental funding 92.3 percent of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

Instruction and interest and fiscal charges comprise 53.7 percent and 5.8 percent, respectively, of governmental program expenses. Interest expense was attributable to outstanding bonds, notes and lease payments for equipment.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements for fiscal year 2003. Comparisons to 2002 have not been presented since that information is not available.

Table 3
Governmental Activities

	<u>Total Cost</u> <u>of Services</u>	<u>Net Cost</u> <u>of Services</u>
Program Expenses		
<i>Instruction:</i>		
<i>Regular</i>	\$ 18,081,544	\$ (17,762,932)
<i>Special</i>	2,066,144	(1,637,635)
<i>Vocational</i>	232,941	(232,941)
<i>Adult/continuing</i>	1,838	31,143
<i>Support services:</i>		
<i>Pupils</i>	2,068,969	(1,786,191)
<i>Instructional staff</i>	1,041,935	(818,861)
<i>Board of education</i>	457,425	(457,425)
<i>Administration</i>	1,891,545	(1,879,677)
<i>Fiscal</i>	743,385	(743,385)
<i>Business</i>	91,832	(91,832)
<i>Operation and maintenance of plant</i>	4,481,000	(4,477,957)
<i>Pupil transportation</i>	1,368,493	(1,308,279)
<i>Central</i>	1,126,835	(1,126,835)
<i>Community services</i>	88,192	(9,833)
<i>Extracurricular activities</i>	877,680	(674,542)
<i>Food service operations</i>	1,130,591	(74,062)
<i>Interest and fiscal charges</i>	2,218,043	(2,218,043)
<i>Total</i>	<u>\$ 37,968,392</u>	<u>\$ (35,269,287)</u>

TWINSBURG CITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2003
Unaudited

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were \$40,730,020 and total expenditures were \$39,017,305. The excess of revenues over (under) expenditures for the year was significant in the general fund, with an increase of \$1,935,705. This increase was due, in part, to an increase in property tax revenue of approximately 18 percent. Property tax revenue increased due to a revaluation of property in Summit County. Although the general fund had a significant increase in fund balance, the ending fund balance remains a deficit balance of \$1,633,542. The bond retirement debt service fund, which is the only other major fund, experienced a decrease in fund balance due to a slight decrease in revenue and an increase in debt service expenditures. The total of all funds revenues exceeded expenditures by \$1,712,715, which is 76.6 percent of the total ending fund balances.

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 2003, the School District amended its general fund budget; however this amendment was not significant. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue estimate was \$30,764,086, which was somewhat lower than the original budget estimate of \$31,023,806. Much of this \$259,720 difference was due to estimates for grant awards, the amounts of which are unknown during the original budgeting process. This estimate must be adjusted during the year as the grant awards are finalized. Also, adjustments are made to the property tax estimate as amounts for Homestead and Rollback exemptions become known. Later in the fiscal year, when this amount is known, adjustments are made to property tax and intergovernmental estimates. The actual revenues exceed the final estimate by 5.8 percent which was mainly attributed to the increase in property tax revenue.

The original expenditures estimate of \$33,097,711 was revised during the fiscal year. The final estimate for expenditures and encumbrances, however, was only \$34,000,351, \$902,640 or 2.7 percent more than originally anticipated. In total this would be considered insignificant, with increases from the original to final budget posted to several line items of the budget. The actual expenditures and encumbrances at the end of the fiscal year were under budget by \$1,627,135 or 4.8 percent of final budget.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2003, the School District had \$47,958,152 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. Table 4 shows fiscal year 2003 balances compared to fiscal year 2002.

TWINSBURG CITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

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

	<u>Governmental Activities</u>	
	<u>2003</u>	<u>2002</u>
<i>Land</i>	\$ 1,147,310	\$ 1,147,310
<i>Land improvements</i>	1,367,803	1,470,012
<i>Buildings and improvements</i>	44,375,101	45,493,818
<i>Furniture, fixtures and equipment</i>	710,993	799,905
<i>Vehicles</i>	356,945	456,239
<i>Total capital assets</i>	\$ 47,958,152	\$ 49,367,284

During the year the building and improvements increased by \$527,160 before depreciation of \$1,645,877. Also, vehicles increased, before depreciation, by \$56,880. The School District receives money each year to be put towards the purchase of new school buses and is required to set aside money to be used for capital improvements. The expenditures for these items occur as planned by management. See Note 8 to the basic financial statements for detail on the School District's capital assets.

Debt

At June 30, 2003 the School District had \$34,339,978 in bonds outstanding with \$1,505,000 due within one year and \$5,305,271 in notes outstanding with \$1,421,000 due within one year. These balances reflect a net reduction of \$2,222,729 from the previous year's balance. Table 5 summarizes the debt and capital lease outstanding:

Table 5
Outstanding Debt and Capital Lease at Fiscal Year End

	<u>Governmental</u>	<u>Governmental</u>
	<u>Activities</u>	<u>Activities</u>
	<u>2003</u>	<u>2002</u>
<i>Construction related bonds</i>	\$ 34,339,978	\$ 35,764,978
<i>Capital related notes</i>	1,225,271	339,000
<i>Tax anticipation notes</i>	4,080,000	5,764,000
<i>Capital leases</i>	-	2,403
<i>Total outstanding</i>	\$ 39,645,249	\$ 41,870,381

See Notes 14 and 15 to the basic financial statements for the repayment schedules of the debt.

Tax anticipation notes are to be repaid from the general fund, and the bonds and capital related notes are to be repaid from the bond retirement debt service fund. The School District has budgeted to meet all of the School District's debt requirements.

TWINSBURG CITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2003

Unaudited

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.

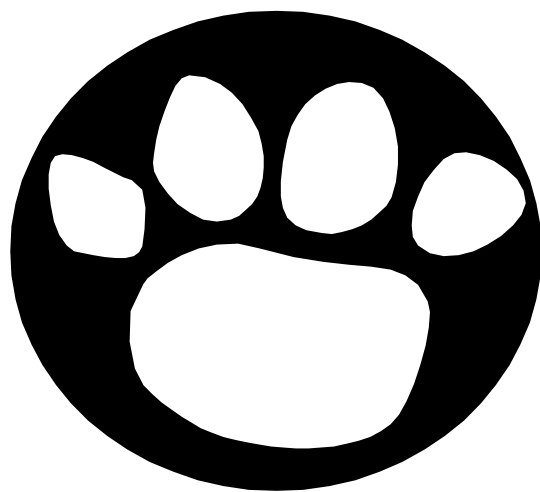
A challenge facing the School District is the future of State funding. On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Ohio General Assembly was directed to enact a school-funding mechanism that is to be thorough and efficient. The School District is unable to determine what effect, if any, this decision will have on future funding from the State. See Note 18 to the basic financial statements for more on this contingent matter.

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, Director of Finance/Treasurer, at Twinsburg City School District, 11136 Ravenna Road, Twinsburg OH, 44087-1022.



Twinsburg City School District
Statement of Net Assets
June 30, 2003

	Governmental Activities
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 10,455,211
Receivables:	
Taxes	33,367,720
Accounts	9,000
Intergovernmental	194,295
Inventory held for resale	29,128
Materials and supplies inventory	11,970
Capital assets:	
Land	1,147,310
Depreciable capital assets, net	46,810,842
Total capital assets	<u>47,958,152</u>
Total assets	<u>92,025,476</u>
<u>Liabilities:</u>	
Accounts payable	504,972
Accrued wages	2,887,449
Intergovernmental payable	1,174,699
Undistributed monies	2,631
Deferred revenue	30,773,463
Accrued interest payable	170,614
Matured compensated absences payable	94,718
Claims payable	629,627
Long-term liabilities:	
Due within one year	3,205,650
Due in more than one year	37,892,752
Total liabilities	<u>77,336,575</u>
<u>Net assets:</u>	
Invested in capital assets, net of related debt	12,392,903
Restricted for:	
Capital outlay	1,948,924
Debt service	965,032
Permanent fund purpose - scholarships	
Nonexpendable	19,540
Other purposes	1,063,790
Unrestricted	<u>(1,701,288)</u>
Total net assets	<u>\$ 14,688,901</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2003

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Revenue and Changes in Net Assets
<u>Governmental Activities:</u>					
Instruction:					
Regular	\$ 18,081,544	\$ 95,380	\$ 223,232	\$ -	\$ (17,762,932)
Special	2,066,144	-	428,509	-	(1,637,635)
Vocational	232,941	-	-	-	(232,941)
Adult/continuing	1,838	525	32,456	-	31,143
Support services:					
Pupils	2,068,969	231,803	50,975	-	(1,786,191)
Instructional staff	1,041,935	-	223,074	-	(818,861)
Board of education	457,425	-	-	-	(457,425)
Administration	1,891,545	-	11,868	-	(1,879,677)
Fiscal	743,385	-	-	-	(743,385)
Business	91,832	-	-	-	(91,832)
Operation and maintenance of plant	4,481,000	-	3,043	-	(4,477,957)
Pupil transportation	1,368,493	-	-	60,214	(1,308,279)
Central	1,126,835	-	-	-	(1,126,835)
Operation of non-instructional services:					
Food service operations	1,130,591	827,242	229,287	-	(74,062)
Community services	88,192	-	78,359	-	(9,833)
Extracurricular activities	877,680	196,038	7,100	-	(674,542)
Interest and fiscal charges	2,218,043	-	-	-	(2,218,043)
Total governmental activities	<u>\$ 37,968,392</u>	<u>\$ 1,350,988</u>	<u>\$ 1,287,903</u>	<u>\$ 60,214</u>	<u>(35,269,287)</u>

General Revenues:

Property taxes levied for:

General purposes	27,949,889
Debt service	3,656,916
Capital outlay	1,269,752
Grants and entitlements not restricted to specific programs	5,132,142
Payments in lieu of taxes	166,822
Investment earnings	144,319
Miscellaneous	144,850

Total general revenues 38,464,690

Change in net assets 3,195,403

Net assets beginning of year, as restated - (See Note 3) 11,493,498

Net assets end of year \$ 14,688,901

See accompanying notes to the basic financial statements.

Twinsburg City School District
Balance Sheet
Governmental Funds
June 30, 2003

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 5,045,393	\$ 866,396	\$ 3,284,228	\$ 9,196,017
Receivables:				
Taxes	27,291,932	4,083,328	1,992,460	33,367,720
Accounts	9,000	-	-	9,000
Intergovernmental	-	-	194,295	194,295
Interfund receivable	119,309	-	27,501	146,810
Inventory held for resale	-	-	29,128	29,128
Materials and supplies inventory	6,531	-	5,439	11,970
Equity in pooled cash and cash equivalents (restricted)	94,351	-	-	94,351
Total assets	<u>\$ 32,566,516</u>	<u>\$ 4,949,724</u>	<u>\$ 5,533,051</u>	<u>\$ 43,049,291</u>
<u>Liabilities and fund balances:</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 129,890	\$ -	\$ 375,082	\$ 504,972
Accrued wages	2,762,425	-	125,024	2,887,449
Matured compensated absences payable	94,718	-	-	94,718
Interfund payable	-	-	146,810	146,810
Intergovernmental payable	858,193	-	1,589	859,782
Deferred revenue	26,255,282	3,942,881	2,023,078	32,221,241
Undistributed monies	2,631	-	-	2,631
Accrued interest payable	16,919	-	-	16,919
Notes payable	4,080,000	-	-	4,080,000
Total liabilities	<u>34,200,058</u>	<u>3,942,881</u>	<u>2,671,583</u>	<u>40,814,522</u>
<u>Fund balances:</u>				
Reserved for encumbrances	329,728	-	323,822	653,550
Reserved for textbooks/instructional material	94,351	-	-	94,351
Unreserved,				
Undesignated, reported in:				
General fund	(2,057,621)	-	-	(2,057,621)
Special revenue funds	-	-	934,145	934,145
Debt service fund	-	1,006,843	-	1,006,843
Capital projects funds	-	-	1,583,961	1,583,961
Pemanent funds	-	-	19,540	19,540
Total fund balances	<u>(1,633,542)</u>	<u>1,006,843</u>	<u>2,861,468</u>	<u>2,234,769</u>
Total liabilities and fund balances	<u>\$ 32,566,516</u>	<u>\$ 4,949,724</u>	<u>\$ 5,533,051</u>	<u>\$ 43,049,291</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2003

Total governmental fund balances		\$ 2,234,769
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		47,958,152
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes	\$ 1,320,324	
Intergovernmental	118,454	
Charges for services	<u>9,000</u>	
		1,447,778
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		535,216
Intergovernmental payable includes contractually required pension contributions not expected to be paid with expendable available financial resources and are therefore not reported in the funds.		(314,917)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
General obligation bonds	\$ (34,339,978)	
General obligation notes	(1,225,271)	
Compensated absences	(1,453,153)	
Accrued interest payable	<u>(153,695)</u>	
Total		<u>(37,172,097)</u>
Net assets of governmental activities		<u>\$ 14,688,901</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, 2003

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>				
Property taxes	\$ 27,626,351	\$ 2,937,660	\$ 1,927,561	\$ 32,491,572
Intergovernmental	4,668,249	274,174	1,467,648	6,410,071
Interest	144,319	-	3,327	147,646
Payments in lieu of taxes	166,822	-	-	166,822
Tuition and fees	74,014	-	245,893	319,907
Extracurricular activities	23,504	-	171,335	194,839
Gifts and donations	-	-	20,356	20,356
Customer services	-	-	827,242	827,242
Rent	53,501	-	5,868	59,369
Miscellaneous	68,017	-	24,179	92,196
Total revenues	<u>32,824,777</u>	<u>3,211,834</u>	<u>4,693,409</u>	<u>40,730,020</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	17,885,954	-	225,332	18,111,286
Special	1,547,039	-	508,785	2,055,824
Vocational	230,600	-	-	230,600
Adult/continuing	-	-	1,838	1,838
Support services:				
Pupils	1,769,365	-	272,368	2,041,733
Instructional staff	550,134	-	268,866	819,000
Board of education	457,425	-	-	457,425
Administration	1,707,638	-	19,162	1,726,800
Fiscal	726,901	-	3,200	730,101
Business	90,936	-	-	90,936
Operation and maintenance of plant	3,327,246	-	1,026,822	4,354,068
Pupil transportation	1,209,609	-	2,680	1,212,289
Central	525,909	-	529,148	1,055,057
Operation of non-instructional services:				
Food service operations	3,511	-	1,027,024	1,030,535
Community services	-	-	88,192	88,192
Extracurricular activities	584,188	-	186,307	770,495
Capital outlay	-	-	589,840	589,840
Debt service:				
Principal retirement	2,403	1,425,000	-	1,427,403
Interest and fiscal charges	270,214	1,932,130	21,539	2,223,883
Total expenditures	<u>30,889,072</u>	<u>3,357,130</u>	<u>4,771,103</u>	<u>39,017,305</u>
Excess of revenues over (under) expenditures	<u>1,935,705</u>	<u>(145,296)</u>	<u>(77,694)</u>	<u>1,712,715</u>
<u>Other financing sources (uses):</u>				
Proceeds of notes	-	-	886,271	886,271
Net change in fund balances	1,935,705	(145,296)	808,577	2,598,986
Fund balances at beginning of year, as restated (Note 3)	(3,569,247)	1,152,139	2,052,891	(364,217)
Fund balances at end of year	<u>\$ (1,633,542)</u>	<u>\$ 1,006,843</u>	<u>\$ 2,861,468</u>	<u>\$ 2,234,769</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2003

Net change in fund balances - total governmental funds	\$	2,598,986
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	\$	608,276
Depreciation expense		<u>(2,017,408)</u>
Excess of depreciation over capital outlay expense		(1,409,132)
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	\$	384,985
Intergovernmental		(6,111)
Charges for services		<u>9,000</u>
Net change in deferred revenues during the year		387,874
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		1,425,000
Proceeds of notes provide current financial resources and are reported as a financing source in the governmental funds but are not reported as a financing source in the statement of activities.		(886,271)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		2,403
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences	\$	(3,611)
Increase in pension obligation		(39,405)
Decrease in accrued interest		<u>5,840</u>
Total additional expenses		<u>(37,176)</u>
The internal service fund used by management to charge the costs of medical, prescription drug, dental and vision claims to individual funds are not reported in the statement of activities. The net revenue (expense) of the internal service fund is reported within the governmental activities.		<u>1,113,719</u>
Change in net assets of governmental activities	<u>\$</u>	<u>3,195,403</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, 2003

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$ 25,924,196	\$ 25,801,301	\$ 27,332,369	\$ 1,531,068
Intergovernmental	4,749,610	4,424,122	4,668,249	244,127
Interest	200,000	155,000	155,106	106
Tuition and fees	-	82,050	83,678	1,628
Rent	-	45,743	53,501	7,758
Payments in lieu of taxes	100,000	166,822	166,822	-
Extracurricular activities	-	23,380	23,504	124
Miscellaneous	50,000	65,668	68,017	2,349
Total revenues	<u>31,023,806</u>	<u>30,764,086</u>	<u>32,551,246</u>	<u>1,787,160</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	18,143,610	19,047,583	18,073,067	974,516
Special	1,828,177	1,783,302	1,558,566	224,736
Vocational	263,046	262,846	227,262	35,584
Support services:				
Pupils	2,724,524	1,782,573	1,789,247	(6,674)
Instructional staff	845,304	593,518	563,806	29,712
Board of education	285,505	305,541	298,420	7,121
Administration	1,870,065	1,878,114	1,866,144	11,970
Fiscal	662,552	742,140	730,381	11,759
Business	93,514	103,260	101,985	1,275
Operation and maintenance of plant	4,008,487	3,886,550	3,585,395	301,155
Pupil transportation	1,172,403	1,236,167	1,231,436	4,731
Central	433,708	491,109	489,966	1,143
Operation of non-instructional services	-	-	-	-
Extracurricular activities	742,326	613,158	584,293	28,865
Debt service:				
Principal retirement	-	1,020,000	1,020,000	-
Interest and fiscal charges	24,490	254,490	253,248	1,242
Total expenditures	<u>33,097,711</u>	<u>34,000,351</u>	<u>32,373,216</u>	<u>1,627,135</u>
Excess of revenues over (under) expenditures	<u>(2,073,905)</u>	<u>(3,236,265)</u>	<u>178,030</u>	<u>3,414,295</u>
<u>Other financing sources (uses):</u>				
Other financing sources	(250)	-	-	-
Advances in	-	-	5,294	5,294
Advances out	(41,000)	(19,500)	(119,309)	(99,809)
Total other financing sources (uses)	<u>(41,250)</u>	<u>(19,500)</u>	<u>(114,015)</u>	<u>(94,515)</u>
Net change in fund balance	(2,115,155)	(3,255,765)	64,015	3,319,780
Fund balance at beginning of year	4,438,688	4,438,688	4,438,688	-
Prior year encumbrances appropriated	208,531	208,531	208,531	-
Fund balance at end of year	<u>\$ 2,532,064</u>	<u>\$ 1,391,454</u>	<u>\$ 4,711,234</u>	<u>\$ 3,319,780</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Fund Net Assets
Internal Service Fund
June 30, 2003

	Self Insurance
<u>Assets:</u>	
Equity in pooled cash and cash equivalents	\$ 1,164,843
<u>Liabilities:</u>	
Claims payable	629,627
<u>Net assets:</u>	
Unrestricted	535,216
Total liabilities and net assets	\$ 1,164,843

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2003

	Self Insurance
<u>Operating revenues:</u>	
Charges for services	\$ 4,494,014
<u>Operating expenses:</u>	
Purchased services	307,928
Claims	3,040,560
Other	31,807
Total operating expenses	<u>3,380,295</u>
Operating income	1,113,719
Net assets beginning of year	(578,503)
Net assets end of year	<u>\$ 535,216</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2003

	Self Insurance
<u>Cash flows from operating activities:</u>	
Cash received for charges for services	\$ 4,494,014
Cash payments to suppliers for goods and services	(339,735)
Cash payments for claims	<u>(3,019,692)</u>
Net cash provided by operating activities	<u>1,134,587</u>
 Net increase in cash and cash equivalents	 1,134,587
 Cash and cash equivalents at beginning of year	 <u>30,256</u>
Cash and cash equivalents at end of year	<u>\$ 1,164,843</u>
 <u>Reconciliation of operating income to net cash provided by operating activities:</u>	
 Operating income	 <u>\$ 1,113,719</u>
 Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase (decrease) in liabilities:	
Claims payable	20,868
Net cash provided by operating activities	<u>\$ 1,134,587</u>

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2003

	Private Purpose Trust Scholarships	Agency
<u>Assets:</u>		
Equity in pooled cash and cash equivalents	\$ 18,870	\$ 195,225
 <u>Liabilities:</u>		
Accounts payable	-	16,646
Due to students	-	178,579
Total liabilities	-	\$ 195,225
 <u>Net assets:</u>		
Held in trust for scholarships	\$ 18,870	

See accompanying notes to the basic financial statements.

Twinsburg City School District
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2003

	Private Purpose Trust
	Scholarships
<u>Additions:</u>	
Interest	\$ 239
Gift and donations	1,000
Total additions	<u>1,239</u>
<u>Deductions:</u>	
Payments in accordance with trust agreements	<u>3,000</u>
Change in net assets	(1,761)
Net assets beginning of year	<u>20,631</u>
Net assets end of year	<u><u>\$ 18,870</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, 2003

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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 215 non-certificated employees and 268 certificated (including administrators) teaching and support personnel that provide services to 3,754 students and other community members.

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, 2003.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

A. Basis of Presentation - Fund Accounting

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

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Fund Types:

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

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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

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

Proprietary Fund Type

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

Internal Service Fund: The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for revenue received from other funds and the settlement expenses for medical, surgical, prescription drug, and dental and vision claims of School District employees.

Fiduciary Fund Types

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

C. Measurement Focus and Basis of Accounting

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the fund are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund activity.

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

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

Revenue - Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On the governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

The fair value of donated commodities used during the year 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.

D. 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 fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The 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 2003. 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.

E. Cash and Investments

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents". During the fiscal year, investments were limited to overnight repurchase agreements. All investments of the School District had a maturity of two years or less. These investments are stated at cost, which approximates market value (fair value). Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds; required by a grant agreement; or when approved by the Board of Education to be recorded in another fund. The Board of Education has passed a resolution to allow interest to also be recorded in other funds.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2003, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

G. Interfund Balances

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

H. Inventory

Within the basic financial statements, inventories are presented at cost on a first-in, first out basis and are expensed when used.

Inventories of the general fund were not significant at the end of the year. Inventories of the food service special revenue fund consist of donated food, purchased food and supplies held for resale.

I. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are imposed by creditors, contributors, grantors, and laws of other governments or by enabling legislation. Restricted assets may include unexpended revenues restricted for the purchase of school buses, and amounts required to be set aside by the School District for the purchase of textbooks or for the acquisition or construction of capital assets. Restricted assets may also include amounts set aside as a reserve for budget stabilization, which is now optional as determined by the School District. The School District did not spend all restricted assets in accordance with specific restrictions during the fiscal year. See Note 19 for the calculation of the year-end restricted asset balance and the corresponding fund balance reserves.

J. Capital Assets

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

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

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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

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

K. Compensated Absences

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

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

For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid.

L. Accrued Liabilities and Long-term Obligations

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

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

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

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

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

N. Interfund Transactions

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

O. 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.

P. 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.

Q. Fund Balance Reserves

The School District records reservations for portions of fund balances, which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriations or expenditures. Unreserved fund balance indicates the portion of fund balances that are available for appropriation in future periods. Fund balance reserves are established for encumbrances and the purchase of textbooks and instructional materials.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES

A. Changes in Accounting Principles

For fiscal year 2003, the School District has implemented GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"; GASB Statement No. 37, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus", GASB Statement No. 38, "Certain Financial Statement Note Disclosures", GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences" and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". At June 30, 2003, there was no effect on fund balance as a result of implementing GASB Statements Nos. 37 and 38.

GASB Statement No. 34 creates new basic financial statements for reporting on the School District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The government-wide financial statements split the School District's programs between governmental and business-type activities. The beginning net asset amount for governmental activities reflects the change in fund balance for governmental funds at June 30, 2002, caused by the conversion to the accrual basis of accounting and the reclassification of funds based on the guidance provided in Statement No. 34. Due to these fund reclassifications, there are no business-type activities reported.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice. The School District restated the fund liability of compensated absences that had not matured during fiscal year 2002.

B. Restatement of Fund Balances

It was determined that enterprise funds should be reclassified to special revenue funds. The restatements for GASB Statement No. 34 and GASB Interpretation No. 6 had the following effects on fund balance of the major and nonmajor funds of the School District as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<i>Fund balances,</i>				
<i>June 30, 2002</i>	\$ (3,577,608)	\$ 1,152,139	\$ 1,842,485	\$ (582,984)
<i>Fund reclassification</i>	-	-	210,406	210,406
<i>Interpretation No. 6</i>				
<i>Compensated absences</i>	<u>8,361</u>	<u>-</u>	<u>-</u>	<u>8,361</u>
<i>Adjusted fund balances,</i>				
<i>June 30, 2002</i>	<u>\$ (3,569,247)</u>	<u>\$ 1,152,139</u>	<u>\$ 2,052,891</u>	<u>(364,217)</u>
 <u><i>GASB Statement No. 34 Adjustments:</i></u>				
<i>Capital assets</i>				49,367,284
<i>Internal service fund</i>				(578,503)
<i>Long-term debt</i>				(36,103,978)
<i>Capital leases</i>				(2,403)
<i>Long-term liabilities</i>				(1,449,542)
<i>Employer pension obligation</i>				(275,512)
<i>Accrued interest</i>				(159,535)
<i>Long-term (deferred) assets</i>				<u>1,059,904</u>
<i>Governmental activities net assets, June 30, 2002</i>				<u>\$ 11,493,498</u>

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

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. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

Net Change in Fund Balance

	<u>General</u>
<i>GAAP Basis</i>	\$ 1,935,705
<i>Revenue Accruals</i>	(268,237)
<i>Expenditure Accruals</i>	(1,174,942)
<i>Encumbrances (Budget Basis)</i>	
<i>Outstanding at year end</i>	<u>(428,511)</u>
<i>Budget Basis</i>	<u>\$ 64,015</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.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

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

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

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

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

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

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Deposits: The carrying value of the School District's deposits and petty cash totaled \$24,306 and the bank balances of the deposits totaled \$459,380. Of the bank balance, \$100,000 was covered by federal depository insurance. \$359,380 was collateralized with securities held by the pledging financial institution's trust department, but not in the School District's name.

Investments: GASB Statement No. 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" requires that the School District's investments be classified in categories of credit risk. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. As of June 30, 2003 the School District's only investment was a Category 3 repurchase agreement with a fair value of \$10,645,000.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during the fiscal year 2003 amounted to \$144,319 which included \$60,168 assigned from other School District funds.

NOTE 6 - PROPERTY TAX

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located within the School District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35% of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed at 35% of true value and public utility tangible personal property currently is assessed at varying percentages of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25% of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternative payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

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

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2003

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property and public utility taxes, which became measurable as of year-end. Although total property tax collections for the next fiscal year are measurable, only a portion of the amount available as an advance at year-end is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end was \$1,045,650 in the general fund, \$140,447 in the bond retirement debt service fund and \$87,836 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.

There were no new levies passed during the current fiscal year. The assessed values upon which the current fiscal year taxes were collected are:

<u>Property Category</u>	<u>2002 Assessed Value</u>	<u>2001 Assessed Value</u>
<u>Real Property</u>		
Residential and agricultural	\$ 446,250,770	\$ 397,998,420
Commercial, industrial and minerals	204,006,680	179,515,110
Public utilities	15,280,500	14,926,790
<u>Tangible Personal Property</u>		
General	<u>202,151,778</u>	<u>204,899,609</u>
Total	<u>\$ 867,689,728</u>	<u>\$ 797,339,929</u>

NOTE 7 - RECEIVABLES

Receivables at year-end consisted of taxes, accounts (tuition and excess costs), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds. Special revenue funds recorded intergovernmental receivables for state and federal grants and reimbursements in the amount of \$194,295.

TWINSBURG CITY SCHOOL DISTRICTNotes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2003 was as follows:

<i>Governmental Activities</i>	<i>Balance June 30, 2002</i>	<i>Additions</i>	<i>Disposals</i>	<i>Balance June 30, 2003</i>
<i>Capital assets, not being depreciated:</i>				
<i>Land</i>	\$ 1,147,310	\$ -	\$ -	\$ 1,147,310
<i>Capital assets, being depreciated:</i>				
<i>Land improvements</i>	2,493,149	-	-	2,493,149
<i>Buildings and improvements</i>	58,408,816	527,160	-	58,935,976
<i>Furniture, fixtures and equipment</i>	1,506,692	24,236	-	1,530,928
<i>Vehicles</i>	2,102,471	56,880	-	2,159,351
<i>Total capital assets, being depreciated</i>	<u>64,511,128</u>	<u>608,276</u>	<u>-</u>	<u>65,119,404</u>
<i>Less: Accumulated depreciation</i>				
<i>Land improvements</i>	(1,023,137)	(102,209)	-	(1,125,346)
<i>Buildings and improvements</i>	(12,914,998)	(1,645,877)	-	(14,560,875)
<i>Furniture, fixtures and equipment</i>	(706,787)	(113,148)	-	(819,935)
<i>Vehicles</i>	(1,646,232)	(156,174)	-	(1,802,406)
<i>Total accumulated depreciation</i>	<u>(16,291,154)</u>	<u>(2,017,408)</u>	<u>-</u>	<u>(18,308,562)</u>
<i>Total capital assets being depreciated, net</i>	<u>48,219,974</u>	<u>(1,409,132)</u>	<u>-</u>	<u>46,810,842</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 49,367,284</u>	<u>\$ (1,409,132)</u>	<u>\$ -</u>	<u>\$ 47,958,152</u>

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
<i>Regular</i>	\$ 1,091,591
<i>Special</i>	24,745
<i>Support services:</i>	
<i>Instructional staff</i>	224,040
<i>Administration</i>	163,865
<i>Operation and maintenance of plant</i>	111,219
<i>Pupil transportation</i>	154,065
<i>Central</i>	79,922
<i>Extracurricular activities</i>	110,877
<i>Food service operations</i>	57,084
	<u>\$ 2,017,408</u>

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 9 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2003 consisted of the following:

	<i>Interfund Receivable</i>	<i>Interfund Payable</i>
<i>General fund</i>	\$ 119,309	\$ -
<i>Nonmajor governmental funds</i>	<u>27,501</u>	<u>146,810</u>
<i>Totals</i>	<u>\$ 146,810</u>	<u>\$ 146,810</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, 2003, all interfund loans outstanding are anticipated to be repaid in fiscal year 2004.

NOTE 10 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

As of June 30, 2003, seven 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:

<i>Fund</i>	<i>Amount</i>
<i>General</i>	\$ 1,633,542
<i>Special revenue:</i>	
<i>Title VI-B</i>	24,119
<i>Title III</i>	1
<i>Title I</i>	7,711
<i>Drug free school</i>	366
<i>EHA Preschool grant</i>	429
<i>Improving teacher quality</i>	3,260

B. Compliance

Contrary to the Ohio Revised Code (ORC) 5705.41, eight funds of the School District reported final expenditures, plus outstanding encumbrances, in excess of appropriations at the legal level of control. To prevent future violations, the School District has implemented procedures, which increase the monitoring of expenditures and obligations as compared to appropriations. The funds reporting these violations are as follows:

TWINSBURG CITY SCHOOL DISTRICTNotes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

<u>Fund</u>	<u>Amount</u>
<u>Special Revenue:</u>	
<i>Auxiliary services</i>	\$ 186
<i>Disadvantaged pupil impact aid</i>	1,726
<i>Alternative schools</i>	46,574
<i>Title VI-B</i>	50,005
<i>Title III</i>	5,916
<i>Drug free school grant</i>	3,084
<i>EHA preschool grant</i>	1,777
<i>Private Purpose Trust</i>	3,000

As of June 30, 2003 the School District had appropriations exceeding estimated resources for the following funds, which is a violation of Ohio Revised Code Section 5705.39.

<u>Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Variance</u>
<u>Nonmajor special revenue funds:</u>			
<i>Food service</i>	1,105,444	1,105,912	(468)
<i>Disadvantaged pupil impact aid</i>	24,253	24,600	(347)
<i>Miscellaneous state grants</i>	41,238	41,280	(42)
<i>Title VI-B</i>	365,121	383,639	(18,518)
<i>Title V</i>	45,503	68,165	(22,662)
<i>Drug free school grant</i>	16,851	18,007	(1,156)
<u>Nonmajor capital projects funds:</u>			
<i>Building</i>	886,271	1,232,832	(346,561)
<i>SchoolNet</i>	54,542	54,563	(21)

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. The School District has established a self-insurance fund (an internal service fund) to account for and finance its employee health benefits plan. Under this program, the self-insurance fund provides coverage for up to an annual maximum of \$35,000 for each health benefits claim, capped at \$2,953,090 annually for all claims. The School District purchases commercial insurance for claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial coverage, nor have there been any significant reductions in coverage in any of the past three fiscal years.

All funds of the School District participate in the program and make payments to the self-insurance fund based on actuarial estimates of the amounts needed to pay claims and actual amounts needed to pay fixed costs (premiums for stop-loss coverage and medical conversion and administrative fees and services). The School District's independent third-party administrator has actuarially determined that \$629,627 is a good and sufficient provision for all un-matured claim obligations (including both reported but unpaid claims and incurred but not reported claims, as well as an allowance for claim settlement expenses on the estimated unpaid claims) as of June 30, 2003.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The claims liability of \$629,627 reported in the fund at June 30, 2003 is based on the provisions of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability for the current and prior fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2002	\$ 426,149	2,905,418	(2,722,808)	\$ 608,759
2003	\$ 608,759	3,040,560	(3,019,692)	\$ 629,627

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

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, annual cost-of-living adjustments, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3746.

Plan members are required to contribute 9% of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14% of annual covered payroll. A portion of the School's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2003, 8.17% of annual covered salary was the portion used to fund pension obligations. For the fiscal year 2002, 5.46% was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board.

The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$427,692, \$266,601, and \$270,833, respectively; 40% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$255,059, representing the unpaid contribution for fiscal year 2003, is recorded as an intergovernmental payable.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple-employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, disability, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand alone financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3746.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor.

The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan.

DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001.

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

For the fiscal year ended June 30, 2003 plan members were required to contribute 9.3% of their annual covered salaries. The School District was required to contribute 14%; 13% was the portion used to fund pension obligations. For fiscal year 2002, 9.5% was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB plan for the fiscal years ended June 30, 2003, 2002, and 2001 were \$2,089,660, \$1,601,371, and \$1,366,409, respectively; 77% has been contributed for fiscal year 2003 and 100% for the fiscal years 2002 and 2001. \$484,465, representing the unpaid contribution for fiscal year 2003, is recorded as an intergovernmental payable. Contributions to the DC and Combined plans for fiscal year 2003 were \$21,249 made by the School District and \$35,132 made by the plan members.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 13 - POST-EMPLOYMENT BENEFITS

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. Benefit provisions and the obligations to contribute are established by the STRS based on authority granted by State statute. Most benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. Health care benefits are financed on a pay-as-you-go basis.

By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14% of covered payroll. The retirement board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Reserve Fund from which payments for health care benefits are paid. For the School District this amount equaled \$160,743 during the 2003 fiscal year. The balance in the Health Care Reserve Fund for the STRS was \$3.011 billion at June 30, 2002, (latest information available). For the year ended June 30, 2002, the net health care costs paid by the STRS were \$354,697,000 and eligible benefit recipients totaled 105,300.

For the School Employees Retirement System (SERS), coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care.

The portion is based on years of service up to a maximum of 75% of the premium. For this fiscal year, employer contributions to fund health care benefits were 5.83% of covered payroll.

In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$14,500. The surcharge, added to the unallocated portion of the 14% contribution rate, provides for maintenance of the asset target level for the health care fund. For the School District, the amount of employer contributions used to fund health care equaled \$375,818, which includes a surcharge of \$70,622 during the 2003 fiscal year.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses. Expenses for health care at June 30, 2003 were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, the SERS's net assets available for payment of health care benefits was \$303.6 million, at cost. The number of participants receiving health care benefits was approximately 50,000.

TWINSBURG CITY SCHOOL DISTRICTNotes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003**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:

	<i>Balance</i> <i>July 1</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>June 30</i>	<i>Due within</i> <i>one year</i>
<u>Governmental Long-term Obligations</u>					
<i>General Obligation Bonds</i>					
<i>2001 Various Purpose Improvement</i>					
<i>Refunding, 3.00%, maturing</i> <i>December 1, 2011</i>	\$ 6,279,978	\$ -	\$ (615,000)	\$ 5,664,978	\$ 640,000
<i>1996 New High School, 5.80%</i> <i>maturing December 1, 2021</i>	29,485,000	-	(810,000)	28,675,000	865,000
<i>Long-term Notes</i>					
<i>2002 OASBO Asset Pool, 3.53%</i> <i>maturing April 28, 2004</i>	339,000	-	-	339,000	339,000
<i>2003 OASBO Energy Conservation,</i> <i>5.00%, maturing December 1, 2017</i>	-	886,271	-	886,271	62,000
<i>Total long-term bonds and notes</i>	<u>36,103,978</u>	<u>886,271</u>	<u>(1,425,000)</u>	<u>35,565,249</u>	<u>1,906,000</u>
<i>Other Long-term Obligations</i>					
<i>Long-term compensated absences</i>	1,449,542	343,997	(340,386)	1,453,153	279,650
<i>Capital lease payable</i>	2,403	-	(2,403)	-	-
<i>Total other long-term obligations</i>	<u>1,451,945</u>	<u>343,997</u>	<u>(342,789)</u>	<u>1,453,153</u>	<u>279,650</u>
<i>Total governmental</i> <i>long-term obligations</i>	<u>\$ 37,555,923</u>	<u>\$ 1,230,268</u>	<u>\$ (1,767,789)</u>	<u>\$ 37,018,402</u>	<u>\$ 2,185,650</u>

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

Long-term Notes: Long-term notes are direct obligations of the School District for which its full faith and credit are pledged for repayment. Long-term notes are to be repaid from voted and unvoted general property taxes. Property tax monies will be received in and the debt will be repaid from the bond retirement debt service fund.

Compensated absences: Sick leave benefits will be paid from the fund from which the person is paid, usually the general fund and a portion from the food service special revenue fund.

Capital Leases: Capital lease obligations were paid from the general fund.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

Principal and interest requirements to amortize all bonds outstanding at June 30, 2003 are as follows:

<i>Fiscal</i> <u>Year</u>	<u>Bonded Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 1,505,000	\$ 1,825,988	\$ 3,330,988
2005	1,580,000	1,750,266	3,330,266
2006	1,650,000	1,671,848	3,321,848
2007	1,426,131	1,589,586	3,015,717
2008	1,448,847	1,518,088	2,966,935
2009-2013	9,430,000	6,356,419	15,786,419
2014-2018	8,515,000	3,891,077	12,406,077
2019-2022	8,785,000	1,075,063	9,860,063
<i>Total</i>	<u>\$ 34,339,978</u>	<u>\$ 19,678,335</u>	<u>\$ 54,018,313</u>

The OASBO Asset Pool note matures in April of 2004 with principal and interest payments of \$339,000 and \$13,092, respectively. The OASBO Energy Conservation note was an open agreement at June 30, 2003 and an amortization schedule was not finalized. Principal and interest payments of \$62,000 and \$27,116, respectively, will be due within the following year and the remaining payment schedule is to be determined.

NOTE 15 - TAX ANTICIPATION NOTES

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

	<i>Balance</i> <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<i>Balance</i> <u>June 30</u>	<i>Due within</i> <u>one year</u>
<u>Tax Anticipation Notes</u>					
2000 Permanent Improvement, 5.97% matured on June 1, 2003	\$ 664,000	\$ -	\$ (664,000)	\$ -	\$ -
2001 General fund, 4.90% maturing December 1, 2006	5,100,000	-	(1,020,000)	4,080,000	1,020,000

Principal and interest requirements to amortize tax anticipation notes outstanding at June 30, 2003 are as follows:

<i>Fiscal</i> <u>Year</u>	<u>Tax Anticipation Note</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 1,020,000	\$ 178,143	\$ 1,198,143
2005	1,020,000	127,245	1,147,245
2006	1,020,000	76,347	1,096,347
2007	1,020,000	25,449	1,045,449
<i>Total</i>	<u>\$ 4,080,000</u>	<u>\$ 407,184</u>	<u>\$ 4,487,184</u>

The outstanding tax anticipation notes are obligations of the general fund.

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 16 - CAPITALIZED LEASES - LESSEE DISCLOSURE

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

Capital assets acquired by lease have been capitalized as equipment in the amount of \$418,730 equal to the present value of the future minimum lease payments at the time of acquisition. The final principal payments in the current fiscal year, from the lease agreement totaled \$2,403.

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS

The Northeast Ohio Network for Educational Technology (NEONET) is the computer service organization or Data Acquisition Site (DAS) used by the School District. NEONET is a jointly governed organization among seventeen school districts. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The Board of Directors consists of member district superintendents and treasurers. The manager/director is a permanent, non-voting member of the board of directors. Each school district's control is limited to its representation on the board. The Board of Directors exercise total control over the operations of the association including budgeting, appropriating, contracting and designating management. All association revenues are generated from charges for services and State funding. The School District does not retain an ongoing financial interest or an ongoing financial responsibility in NEONET. Payments to NEONET are made from the general fund. During the current fiscal year, the School District contributed \$13,915 to NEONET.

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

NOTE 18 - CONTINGENCIES

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

TWINSBURG CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2003

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2003.

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

The Supreme Court relinquished jurisdiction over the case and directed "... the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

As of the date of these financial statements, the School District is unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

NOTE 19 - STATUTORY RESERVES

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

During the fiscal year ended June 30, 2003, the reserve activity was as follows:

	<i>Textbook Reserve</i>	<i>Capital Maintenance Reserve</i>	<i>Total</i>
<i>Set-aside cash balance as of June 30, 2002</i>	\$ 62,532	\$ -	\$ 62,532
<i>Current year set-aside requirement</i>	534,896	534,896	1,069,792
<i>Qualifying disbursements</i>	<u>(503,077)</u>	<u>(961,756)</u>	<u>(1,464,833)</u>
<i>Total</i>	<u>\$ 94,351</u>	<u>\$ (426,860)</u>	<u>\$ (332,509)</u>
<i>Balance carried forward to future years</i>	<u>\$ 94,351</u>	<u>\$ -</u>	<u>\$ 94,351</u>
<i>Restricted cash</i>	<u>\$ 94,351</u>	<u>\$ -</u>	<u>\$ 94,351</u>

Combining Statements and Individual Fund Schedules

Combining Statements and Individual Fund Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

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

Food Service

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

Uniform School Supplies

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

Adult Education

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

Miscellaneous Local Grants

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

Public School Support

To account for specific local revenue sources (other than taxes) generated by individual school buildings (i.e. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

District Managed Student Activity

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

Auxiliary Services

To account for state funds which provide services and materials to students attending non-public schools within the boundaries of the School District as provided by state law.

Teacher Development

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

Management Information Systems

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

Disadvantaged Pupil Impact Aid (DPIA)

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

Data Communications

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

SchoolNet Professional Development

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

Ohio Reads

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

Alternative Schools

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

Miscellaneous State Grants

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

Eisenhower

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

Title VI-B

To account for federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title III

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

Title I

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

Title V

To account for federal funds to provide programs for at-risk students; instructional materials to improve the quality of instruction; programs of professional development; programs to enhance personal excellence of students and student achievement.

Drug Free School Grant

To account for federal funds for the establishment, operation and improvement programs of drug abuse prevention, early intervention, rehabilitation referral and education in schools.

EHA Preschool Grant

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

Improving Teacher Quality

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

Miscellaneous Federal Grants

To account for federal revenues received through state agencies from the federal government or directly from the federal governments which are not classified elsewhere.

Nonmajor Capital Projects Funds

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

Permanent Improvement

To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

Building

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

Replacement

A fund provided to account for monies used in the rebuilding, restoration or improvement of property which has been totally or partially destroyed due to any cause. Such property may have become unfit for use necessitating its demolition in whole or in part, and may require repair or restoration before it can again be used.

SchoolNet

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

Nonmajor Permanent Fund

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

Endowment

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

Twinsburg City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 1,150,002	\$ 2,114,686	\$ 19,540	\$ 3,284,228
Receivables:				
Taxes	-	1,992,460	-	1,992,460
Intergovernmental	194,295	-	-	194,295
Interfund receivable	-	27,501	-	27,501
Inventory held for resale	29,128	-	-	29,128
Materials and supplies inventory	5,439	-	-	5,439
Total assets	<u>\$ 1,378,864</u>	<u>\$ 4,134,647</u>	<u>\$ 19,540</u>	<u>\$ 5,533,051</u>
 <u>Liabilities and fund equity :</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 13,814	\$ 361,268	\$ -	\$ 375,082
Accrued wages	125,024	-	-	125,024
Interfund payable	146,810	-	-	146,810
Intergovernmental payable	1,589	-	-	1,589
Deferred revenue	118,454	1,904,624	-	2,023,078
Total liabilities	<u>405,691</u>	<u>2,265,892</u>	<u>-</u>	<u>2,671,583</u>
 <u>Fund equity:</u>				
Reserved for encumbrances	39,028	284,794	-	323,822
Unreserved, undesignated, Reported in:				
Special revenue funds	934,145	-	-	934,145
Capital projects funds	-	1,583,961	-	1,583,961
Permanent funds	-	-	19,540	19,540
Total fund equity	<u>973,173</u>	<u>1,868,755</u>	<u>19,540</u>	<u>2,861,468</u>
Total liabilities and fund equity	<u>\$ 1,378,864</u>	<u>\$ 4,134,647</u>	<u>\$ 19,540</u>	<u>\$ 5,533,051</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, 2003

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Taxes	\$ -	\$ 1,927,561	\$ -	\$ 1,927,561
Intergovernmental	1,217,714	249,934	-	1,467,648
Interest	3,094	-	233	3,327
Tuition and fees	245,893	-	-	245,893
Extracurricular activities	171,335	-	-	171,335
Gifts and donations	20,356	-	-	20,356
Customer services	827,242	-	-	827,242
Rent	5,868	-	-	5,868
Miscellaneous	6,714	17,465	-	24,179
Total revenues	<u>2,498,216</u>	<u>2,194,960</u>	<u>233</u>	<u>4,693,409</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	223,122	2,210	-	225,332
Special	508,785	-	-	508,785
Adult/continuing	1,838	-	-	1,838
Support services:				
Pupils	218,030	54,338	-	272,368
Instructional staff	268,866	-	-	268,866
Administration	17,628	1,534	-	19,162
Fiscal	3,200	-	-	3,200
Operation and maintenance of plant	3,471	1,023,351	-	1,026,822
Pupil transportation	253	2,427	-	2,680
Central	-	529,148	-	529,148
Operation of non-instructional services:				
Food service operations	1,027,024	-	-	1,027,024
Community services	88,192	-	-	88,192
Extracurricular activities	186,307	-	-	186,307
Capital outlay	-	589,840	-	589,840
Debt service:				
Interest and fiscal charges	-	21,539	-	21,539
Total expenditures	<u>2,546,716</u>	<u>2,224,387</u>	<u>-</u>	<u>4,771,103</u>
Excess of revenues over (under) expenditures	<u>(48,500)</u>	<u>(29,427)</u>	<u>233</u>	<u>(77,694)</u>
<u>Other financing sources (uses):</u>				
Proceeds of bonds	<u>-</u>	<u>886,271</u>	<u>-</u>	<u>886,271</u>
Net change in fund balance	(48,500)	856,844	233	808,577
Fund balances at beginning of year, as restated	1,021,673	1,011,911	19,307	2,052,891
Fund balances at end of year	<u>\$ 973,173</u>	<u>\$ 1,868,755</u>	<u>\$ 19,540</u>	<u>\$ 2,861,468</u>

Twinsburg City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Food Service	Uniform School Supplies	Adult Education	Miscellaneous Local Grants	Public School Support
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 165,809	\$ 16,029	\$ 75,871	\$ 22,115	\$ 736,421
Receivables:					
Intergovernmental	-	-	-	-	-
Inventory held for resale	29,128	-	-	-	-
Materials and supplies inventory	5,439	-	-	-	-
Total assets	<u>\$ 200,376</u>	<u>\$ 16,029</u>	<u>\$ 75,871</u>	<u>\$ 22,115</u>	<u>\$ 736,421</u>
 <u>Liabilities and fund equity:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,874
Accrued wages	79,045	-	-	-	19,761
Interfund payable	-	-	-	-	27,501
Intergovernmental payable	863	-	-	-	287
Deferred revenue	-	-	-	-	-
Total liabilities	<u>79,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,423</u>
 <u>Fund equity:</u>					
Reserved for encumbrances	-	87	-	327	2,869
Unreserved, undesignated, Reported in special revenue funds	<u>120,468</u>	<u>15,942</u>	<u>75,871</u>	<u>21,788</u>	<u>684,129</u>
Total fund equity	<u>120,468</u>	<u>16,029</u>	<u>75,871</u>	<u>22,115</u>	<u>686,998</u>
Total liabilities and fund equity	<u>\$ 200,376</u>	<u>\$ 16,029</u>	<u>\$ 75,871</u>	<u>\$ 22,115</u>	<u>\$ 736,421</u>

District Managed Student Activity	Auxiliary Services	Teacher Development	Management Information Systems	Disadvantaged Pupil Impact Aid	Data Comm- unications	SchoolNet Professional Development
\$ 46,747	\$ 8,144	\$ 2,589	\$ 14,468	\$ -	\$ -	\$ 4,300
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 46,747</u>	<u>\$ 8,144</u>	<u>\$ 2,589</u>	<u>\$ 14,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,300</u>
\$ 222	\$ 1,648	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
174	-	-	-	-	-	-
-	59	-	-	-	-	-
-	-	-	-	-	-	-
<u>396</u>	<u>1,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,544	6,369	-	-	-	-	1,500
43,807	68	2,589	14,468	-	-	2,800
<u>46,351</u>	<u>6,437</u>	<u>2,589</u>	<u>14,468</u>	<u>-</u>	<u>-</u>	<u>4,300</u>
<u>\$ 46,747</u>	<u>\$ 8,144</u>	<u>\$ 2,589</u>	<u>\$ 14,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,300</u>

(Continued)

Twinsburg City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2003

	Ohio Reads	Alternative Schools	Miscellaneous State Grants	Eisenhower	Title VI-B
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ -	\$ -	\$ 6,786	\$ -	\$ 41,133
Receivables:					
Intergovernmental	-	-	-	-	83,273
Inventory held for resale	-	-	-	-	-
Materials and supplies inventory	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,786</u>	<u>\$ -</u>	<u>\$ 124,406</u>
 <u>Liabilities and fund balances:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 8,241
Accrued wages	-	-	-	-	26,218
Interfund payable	-	-	-	-	61,700
Intergovernmental payable	-	-	-	-	380
Deferred revenue	-	-	-	-	51,986
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,525</u>
 <u>Fund balances:</u>					
Reserved for encumbrances	-	-	20	-	24,031
Unreserved, undesignated, Reported in special revenue funds	-	-	6,766	-	(48,150)
Total fund balances	<u>-</u>	<u>-</u>	<u>6,786</u>	<u>-</u>	<u>(24,119)</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,786</u>	<u>\$ -</u>	<u>\$ 124,406</u>

<u>Title III</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug Free School Grant</u>	<u>EHA Preschool Grant</u>	<u>Improving Teacher Quality</u>	<u>Miscellaneous Federal Grants</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ 342	\$ 3,666	\$ 604	\$ -	\$ 1,026	\$ 3,952	\$ 1,150,002
4,146	72,762	13,629	5,571	155	13,975	784	194,295
-	-	-	-	-	-	-	29,128
-	-	-	-	-	-	-	5,439
<u>\$ 4,146</u>	<u>\$ 73,104</u>	<u>\$ 17,295</u>	<u>\$ 6,175</u>	<u>\$ 155</u>	<u>\$ 15,001</u>	<u>\$ 4,736</u>	<u>\$ 1,378,864</u>
\$ -	\$ -	\$ 672	\$ 604	\$ -	\$ 420	\$ 133	\$ 13,814
-	-	-	-	-	-	-	125,024
4,147	39,924	3,977	4,536	584	4,267	-	146,810
-	-	-	-	-	-	-	1,589
-	40,891	10,602	1,401	-	13,574	-	118,454
<u>4,147</u>	<u>80,815</u>	<u>15,251</u>	<u>6,541</u>	<u>584</u>	<u>18,261</u>	<u>133</u>	<u>405,691</u>
-	342	333	-	-	606	-	39,028
(1)	(8,053)	1,711	(366)	(429)	(3,866)	4,603	934,145
(1)	(7,711)	2,044	(366)	(429)	(3,260)	4,603	973,173
<u>\$ 4,146</u>	<u>\$ 73,104</u>	<u>\$ 17,295</u>	<u>\$ 6,175</u>	<u>\$ 155</u>	<u>\$ 15,001</u>	<u>\$ 4,736</u>	<u>\$ 1,378,864</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, 2003

	Food Service	Uniform School Supplies	Adult Education	Miscellaneous Local Grants	Public School Support
<u>Revenues:</u>					
Intergovernmental	\$ 181,300	\$ -	\$ 32,456	\$ -	\$ -
Interest	2,086	-	-	-	856
Tuition and fees	-	12,366	525	-	231,802
Extracurricular activities	-	-	-	-	42,318
Gifts and donations	-	-	-	13,000	7,356
Customer services	827,242	-	-	-	-
Rent	-	-	5,868	-	-
Miscellaneous	-	-	-	6,000	714
Total revenues	<u>1,010,628</u>	<u>12,366</u>	<u>38,849</u>	<u>19,000</u>	<u>283,046</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	-	11,902	-	11,273	2,000
Special	-	-	-	-	-
Adult/continuing	-	-	1,838	-	-
Support services:					
Pupils	-	-	-	-	151,171
Instructional staff	-	-	-	-	-
Administration	-	-	-	-	3,228
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	-	-	-
Pupil transportation	-	-	-	-	253
Operation of non-instructional services					
Food service operations	1,027,024	-	-	-	-
Community services	-	-	-	-	-
Extracurricular activities	-	-	-	-	40,919
Total expenditures	<u>1,027,024</u>	<u>11,902</u>	<u>1,838</u>	<u>11,273</u>	<u>197,571</u>
Net change in fund balance	(16,396)	464	37,011	7,727	85,475
Fund balances (deficit) at beginning of year, as restated	136,864	15,565	38,860	14,388	601,523
Fund balances (deficit) at end of year	<u>\$ 120,468</u>	<u>\$ 16,029</u>	<u>\$ 75,871</u>	<u>\$ 22,115</u>	<u>\$ 686,998</u>

District Managed Student Activity	Auxiliary Services	Teacher Development	Management Information Systems	Disadvantaged Pupil Impact Aid	Data Comm- unications	SchoolNet Professional Development
\$ -	\$ 77,974	\$ -	\$ 14,468	\$ 25,273	\$ 17,500	\$ 4,600
-	152	-	-	-	-	-
1,200	-	-	-	-	-	-
129,017	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
130,217	78,126	-	14,468	25,273	17,500	4,600
-	-	-	-	26,326	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	17,564	-
-	-	-	2,515	-	-	7,750
-	-	-	-	-	-	-
-	3,200	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	87,520	-	-	-	-	-
145,388	-	-	-	-	-	-
145,388	90,720	-	2,515	26,326	17,564	7,750
(15,171)	(12,594)	-	11,953	(1,053)	(64)	(3,150)
61,522	19,031	2,589	2,515	1,053	64	7,450
\$ 46,351	\$ 6,437	\$ 2,589	\$ 14,468	\$ -	\$ -	\$ 4,300

(Continued)

Twinsburg City School District
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2003

	Ohio Reads	Alternative Schools	Miscellaneous State Grants	Eisenhower	Title VI-B
<u>Revenues:</u>					
Intergovernmental	\$ 7,500	\$ 46,574	\$ 36,043	\$ -	\$ 381,445
Interest	-	-	-	-	-
Tuition and fees	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Customer services	-	-	-	-	-
Rent	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>7,500</u>	<u>46,574</u>	<u>36,043</u>	<u>-</u>	<u>381,445</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	7,500	46,574	8,000	-	-
Special	-	-	-	-	169,676
Adult/continuing	-	-	-	-	-
Support services:					
Pupils	-	-	-	-	49,295
Instructional staff	-	-	23,024	4,566	208,384
Administration	-	-	-	-	14,400
Fiscal	-	-	-	-	-
Operation and maintenance of plant	-	-	3,471	-	-
Pupil transportation	-	-	-	-	-
Operation of non-instructional services					
Food service operations	-	-	-	-	-
Community services	-	-	-	-	-
Extracurricular activities	-	-	-	-	-
Total expenditures	<u>7,500</u>	<u>46,574</u>	<u>34,495</u>	<u>4,566</u>	<u>441,755</u>
Net change in fund balance	-	-	1,548	(4,566)	(60,310)
Fund balances (deficit) at beginning of year, as restated	-	-	5,238	4,566	36,191
Fund balances (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,786</u>	<u>\$ -</u>	<u>\$ (24,119)</u>

Title III	Title I	Title V	Drug Free School Grant	EHA Preschool Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$ 20,729	\$ 189,059	\$ 26,482	\$ 17,905	\$ 21,676	\$ 95,583	\$ 21,147	\$ 1,217,714
-	-	-	-	-	-	-	3,094
-	-	-	-	-	-	-	245,893
-	-	-	-	-	-	-	171,335
-	-	-	-	-	-	-	20,356
-	-	-	-	-	-	-	827,242
-	-	-	-	-	-	-	5,868
-	-	-	-	-	-	-	6,714
<u>20,729</u>	<u>189,059</u>	<u>26,482</u>	<u>17,905</u>	<u>21,676</u>	<u>95,583</u>	<u>21,147</u>	<u>2,498,216</u>
-	-	-	16,077	-	88,880	4,590	223,122
20,730	246,415	32,269	-	-	9,963	29,732	508,785
-	-	-	-	-	-	-	1,838
-	-	-	-	-	-	-	218,030
-	-	-	-	22,105	-	522	268,866
-	-	-	-	-	-	-	17,628
-	-	-	-	-	-	-	3,200
-	-	-	-	-	-	-	3,471
-	-	-	-	-	-	-	253
-	-	-	-	-	-	-	1,027,024
-	-	672	-	-	-	-	88,192
-	-	-	-	-	-	-	186,307
<u>20,730</u>	<u>246,415</u>	<u>32,941</u>	<u>16,077</u>	<u>22,105</u>	<u>98,843</u>	<u>34,844</u>	<u>2,546,716</u>
(1)	(57,356)	(6,459)	1,828	(429)	(3,260)	(13,697)	(48,500)
-	49,645	8,503	(2,194)	-	-	18,300	1,021,673
<u>\$ (1)</u>	<u>\$ (7,711)</u>	<u>\$ 2,044</u>	<u>\$ (366)</u>	<u>\$ (429)</u>	<u>\$ (3,260)</u>	<u>\$ 4,603</u>	<u>\$ 973,173</u>

Twinsburg City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2003

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Replacement</u>	<u>SchoolNet</u>	<u>Total Nonmajor Capital Projects Funds</u>
<u>Assets:</u>					
Equity in pooled cash and cash equivalents	\$ 1,937,286	\$ -	\$ 177,175	\$ 225	\$ 2,114,686
Receivables:					
Taxes	1,992,460	-	-	-	1,992,460
Interfund receivable	27,501	-	-	-	27,501
Total assets	<u>\$ 3,957,247</u>	<u>\$ -</u>	<u>\$ 177,175</u>	<u>\$ 225</u>	<u>\$ 4,134,647</u>
 <u>Liabilities and fund equity:</u>					
<u>Liabilities:</u>					
Accounts payable	\$ 361,268	\$ -	\$ -	\$ -	\$ 361,268
Deferred revenue	1,904,624	-	-	-	1,904,624
Total liabilities	<u>2,265,892</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,265,892</u>
 <u>Fund equity:</u>					
Reserved for encumbrances	171,298	-	113,496	-	284,794
Unreserved, undesignated, Reported in capital projects funds	1,520,057	-	63,679	225	1,583,961
Total fund equity	<u>1,691,355</u>	<u>-</u>	<u>177,175</u>	<u>225</u>	<u>1,868,755</u>
Total liabilities and fund equity	<u>\$ 3,957,247</u>	<u>\$ -</u>	<u>\$ 177,175</u>	<u>\$ 225</u>	<u>\$ 4,134,647</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, 2003

	Permanent Improvement	Building	Replacement	SchoolNet	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>					
Taxes	\$ 1,927,561	\$ -	\$ -	\$ -	\$ 1,927,561
Intergovernmental	189,720	-	60,214	-	249,934
Miscellaneous	-	-	17,465	-	17,465
Total revenues	<u>2,117,281</u>	<u>-</u>	<u>77,679</u>	<u>-</u>	<u>2,194,960</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	2,210	-	-	-	2,210
Support services:					
Pupils	-	-	-	54,338	54,338
Administration	1,534	-	-	-	1,534
Operation and maintenance of plant	664,240	359,111	-	-	1,023,351
Pupil transportation	-	-	2,427	-	2,427
Central	529,148	-	-	-	529,148
Capital outlay	62,680	527,160	-	-	589,840
Debt service:					
Interest and fiscal charges	21,539	-	-	-	21,539
Total expenditures	<u>1,281,351</u>	<u>886,271</u>	<u>2,427</u>	<u>54,338</u>	<u>2,224,387</u>
Excess of revenues over (under) expenditures	<u>835,930</u>	<u>(886,271)</u>	<u>75,252</u>	<u>(54,338)</u>	<u>(29,427)</u>
<u>Other financing sources (uses):</u>					
Proceeds of bonds	-	886,271	-	-	886,271
Net change in fund balance	835,930	-	75,252	(54,338)	856,844
Fund balances at beginning of year	855,425	-	101,923	54,563	1,011,911
Fund balances at end of the year	<u>\$ 1,691,355</u>	<u>\$ -</u>	<u>\$ 177,175</u>	<u>\$ 225</u>	<u>\$ 1,868,755</u>

Twinsburg City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2003

	Beginning Balance <u>July 1, 2002</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2003</u>
<u>Student Managed Activity</u>				
<u>Assets:</u>				
Equity in pooled cash and cash equivalents	\$ 158,009	\$ 37,216	\$ -	\$ 195,225
<u>Liabilities:</u>				
Accounts payable	\$ -	\$ 16,646	\$ -	\$ 16,646
Due to students	158,009	37,216	16,646	178,579
Total liabilities	<u>\$ 158,009</u>	<u>\$ 53,862</u>	<u>\$ 16,646</u>	<u>\$ 195,225</u>

**Individual Fund Schedules of Revenues, Expenditures/Expenses and
Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual**

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, 2003

Bond Retirement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 3,504,597	\$ 3,559,247	\$ 54,650
Intergovernmental	257,152	274,174	17,022
Total revenues	<u>3,761,749</u>	<u>3,833,421</u>	<u>71,672</u>
<u>Expenditures:</u>			
Debt service:			
Principal retirement	2,089,000	2,089,000	-
Interest and fiscal charges	2,115,726	1,953,669	162,057
Total expenditures	<u>4,204,726</u>	<u>4,042,669</u>	<u>162,057</u>
Net change in fund balance	(442,977)	(209,248)	233,729
Fund balance at beginning of year	1,075,643	1,075,643	-
Fund balance at end of year	<u>\$ 632,666</u>	<u>\$ 866,395</u>	<u>\$ 233,729</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, 2003

Food Service Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 164,671	\$ 203,869	\$ 39,198
Interest	2,000	2,086	86
Charges for services	785,629	827,242	41,613
Total revenues	<u>952,300</u>	<u>1,033,197</u>	<u>80,897</u>
<u>Expenditures:</u>			
Current:			
Operation of non-instructional services	1,107,662	1,022,282	85,380
Net change in fund balance	(155,362)	10,915	166,277
Fund balance at beginning of year	153,144	153,144	-
Prior year encumbrances appropriated	1,750	1,750	-
Fund balance at end of year	<u>\$ (468)</u>	<u>\$ 165,809</u>	<u>\$ 166,277</u>

Uniform School Supplies Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 11,000	\$ 12,366	\$ 1,366
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	24,936	11,989	12,947
Net change in fund balance	(13,936)	377	14,313
Fund balance at beginning of year	15,566	15,566	-
Fund balance at end of year	<u>\$ 1,630</u>	<u>\$ 15,943</u>	<u>\$ 14,313</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, 2003

Adult Education Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 32,307	\$ 32,456	\$ 149
Rent	5,868	5,868	-
Tuition and fees	525	525	-
Total revenues	<u>38,700</u>	<u>38,849</u>	<u>149</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Adult/continuing	46,000	1,838	44,162
Net change in fund balance	(7,300)	37,011	44,311
Fund balance at beginning of year	38,861	38,861	-
Fund balance at end of year	<u>\$ 31,561</u>	<u>\$ 75,872</u>	<u>\$ 44,311</u>

Miscellaneous Local Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Gifts and donations	\$ 13,000	\$ 13,000	\$ -
Miscellaneous	6,000	6,000	-
Total revenues	<u>19,000</u>	<u>19,000</u>	<u>-</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	21,886	11,600	10,286
Vocational	2	-	2
Total expenditures	<u>21,888</u>	<u>11,600</u>	<u>10,288</u>
Net change in fund balance	(2,888)	7,400	10,288
Fund balance at beginning of year	13,937	13,937	-
Prior year encumbrances appropriated	451	451	-
Fund balance at end of year	<u>\$ 11,500</u>	<u>\$ 21,788</u>	<u>\$ 10,288</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Public School Support Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ 740	\$ 856	\$ 116
Tuition and fees	198,953	231,802	32,849
Extracurricular activities	41,951	42,618	667
Gifts and donations	6,801	7,356	555
Miscellaneous	555	714	159
Total revenues	<u>249,000</u>	<u>283,346</u>	<u>34,346</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	17,200	2,000	15,200
Special	335	-	335
Support services:			
Pupils	166,488	150,567	15,921
Instructional staff	4,813	-	4,813
Administration	18,793	3,243	15,550
Pupil transportation	253	253	-
Operation of non-instructional services	227	-	227
Extracurricular activities	141,596	43,736	97,860
Total expenditures	<u>349,705</u>	<u>199,799</u>	<u>149,906</u>
Net change in fund balance	(100,705)	83,547	184,252
Fund balance at beginning of year	645,349	645,349	-
Prior year encumbrances appropriated	2,835	2,835	-
Fund balance at end of year	<u>\$ 547,479</u>	<u>\$ 731,731</u>	<u>\$ 184,252</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, 2003

District Managed Student Activity Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Tuition and fees	\$ 1,200	\$ 1,200	\$ -
Extracurricular activities	125,120	129,117	3,997
Total revenues	<u>126,320</u>	<u>130,317</u>	<u>3,997</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	1,200	-	1,200
Extracurricular activities	180,330	148,496	31,834
Excess of revenues over (under) expenditures	<u>(55,210)</u>	<u>(18,179)</u>	<u>37,031</u>
<u>Other financing sources (uses):</u>			
Advances in	174	174	-
Net change in fund balance	(55,036)	(18,005)	37,031
Fund balance at beginning of year	30,314	30,314	-
Prior year encumbrances appropriated	31,671	31,671	-
Fund balance at end of year	<u>\$ 6,949</u>	<u>\$ 43,980</u>	<u>\$ 37,031</u>

Auxiliary Services Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 77,848	\$ 77,974	\$ 126
Interest	152	152	-
Total revenues	<u>78,000</u>	<u>78,126</u>	<u>126</u>
<u>Expenditures:</u>			
Current:			
Support services:			
Fiscal	3,200	3,200	-
Operation of non-instructional services	106,466	106,652	(186)
Total expenditures	<u>109,666</u>	<u>109,852</u>	<u>(186)</u>
Net change in fund balance	(31,666)	(31,726)	(60)
Fund balance at beginning of year	12,828	12,828	-
Prior year encumbrances appropriated	19,023	19,023	-
Fund balance at end of year	<u>\$ 185</u>	<u>\$ 125</u>	<u>\$ (60)</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, 2003

Teacher Development Fund

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

Management Information Systems Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 14,500	\$ 14,468	\$ (32)
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	7,210	2,515	4,695
Net change in fund balance	7,290	11,953	4,663
Fund balance at beginning of year	2,515	2,515	-
Fund balance at end of year	<u>\$ 9,805</u>	<u>\$ 14,468</u>	<u>\$ 4,663</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, 2003

Disadvantaged Pupil Impact Aid Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 23,200	\$ 25,273	\$ 2,073
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	24,600	26,326	(1,726)
Net change in fund balance	(1,400)	(1,053)	347
Fund balance at beginning of year	1,053	1,053	-
Fund balance at end of year	<u>\$ (347)</u>	<u>\$ -</u>	<u>\$ 347</u>

Data Communications Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 17,500	\$ 17,500	-
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	17,564	17,564	-
Net change in fund balance	(64)	(64)	-
Fund balance at beginning of year	64	64	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

SchoolNet Professional Development Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 4,600	\$ 4,600	\$ -
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	12,050	9,250	2,800
Net change in fund balance	(7,450)	(4,650)	2,800
Fund balance at beginning of year	7,450	7,450	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,800</u>	<u>\$ 2,800</u>

Ohio Reads Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 7,500	\$ 7,500	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	11,250	11,250	-
Net change in fund balance	(3,750)	(3,750)	-
Fund balance at beginning of year	-	-	-
Prior year encumbrances appropriated	3,750	3,750	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Twinsburg City School District
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2003

Alternative Schools Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 46,500	\$ 46,574	\$ 74
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	-	46,574	(46,574)
Net change in fund balance	46,500	-	(46,500)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 46,500</u>	<u>\$ -</u>	<u>\$ (46,500)</u>

Miscellaneous State Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 36,000	\$ 36,043	\$ 43
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	8,000	8,000	-
Support services:			
Instructional staff	29,809	23,044	6,765
Operation and maintenance of plant	3,471	3,471	-
Total expenditures	41,280	34,515	6,765
Net change in fund balance	(5,280)	1,528	6,808
Fund balance at beginning of year	5,238	5,238	-
Fund balance at end of year	<u>\$ (42)</u>	<u>\$ 6,766</u>	<u>\$ 6,808</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, 2003

Eisenhower Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 1,576	\$ 1,561	\$ (15)
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	4,581	4,566	15
Net change in fund balance	(3,005)	(3,005)	-
Fund balance at beginning of year	332	332	-
Prior year encumbrances appropriated	2,673	2,673	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Title VI-B Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 268,549	\$ 350,158	\$ 81,609
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	180,566	180,566	-
Support services:			
Pupils	46,378	46,378	-
Instructional staff	146,929	196,934	(50,005)
Administration	15,000	15,000	-
Total expenditures	388,873	438,878	(50,005)
Excess of revenues over (under) expenditures	(120,324)	(88,720)	31,604
<u>Other financing sources (uses):</u>			
Advances in	61,701	61,700	(1)
Net change in fund balance	(58,623)	(27,020)	31,603
Fund balance at beginning of year	34,871	34,871	-
Prior year encumbrances appropriated	5,234	5,234	-
Fund balance at end of year	<u>\$ (18,518)</u>	<u>\$ 13,085</u>	<u>\$ 31,603</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, 2003

Title III Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 16,583	\$ 16,583	\$ -
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	14,814	20,730	(5,916)
Excess of revenues over (under) expenditures	1,769	(4,147)	(5,916)
<u>Other financing sources (uses):</u>			
Advances in	4,147	4,147	-
Net change in fund balance	5,916	-	(5,916)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 5,916	\$ -	\$ (5,916)

Title I Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 190,026	\$ 157,188	\$ (32,838)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	263,278	252,853	10,425
Excess of revenues over (under) expenditures	(73,252)	(95,665)	(22,413)
<u>Other financing sources (uses):</u>			
Advances in	39,924	39,924	-
Net change in fund balance	(33,328)	(55,741)	(22,413)
Fund balance at beginning of year	55,741	55,741	-
Fund balance at end of year	\$ 22,413	\$ -	\$ (22,413)

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, 2003

Title V Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 33,023	\$ 23,455	\$ (9,568)
<u>Expenditures:</u>			
Current:			
Instruction:			
Special	67,484	32,593	34,891
Operation of non-instructional services	681	681	-
Total expenditures	68,165	33,274	34,891
Excess of revenues over (under) expenditures	(35,142)	(9,819)	25,323
<u>Other financing sources (uses):</u>			
Advances in	3,977	3,977	-
Net change in fund balance	(31,165)	(5,842)	25,323
Fund balance at beginning of year	8,503	8,503	-
Fund balance at end of year	\$ (22,662)	\$ 2,661	\$ 25,323

Drug Free School Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 9,495	\$ 13,735	\$ 4,240
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	12,993	16,077	(3,084)
Excess of revenues over (under) expenditures	(3,498)	(2,342)	1,156
<u>Other financing sources (uses):</u>			
Advances in	4,536	4,536	-
Advances out	(5,294)	(5,294)	-
Total other financing sources (uses)	(758)	(758)	-
Net change in fund balance	(4,256)	(3,100)	1,156
Fund balance at beginning of year	2,820	2,820	-
Prior year encumbrances appropriated	280	280	-
Fund balance at end of year	\$ (1,156)	\$ -	\$ 1,156

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, 2003

EHA Preschool Grant Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 21,092	\$ 21,521	\$ 429
<u>Expenditures:</u>			
Current:			
Support services:			
Instructional staff	20,328	22,105	(1,777)
Excess of revenues over (under) expenditures	764	(584)	(1,348)
<u>Other financing sources (uses):</u>			
Advances in	584	584	-
Net change in fund balance	1,348	-	(1,348)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 1,348	\$ -	\$ (1,348)

Improving Teacher Quality Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 104,890	\$ 95,182	\$ (9,708)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	96,597	89,486	7,111
Special	9,963	9,963	-
Total expenditures	106,560	99,449	7,111
Excess of revenues over (under) expenditures	(1,670)	(4,267)	(2,597)
<u>Other financing sources (uses):</u>			
Advances in	4,267	4,267	-
Net change in fund balance	2,597	-	(2,597)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ 2,597	\$ -	\$ (2,597)

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, 2003

Miscellaneous Federal Grants Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 25,665	\$ 20,363	\$ (5,302)
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	5,694	4,590	1,104
Special	30,818	29,958	860
Support services:			
Instructional staff	522	522	-
Total expenditures	<u>37,034</u>	<u>35,070</u>	<u>1,964</u>
Net change in fund balance	(11,369)	(14,707)	(3,338)
Fund balance at beginning of year	18,427	18,427	-
Prior year encumbrances appropriated	100	100	-
Fund balance at end of year	<u>\$ 7,158</u>	<u>\$ 3,820</u>	<u>\$ (3,338)</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, 2003

Permanent Improvement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Taxes	\$ 1,168,053	\$ 1,204,301	\$ 36,248
Intergovernmental	177,875	189,720	11,845
Total revenues	<u>1,345,928</u>	<u>1,394,021</u>	<u>48,093</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	17,680	2,210	15,470
Special	356	-	356
Support services:			
Administration	2,927	2,224	703
Operation and maintenance of plant	15,000	12,926	2,074
Central	284,888	183,025	101,863
Capital outlay	1,401,414	953,659	447,755
Total expenditures	<u>1,722,265</u>	<u>1,154,044</u>	<u>568,221</u>
Net change in fund balance	(376,337)	239,977	616,314
Fund balance at beginning of year	1,409,451	1,409,451	-
Prior year encumbrances appropriated	108,886	108,886	-
Fund balance at end of year	<u>\$ 1,142,000</u>	<u>\$ 1,758,314</u>	<u>\$ 616,314</u>

Building Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Total revenues	\$ -	\$ -	\$ -
<u>Expenditures:</u>			
Capital outlay	1,232,832	886,271	346,561
Excess of revenues over (under) expenditures	<u>(1,232,832)</u>	<u>(886,271)</u>	<u>346,561</u>
<u>Other financing sources (uses):</u>			
Proceeds of bonds	886,271	886,271	-
Net change in fund balance	(346,561)	-	346,561
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ (346,561)</u>	<u>\$ -</u>	<u>\$ 346,561</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, 2003

Replacement Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 60,185	\$ 60,214	\$ 29
<u>Expenditures:</u>			
Current:			
Support services:			
Pupil transportation	115,923	115,923	-
Excess of revenues over (under) expenditures	(55,738)	(55,709)	29
<u>Other financing sources (uses):</u>			
Proceeds from sale of capital assets	17,465	17,465	-
Net change in fund balance	(38,273)	(38,244)	29
Fund balance at beginning of year	101,923	101,923	-
Fund balance at end of year	\$ 63,650	\$ 63,679	\$ 29

SchoolNet Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Intergovernmental	\$ 53,250	\$ 53,271	\$ 21
<u>Expenditures:</u>			
Current:			
Support services:			
Pupils	53,985	53,760	225
Capital outlay	578	578	-
Total expenditures	54,563	54,338	225
Net change in fund balance	(1,313)	(1,067)	246
Fund balance at beginning of year	1,292	1,292	-
Fund balance at end of year	\$ (21)	\$ 225	\$ 246

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, 2003

Permanent Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ -	\$ 233	\$ 233
<u>Expenditures:</u>			
Total expenditures	-	-	-
Net change in fund balance	-	233	233
Fund balance at beginning of year	19,307	19,307	-
Fund balance at end of year	<u>\$ 19,307</u>	<u>\$ 19,540</u>	<u>\$ 233</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, 2003

Employee Benefits Self-Insurance Fund

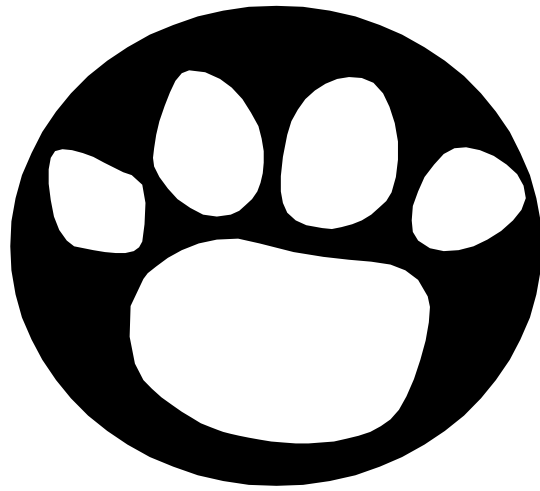
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Charges for services	\$ 4,100,000	\$ 4,494,014	\$ 394,014
<u>Expenses:</u>			
Purchased services	3,328,749	3,327,620	1,129
Other	31,008	31,807	(799)
Total expenses	<u>3,359,757</u>	<u>3,359,427</u>	<u>330</u>
Net change in fund balance	740,243	1,134,587	394,344
Fund balance at beginning of year	30,256	30,256	-
Fund balance at end of year	<u>\$ 770,499</u>	<u>\$ 1,164,843</u>	<u>\$ 394,344</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, 2003

Private Purpose Trust Fund

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>			
Interest	\$ -	\$ 239	\$ 239
Gifts and donations	-	1,000	1,000
Total revenues	-	1,239	1,239
<u>Expenses:</u>			
Current:			
Operation of non-instructional services	-	3,000	(3,000)
Net change in fund balance	-	(1,761)	(1,761)
Fund balance at beginning of year	20,631	20,631	-
Fund balance at end of year	<u>\$ 20,631</u>	<u>\$ 18,870</u>	<u>\$ (1,761)</u>

STATISTICAL SECTION



Twinsburg City School District

General Governmental Revenues by Source and Expenditures by Function

Last Ten Fiscal Years

	Fiscal Year Ended June 30, 2003	Fiscal Year Ended June 30, 2002	Fiscal Year Ended June 30, 2001	Fiscal Year Ended June 30, 2000
<u>Revenues:</u>				
Property and other local taxes	\$ 32,491,572	\$ 28,622,414	\$ 25,812,191	\$ 23,174,378
Intergovernmental	6,410,071	6,271,015	5,183,675	4,967,105
Interest	147,646	256,155	303,569	456,746
Payments in lieu of taxes	166,822	-	-	-
Tuition and fees	319,907	377,348	314,416	271,306
Extracurricular activities	194,839	180,725	170,001	177,581
Gifts and donations	20,356	23,369	15,679	-
Customer services	827,242	-	-	-
Classroom materials and fees	-	-	-	8,143
Rent	59,369	28,149	22,501	-
Miscellaneous	92,196	945	123,540	58,938
Total revenues	\$ 40,730,020	\$ 35,760,120	\$ 31,945,572	\$ 29,114,197
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	\$ 18,111,286	\$ 13,573,715	\$ 12,488,526	\$ 13,760,176
Special	2,055,824	2,411,199	2,424,283	1,597,536
Vocational	230,600	284,297	259,299	174,720
Adult/continuing	1,838	-	-	-
Support services:				
Pupils	2,041,733	2,536,467	2,179,979	1,983,363
Instructional staff	819,000	802,519	879,597	791,163
Board of education	457,425	283,451	307,806	226,552
Administration	1,726,800	2,376,594	2,381,560	1,779,481
Fiscal	730,101	723,148	740,602	632,154
Business	90,936	92,647	178,165	312,308
Operation and maintenance of plant	4,354,068	3,752,609	3,737,020	3,360,100
Pupil transportation	1,212,289	1,455,400	1,552,209	1,140,728
Central	1,055,057	763,603	405,884	647,406
Facilities services	-	-	-	-
Operation of non-instructional services	1,118,727	164,118	102,322	38,584
Extracurricular activities	770,495	836,974	983,279	765,105
Capital outlay	589,840	279,393	1,152,299	3,756,798
Intergovernmental	-	-	-	-
Debt service:				
Principal retirement	1,427,403	793,238	1,178,333	1,129,276
Interest and fiscal charges	2,223,883	2,213,939	2,410,542	2,351,063
Total expenditures	\$ 39,017,305	\$ 33,343,311	\$ 33,361,705	\$ 34,446,513

Source: School District financial records.

Note: For 1994-2002, General Government includes all governmental fund types and expendable trust fund; for 2003, General Government includes general, debt service, special revenue, capital projects and permanent funds.

Fiscal Year Ended June 30, 1999	Fiscal Year Ended June 30, 1998	Fiscal Year Ended June 30, 1997	Fiscal Year Ended June 30, 1996	Fiscal Year Ended June 30, 1995	Fiscal Year Ended June 30, 1994
\$ 22,829,905	\$ 19,853,354	\$ 20,147,463	\$ 17,265,127	\$ 15,906,083	\$ 12,546,880
3,491,946	3,778,447	3,566,918	3,504,846	3,016,933	2,761,751
1,224,511	1,880,939	1,988,848	1,115,980	241,640	140,865
-	-	-	-	-	-
313,123	171,092	105,214	90,681	68,982	5,130
-	-	-	-	125,810	110,073
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,512,266	8,534,109	193,186	177,581	31,556	45,143
<u>\$ 32,371,751</u>	<u>\$ 34,217,941</u>	<u>\$ 26,001,629</u>	<u>\$ 22,154,215</u>	<u>\$ 19,391,004</u>	<u>\$ 15,609,842</u>
\$ 11,676,127	\$ 10,450,974	\$ 10,312,191	\$ 10,103,907	\$ 9,066,438	\$ 8,358,715
1,466,402	1,299,922	1,314,811	1,202,683	1,088,888	1,032,467
160,178	153,256	195,118	199,273	187,981	175,589
-	-	-	-	-	-
1,482,624	1,192,310	1,095,649	857,555	682,633	601,681
679,688	749,128	750,335	363,545	427,947	524,137
201,369	212,944	222,754	118,818	228,341	231,296
1,350,659	1,263,003	1,110,386	975,412	928,491	856,818
548,905	510,336	499,521	403,381	456,871	418,941
254,397	484,360	58,041	62,186	57,025	48,400
2,743,723	2,026,154	1,899,601	1,667,472	1,609,630	1,533,821
1,090,476	844,767	958,037	954,021	948,324	739,998
397,591	75,508	78,820	16,685	6,821	7,182
23,278,547	22,808,504	4,887,071	1,455,485	-	-
27,337	30,193	26,606	86,518	-	-
628,591	565,595	520,351	488,808	429,598	418,585
-	112,000	32,000	-	1,432,422	1,067,084
-	-	-	16,040	-	-
1,145,689	801,198	723,802	33,356,636	560,000	500,000
2,397,343	2,454,065	2,691,332	1,683,186	672,698	704,630
<u>\$ 49,529,646</u>	<u>\$ 46,034,217</u>	<u>\$ 27,376,426</u>	<u>\$ 54,011,611</u>	<u>\$ 18,784,108</u>	<u>\$ 17,219,344</u>

Twinsburg City School District

**Property Tax Levies and Collections Real, Public Utility Tax and Tangible Personal Property (1)
Last Ten Calendar Years**

Year (2)	Current Levy	Delinquent Levy (3)	Total Levy	Current Collections	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection as a Percent of Total Levy	Delinquent Taxes Receivable
2002	\$ 34,213,432	\$ 2,926,340	\$ 37,139,772	\$ 32,866,359	96.06%	\$ 1,524,802	\$ 34,391,161	92.60%	\$ 2,748,611
2001	28,987,869	2,308,642	31,296,511	27,609,474	95.24%	1,112,101	28,721,575	91.77%	2,574,936
2000	27,727,775	1,215,150	28,942,925	26,535,765	95.70%	864,875	27,400,640	94.67%	1,542,285
1999	24,362,596	1,473,855	25,836,451	23,453,016	96.27%	1,189,018	24,642,034	95.38%	1,194,417
1998	21,780,553	1,367,641	23,148,194	21,156,380	97.13%	872,986	22,029,366	95.17%	1,118,828
1997	21,029,837	1,001,771	22,031,608	20,578,752	97.86%	642,807	21,221,559	96.32%	810,049
1996	20,782,077	955,975	21,738,052	20,209,821	97.25%	663,532	20,873,353	96.02%	864,699
∞ 1995	17,184,461	1,119,054	18,303,515	16,683,056	97.08%	675,628	17,358,684	94.84%	944,831
1994	16,067,719	1,266,455	17,334,174	15,469,133	96.27%	900,567	16,369,700	94.44%	964,474
1993	11,940,588	1,165,946	13,106,534	11,521,550	96.49%	665,476	12,187,026	92.98%	919,508

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

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

(2) Represents collection year. 2003 information cannot be presented because all collections have not been made by June 30.

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

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

Collection Year	Real Property (1)		Public Utility (2)		Tangible Personal Property (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	\$ 650,257,450	\$ 1,857,878,429	\$ 15,280,500	\$ 17,364,205	\$ 202,151,778	\$ 808,607,112	\$ 867,689,728	\$ 2,683,849,745
2002	577,513,530	1,650,038,657	14,926,790	16,962,261	204,899,609	819,598,436	797,339,929	2,486,599,355
2001	553,640,790	1,581,830,829	18,901,470	21,478,943	178,844,595	715,378,380	751,386,855	2,318,688,152
2000	522,265,240	1,492,186,400	21,027,890	23,895,330	167,490,019	669,960,076	710,783,149	2,186,041,806
1999	453,662,100	1,296,177,429	20,839,740	23,681,523	167,490,019	669,960,076	641,991,859	1,989,819,027
1998	423,238,050	1,209,251,571	21,194,540	24,084,705	149,854,308	599,417,232	594,286,898	1,832,753,508
1997	391,092,570	1,117,407,343	21,471,170	24,399,057	142,326,467	569,305,868	554,890,207	1,711,112,268
1996	329,355,630	941,016,086	21,616,300	24,563,977	134,815,855	539,263,420	485,787,785	1,504,843,483
1995	302,165,480	863,329,943	20,683,150	23,503,580	129,619,986	518,479,944	452,468,616	1,405,313,466
1994	283,058,190	808,737,686	19,502,400	22,161,818	119,943,821	479,775,284	422,504,411	1,310,674,788

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

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

Twinsburg City School District

Property Tax Rates - Direct and Overlapping Governments

Last Ten Collection Years

Collection Year		City, Township, or Village	Twinsburg CSD	Cuyahoga Valley JVSD	Twinsburg Library	County of Summit	Metro Parks	Total
2003	Macedonia City	8.70	58.02	2.00	1.00	12.22	0.85	82.79
	Twinsburg Twp	13.61	58.02	2.00	1.00	12.22	-	86.85
	Twinsburg City	1.81	58.02	2.00	1.00	12.22	-	75.05
	Reminderville Village	5.20	58.02	2.00	1.00	12.22	-	78.44
2002	Macedonia City	8.70	59.32	2.00	1.70	12.22	0.85	84.79
	Twinsburg Twp	13.61	59.32	2.00	1.70	12.22	-	88.85
	Twinsburg City	1.81	59.32	2.00	1.70	12.22	-	77.05
	Reminderville Village	5.20	59.32	2.00	1.70	12.22	-	80.44
2001	Macedonia City	8.70	53.17	2.00	1.00	12.22	0.85	77.94
	Twinsburg Twp	13.61	53.17	2.00	1.00	12.22	-	82.00
	Twinsburg City	0.60	53.17	2.00	1.00	12.22	-	68.99
	Reminderville Village	5.20	53.17	2.00	1.00	12.22	-	73.59
2000	Macedonia City	8.70	54.77	2.00	1.00	11.42	0.85	78.74
	Twinsburg Twp	13.61	54.77	2.00	1.00	11.42	-	82.80
	Twinsburg City	2.28	54.77	2.00	1.00	11.42	-	71.47
	Reminderville Village	5.20	54.77	2.00	1.00	11.42	-	74.39
1999	Macedonia City	8.70	52.37	2.00	1.00	11.42	0.85	76.34
	Twinsburg Twp	13.61	52.37	2.00	1.00	11.42	-	80.40
	Twinsburg City	0.60	52.37	2.00	1.00	11.42	-	67.39
	Reminderville Village	5.20	52.37	2.00	1.00	11.42	-	71.99
1998	Macedonia City	8.70	53.37	2.00	1.00	10.80	0.85	76.72
	Twinsburg Twp	13.61	53.37	2.00	1.00	10.80	-	80.78
	Twinsburg City	0.60	53.37	2.00	1.00	10.80	-	67.77
	Reminderville Village	7.30	53.37	2.00	1.00	10.80	-	74.47
1997	Macedonia City	8.70	54.02	2.00	0.30	10.54	0.85	76.41
	Twinsburg Twp	13.61	54.02	2.00	0.30	10.54	-	80.47
	Twinsburg City	0.60	54.02	2.00	0.30	10.54	-	67.46
	Reminderville Village	7.30	54.02	2.00	0.30	10.54	-	74.16
1996	Macedonia City	9.10	56.65	2.00	0.30	13.14	0.85	82.04
	Twinsburg Twp	13.61	56.65	2.00	0.30	13.14	-	85.70
	Twinsburg City	5.50	56.65	2.00	0.30	13.14	-	77.59
	Reminderville Village	7.30	56.65	2.00	0.30	13.14	-	79.39
1995	Macedonia City	9.10	51.29	2.00	0.30	13.31	0.85	76.85
	Twinsburg Twp	13.61	51.29	2.00	0.30	13.31	-	80.51
	Twinsburg City	5.50	51.29	2.00	0.30	13.31	-	72.40
	Reminderville Village	7.30	51.29	2.00	0.30	13.31	-	74.20
1994	Macedonia City	9.30	51.15	2.00	0.30	11.56	0.75	75.06
	Twinsburg Twp	13.61	51.15	2.00	0.30	11.56	-	78.62
	Twinsburg City	5.50	51.15	2.00	0.30	11.56	-	70.51
	Reminderville Village	8.30	51.15	2.00	0.30	11.56	-	73.31

Source: Summit County Fiscal Officer - Data is presented on a collection year basis (not fiscal year) because that is the manner in which the information is maintained by the County Fiscal Officer.

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

Twinsburg City School District

Computation of Legal Debt Margin

June 30, 2003

Assessed Valuation (2002)		<u>\$ 867,689,728</u>
Bonded Debt Limit - 9% of Assessed Value (1)		78,092,076
Outstanding debt:		
New High School Bond	28,675,000	
Tax Anticipation Notes	4,080,000	
Various Purpose Improvement Refunding Bonds	5,664,978	
Various Purpose Notes	1,225,271	
Less: Amount available in bond retirement fund	<u>(1,006,843)</u>	
Total outstanding debt	<u>\$ 38,638,406</u>	
Amount of debt applicable to debt limit		<u>38,638,406</u>
Voted Debt Margin		<u>\$ 39,453,670</u>
Bonded Debt Limit - .10% of Assessed Value (1)		867,690
Outstanding debt:		
New High School Bond	28,675,000	
Tax Anticipation Notes	4,080,000	
Various Purpose Improvement Refunding Bonds	5,664,978	
Various Purpose Notes	1,225,271	
Less: Amount available in bond retirement fund	<u>(1,006,843)</u>	
Total outstanding debt	<u>\$ 38,638,406</u>	
Less exemptions:		
New High School Bond	28,675,000	
Tax Anticipation Notes	4,080,000	
Various Purpose Improvement Refunding Bonds	5,664,978	
Various Purpose Notes	1,225,271	
Less: Amount available in bond retirement fund	<u>(1,006,843)</u>	
Total exemptions	<u>\$ 38,638,406</u>	
Amount of debt applicable to debt limit		-
Unvoted Debt Margin		<u>\$ 867,690</u>

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

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

Twinsburg City School District

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

<u>Collection Year</u>	<u>Net General Obligation Bonded Debt</u>	<u>Assessed Value</u>	<u>Population (1)</u>	<u>Ratio of Net Debt to Assessed Value</u>	<u>Net Debt Per Capita</u>
2003	\$ 38,638,406	\$ 867,689,728	30,730	4.45%	1,257.35
2002	40,376,839	797,339,929	30,730	5.06%	1,313.92
2001	42,591,869	751,386,855	30,730	5.67%	1,386.00
2000	40,055,503	710,783,149	30,730	5.64%	1,303.47
1999	39,015,572	641,991,859	21,174	6.08%	1,842.62
1998	39,367,299	594,286,898	21,174	6.62%	1,859.23
1997	39,969,607	554,890,207	21,174	7.20%	1,887.67
1996	41,003,754	485,787,785	21,174	8.44%	1,936.51
1995	9,409,983	452,468,616	21,174	2.08%	444.41
1994	10,223,007	422,504,411	21,174	2.42%	482.81

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

(1) Population data for 1994 through 1999 was assumed to be the same as the 1990 census and 2001 through 2003 was assumed to be the same as the 2000 census as interim data was not available.

Twinsburg City School District

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Governmental Expenditures</u>	<u>Ratio of Debt Service to Governmental Expenditures (Percentages)</u>
2003	\$ 1,425,000	\$ 1,932,130	\$ 3,357,130	\$ 39,017,305	8.60%
2002	765,000	2,150,281	2,915,281	33,343,311	8.74%
2001	1,145,000	2,304,456	3,449,456	33,361,705	10.34%
2000	1,090,000	2,341,035	3,431,035	34,446,513	9.96%
1999	1,120,000	2,383,756	3,503,756	49,529,646	7.07%
1998	780,000	2,438,437	3,218,437	46,034,217	6.99%
1997	690,000	2,658,119	3,348,119	27,376,426	12.23%
1996	625,000	1,652,663	2,277,663	54,011,611	4.22%
1995	560,000	663,602	1,223,602	18,784,108	6.51%
1994	500,000	704,630	1,204,630	17,219,344	7.00%

Source: School District financial records.

Twinsburg City School District
Demographic Statistics

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

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

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

<u>Year</u>	<u>Total Assessed Values</u>	<u>Certified Bank Deposits (in thousands)</u>	<u>Value of New Construction</u>
2002	\$ 867,689,728	\$ 8,097,304	\$ 20,096,500
2001	797,339,929	7,870,201	30,361,790
2000	751,386,855	7,920,486	39,316,042
1999	710,783,149	7,133,568	27,687,480
1998	641,991,859	4,486,230	26,256,340
1997	594,286,898	4,421,560	20,739,330
1996	554,890,207	4,342,660	21,137,250
1995	485,787,785	4,267,009	21,965,600
1994	452,468,616	4,199,905	17,834,430
1993	422,504,411	3,792,255	30,132,680

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

Twinsburg City School District
Principal Taxpayers

Top Taxpayers	Assessed Valuations					Estimated Actual Valuations			
	Real Property	Tangible Personal	Public Utility	Total	Percent of Total	Real Property	Tangible Personal	Public Utility	Total
Daimler Chrysler Corp.	\$ 10,675,650	\$ 65,540,860	\$ -	\$ 76,216,510	8.78%	\$ 30,501,857	\$ 262,163,440	\$ -	\$ 292,665,297
Rockwell International	10,263,310	-	-	10,263,310	1.18%	29,323,743	-	-	29,323,743
Coca Cola Bottling Company	2,851,890	5,250,710	-	8,102,600	0.93%	8,148,257	21,002,840	-	29,151,097
Alltel Corporation	-	8,089,420	-	8,089,420	0.93%	-	32,357,680	-	32,357,680
Ohio Edison Co.	687,410	-	7,374,450	8,061,860	0.93%	1,964,029	-	8,380,057	10,344,086
Deer Run Apts. Ltd.	8,031,320	-	-	8,031,320	0.93%	22,946,629	-	-	22,946,629
Pepsi Cola Bottlers	2,472,920	4,168,970	-	6,641,890	0.77%	7,065,486	16,675,880	-	23,741,366
Reuter Stokes, Inc.	-	4,711,020	-	4,711,020	0.54%	-	18,844,080	-	18,844,080
Western Reserve	114,400	-	3,916,270	4,030,670	0.46%	326,857	-	4,450,307	4,777,164
RSV Twinsburg Hotel LTD	3,917,040	-	-	3,917,040	0.45%	11,191,543	-	-	11,191,543
Total Top Ten Taxpayers	\$ 39,013,940	\$ 87,760,980	\$ 11,290,720	\$ 138,065,640	15.91%	\$ 111,468,401	\$ 351,043,920	\$ 12,830,364	\$ 475,342,685
Total All Assessed Valuations	\$ 650,257,450	\$ 202,151,778	\$ 15,280,500	\$ 867,689,728	100.00%				

Twinsburg City School District
Computation of Direct and Overlapping Bonded Debt
June 30, 2003

Jurisdiction	Assessed Valuation	Net General Tax Supported Debt (1)	Percent Overlapping	Amount Applicable Twinsburg City School District
Direct:				
Twinsburg City School District	\$ 867,689,728	<u>\$ 38,638,406</u>	100.00%	<u>\$ 38,638,406</u>
Overlapping:				
City of Twinsburg	682,254,371	17,849,973	100.00%	17,849,973
Twinsburg Township	136,824,102	-	98.80%	-
City of Macedonia	378,952,555	1,287,174	1.04%	13,387
Reminderville Village	51,774,124	-	86.81%	-
Twinsburg Library	867,689,728	-	100.00%	-
Metro Transit	11,922,128,807	1,515,000	7.30%	110,595
Cuyahoga Valley JVSD (2)	2,487,401,406	-	15.40%	-
Summit County	11,922,128,807	<u>83,035,000</u>	7.30%	<u>6,061,555</u>
Total overlapping:		<u>103,687,147</u>		<u>24,035,510</u>
Total direct and overlapping debt:		<u><u>\$ 142,325,553</u></u>		<u><u>\$ 62,673,916</u></u>

Sources: Summit County Fiscal Officer

(1) All debt reported as of December 31, 2002, except for Twinsburg City School District which is reported as of June 30, 2003.

(2) Cuyahoga Valley JVSD; Summit County Valuation ONLY

Twinsburg City School District

Miscellaneous Statistics

Last Ten Fiscal Years (1)

	<u>Fiscal Year Ended June 30, 2002</u>	<u>Fiscal Year Ended June 30, 2001</u>	<u>Fiscal Year Ended June 30, 2000</u>	<u>Fiscal Year Ended June 30, 1999</u>
Fall Enrollment	3,754	3,710	3,675	3,371
<u>Demographic Data:</u>				
Average Income	\$ 41,610	41,657	43,187	42,407
Property Valuation/Pupil	\$ 228,630	191,138	176,701	174,090
<u>Fiscal Data:</u>				
Effective Mills		24.04	26.10	24.15
Average Teacher Salary	\$ 45,699	46,125	47,463	43,938
<u>Staff Data:</u>				
Percent of Teachers With No Degree	0.00%	-	-	-
Percent of Teachers With Bachelor Degree	51.00%	51.22	57.00	56.90
Percent of Teachers With Masters Degree	49.00%	48.78	43.00	43.10
Average Teacher Experience (yrs.)	10.00	10.28	12.00	12.00
<u>Output:</u>				
Pupil Attendance Rate	95.70%	95.90	95.90	95.20
Staff Attendance Rate	94.70%	96.40	96.70	96.20
Graduation Rate	93.20%	89.50	91.60	92.10

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

(1) Information not available for 2003

<u>Fiscal Year Ended June 30, 1998</u>	<u>Fiscal Year Ended June 30, 1997</u>	<u>Fiscal Year Ended June 30, 1996</u>	<u>Fiscal Year Ended June 30, 1995</u>	<u>Fiscal Year Ended June 30, 1994</u>	<u>Fiscal Year Ended June 30, 1993</u>
3,143	2,980	2,827	2,703	2,608	2,477
42,407	39,950	38,066	35,175	33,941	31,947
174,163	161,260	156,657	152,629	138,336	139,837
24.35	28.00	28.39	28.63	36.19	27.30
42,870	41,448	41,134	39,934	38,248	36,483
-	-	-	-	-	-
59.49	63.47	63.26	63.91	66.21	76.94
40.51	36.53	36.74	36.09	33.79	23.06
12.20	11.90	13.90	14.10	13.00	13.70
95.66	95.29	95.17	94.96	95.48	95.10
95.91	95.80	95.14	94.46	95.58	95.70
75.60	63.79	61.87	78.21	72.01	84.10

Twinsburg City School District

Directory of School Facilities

June 30, 2003

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

Source: Twinsburg Local School District records



**Auditor of State
Betty Montgomery**

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P.O. Box 1140
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

TWINSBURG CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 20, 2004**