



**CITY OF TWINSBURG
SUMMIT COUNTY
Regular Audit
For the Year Ended December 31, 2019**

313 Second St.
Marietta, OH 45750
740 373 0056

1907 Grand Central Ave.
Vienna, WV 26105
304 422 2203

150 W. Main St., #A
St. Clairsville, OH 43950
740 695 1569

1310 Market St., #300
Wheeling, WV 26003
304 232 1358

749 Wheeling Ave., #300
Cambridge, OH 43725
740 435 3417

www.perrycpas.com

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

City Council
City of Twinsburg
10075 Ravenna Road
Twinsburg, OH 44087

We have reviewed the *Independent Auditor's Report* of the City of Twinsburg, Summit County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Twinsburg is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

September 29, 2020

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CITY OF TWINSBURG
SUMMIT COUNTY

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313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

July 24, 2020

City of Twinsburg
Summit County
10075 Ravenna Road
Twinsburg, Ohio 44087

To the City Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Twinsburg**, Summit County, (the City) as of and for the year ended December 31, 2019, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 24, 2020, wherein we noted that the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

***CITY OF
TWINSBURG, OHIO***



Comprehensive Annual Financial Report

For the Year Ended December 31, 2019

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INTRODUCTORY SECTION



CITY OF TWINSBURG, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2019

Prepared By:

City Finance Director

Sarah Buccigross

CITY OF TWINSBURG
SUMMIT COUNTY

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SUMMIT COUNTY**

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Letter of Transmittal

July 24, 2020

To the Mayor, Members of Council, and the Citizens of the City of Twinsburg:

The Comprehensive Annual Financial Report (CAFR) of The City of Twinsburg (the City) for the year ended December 31, 2019, is hereby transmitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City of Twinsburg management. To the best of our knowledge and belief, the 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 government and its component units. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The Report

The CAFR is presented in three sections: introductory, financial, and statistical. The introductory section includes the letter of transmittal, the primary government's organization chart, and a list of principal officials. The financial section includes the management's discussion and analysis (MD&A), the basic financial statements for the primary government and its discretely presented component unit, and the primary government's combining and individual financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The MD&A contains a narrative introduction, overview, and analysis of the City's financial statements. It should be read in conjunction with this letter of transmittal. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. In contrast to the financial section information, the statistical information has not been audited.

This report includes all funds of the primary government and its component units. The primary government provides a full range of services. These services include public safety, public works, environmental services, culture and recreation, economic and community development, planning, and general administrative services. The Twinsburg Community Improvement Corporation is a component unit of the City of Twinsburg. It has been included as a discretely presented component unit of the City's reporting entity in the CAFR. Please see Note 1 for details of the reporting entity.

Governmental Accounting Standards Board (GASB) Reporting Requirements

The City of Twinsburg presents financial information that meet the requirements of accounting standards issued by the Governmental Accounting Standards Board (GASB). Each year, management evaluates new GASB reporting requirements to determine applicability to the City. The requirements issued by GASB that became effective during this fiscal period and those that will become effective in the next fiscal period are described in this section.

The City implemented the following statements during fiscal year 2019:

The Governmental Accounting Standards Board has also issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for fiscal years beginning after June 15, 2018. The objective of this Statement is to enhance comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure asset retirement obligations (AROs), including obligations that may not have been previously reported. This statement will also enhance the decision usefulness of the information provided to financial statement users by requiring disclosures related to those AROs. The adoption of GASB Statement No. 83 had no impact on the December 31, 2019 financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, effective for fiscal years beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of GASB Statement No. 88 had no impact on the December 31, 2019 financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 90, *Majority Equity Interests*, effective for fiscal years beginning after December 15, 2018. The primary objectives of the Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The adoption of GASB Statement No. 90 had no impact on the December 31, 2019 financial statements.

Management is aware of the following statement and will implement those applicable to the City in future years:

The Governmental Accounting Standards Board has issued Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements. The City has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2019. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The City has not yet determined the effect that the adoption of GASB Statement No. 89 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The City has not yet determined the effect that the adoption of GASB Statement No. 91 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The City has not yet determined the effect that the adoption of GASB Statement No. 92 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address issues with Statements No. 53, No. 87, and other accounting and financial reporting implications that result from the replacement of an IBOR. The City has not yet determined the effect that the adoption of GASB Statement No. 93 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The City has not yet determined the effect that the adoption of GASB Statement No. 94 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The City has not yet determined the effect that the adoption of GASB Statement No. 96 may have on its financial statements.

City Profile

The City of Twinsburg, Ohio is a highly accessible community located 20 miles southeast of Cleveland and 20 miles northeast of Akron. Twinsburg is 13.8 square miles in area and home to approximately 18,800 residents. The city center is a public square situated at the junction of Routes 82 (Aurora Road), 91 (Darrow Road) and 14 (Ravenna Road). Interstate 480 also bisects Twinsburg and serves the community with two complete interchanges. Twinsburg's location midway between Cleveland and Akron and the construction of I-480 in the late 1960's stimulated growth and development in the decades that followed. This growth resulted in the City of Twinsburg being ranked one of the fastest growing communities in the State of Ohio during the 1980's and 1990's.

The City's transition from a rural to suburban community is substantially complete. A lack of large vacant developable land tracts will contribute to slower growth than historically experienced. Continued development will be focused on smaller and/or more difficult sites and redevelopment of vacated or underdeveloped sites. However, the City's strategic location midway between Cleveland and Akron will continue to encourage development and re-development because of advantageous resident/workplace relationships and favorable business logistics.

Twinsburg has evolved from a sleepy, cross-roads rural community to a vibrant city with a large and diverse industrial base, an expanding commercial center and a well-maintained residential core providing a range of home styles and costs. Residents and businesses are supported by city services and utilities, as well as, comprehensive community facilities. Twinsburg residents take pride in their community and the quality of life it offers. Comprehensive planning has played an important role in the development of the community and continues to provide a basis for establishing community wide goals and objectives that will shape Twinsburg's future.

The Twinsburg Charter was adopted at a special election held on June 25, 1957. By Ordinance 150-1976, effective January 1, 1977, an officially revised form of "The Charter of the City of Twinsburg, Ohio," as compiled and presented to Council by the Clerk and Director of Law pursuant to the authority granted them under Section 10.02 of the Charter was adopted by Council. The City operates under a Mayor-Council form of government. Legislative authority is vested in a seven-member City Council. Five of the Councilpersons are elected from wards, and the remaining two are at-large positions.

The Council is required to adopt a permanent appropriate measure within ninety days of the beginning of the year. The annual budget serves as the foundation for the City of Twinsburg's financial planning and control. The City begins its budgeting process in July. Departments submit their budgets to Council, the Capital Improvement Board, and the Finance Committee for review in September. Presentations by the department heads are heard by Council and the Finance Committee through October and November until Council ultimately creates the upcoming year's appropriations for submission to Summit County in December, well before the required deadline.

Services Offered to Citizens

The City of Twinsburg serves its residents by providing outstanding safety forces and a Service Department that is second to none. Twinsburg also has a great Parks and Recreation Department that offers an indoor pool and state of the art Twinsburg Fitness Center; an outdoor waterpark; affordable summer day camp; GlenEagles Golf Course; Senior Center and hundreds of acres of parkland and hiking trails. Additionally, Rock the Park concert series, Luminocity and the Adult Easter Egg Hunt are all must attend events annually. Combined with our blue-ribbon school district, Twinsburg City School District, we are committed to maintaining all these services for our residents.

The Twinsburg Police Department provides 24 hour a day protection and law enforcement services for the City. The department consists of 32 full-time sworn police officers, 3 part-time sworn police officers and a civilian staff consisting of 8 full-time public safety dispatchers, 5 part-time public safety dispatchers, 1 animal control officer, 2 full-time records clerks, and 1 full-time administrative assistant. The Twinsburg Police Department handled 34,042 calls for service in 2011. The department is headed by the Chief of Police assisted by two police lieutenants and is organized into several bureaus and divisions. All Twinsburg police officers are certified by the Ohio Peace Officer Training Commission and receive numerous hours of continued professional training each year. Public safety dispatchers are certified as Emergency Medical Dispatchers enabling them to provide a higher level of care to persons during a medical emergency.

Twinsburg's Fire Department is a full-time paid department consisting of 32 full-time and 9 part-time staff. The Department currently operates out of two fire stations. Station One is located at 10069 Ravenna Road, immediately south of the City Administration Building. Station Two, which opened in June of 2007, is located at 2605 Glenwood Drive at the north side of the City, west of Ethan's Green subdivision. Equipment and vehicles include two pumper trucks, three fire prevention vehicles, two ladder trucks (109' and 104'), command vehicles, a brush-fire truck, and three advanced life support vehicles spread between both fire stations. The Fire Department provides several community programs in addition to their normal fire protection duties. They meet with business owners to assist them with emergency response training, provide cardio-pulmonary resuscitation classes, youth fire safety education, and provide fire safety and emergency programs geared to area seniors. The department is in the process of purchasing a new pumper that is being built in Twinsburg.

The City of Twinsburg prides itself on providing well-developed utility networks and high-quality municipal services. Natural Gas, electric service, telephone, and cable are provided by private utility companies. Water is provided through the Cleveland Division of Water and sanitary and storm sewers are provided and maintained by the City of Twinsburg.

School facilities are focal points within the community and residents place a high value on the quality of educational opportunities available in Twinsburg. The Twinsburg City School district operates five school facilities and a central office. Day-to-day district operations take place at the Twinsburg Central School District office.

The City of Twinsburg provides an extensive parks and recreation system. Both active and passive recreational opportunities are provided at facilities distributed throughout the City. Active recreational facilities include facilities designed for participatory activities and include playgrounds, playfields, court sports, etc. Passive recreational facilities are those typically not requiring a developed site and permit the enjoyment of natural resources in an un-obtrusive manner. Passive activities include hiking, birdwatching, picnicking, etc.

Twinsburg's recreational facility network consists of small tot-lots and playgrounds developed as part of residential subdivisions, a community garden, a linear open space network adjacent to Tinkers Creek, a large active recreation complex near the High School, and a large playfield and natural area on Liberty Road. Other recreational facilities in the City include Gleneagles Golf Course, located in the Ethan's Green Planned Unit Development, and a Fitness Center and Natatorium located at Twinsburg High School

University Hospitals Twinsburg Health Center and the Cleveland Clinic's Twinsburg Family Health and Surgery Center are both state-of-the art medical facilities providing services to residents of Twinsburg and other local communities. In addition to advanced specialty and primary care, some of the many services available at the Cleveland Clinic facility located at 8701 Darrow Road, include a 24-hour emergency department with a helipad, outpatient surgery center, infusion suite for chemo therapy and full scale imaging center.

Local Economy

The economy of Twinsburg and the region has undergone diversification over the past several decades, but manufacturing continues to play a very prominent role in the economic success of the local economy. The City of Twinsburg is a great location for business and is home to approximately 450 industrial and retail establishments. The following table illustrates employees by major industrial sector and compares

Twinsburg's labor force to the Ohio and US labor force. In 2010, manufacturing accounted for 21.1% of all jobs for Twinsburg's workforce, compared to 16% for Ohio and 11% for the nation.

Late in 2009, the City's largest employer, Chrysler, announced the closure of its Twinsburg Stamping Plant. Although an industrial diversification effort was consciously pursued by the City in the years preceding the plant closure, impacts associated with the loss of the Twinsburg's major employer were extensive and varied.

The City's tax base reflects a few notable concentrations of industrial segments including health care related companies, communications companies, bottlers, control instruments, advanced machining, and others. The City's largest employer, RGH Enterprises, Inc., is one of the nation's leading medical supply distributors. Verizon Wireless provides wireless communications services while Windstream Communications provides wire line communications services. Pepsi America, Coca-Cola Bottlers, and the American Bottling Company are all represented in Twinsburg. Large public sector employers in Twinsburg are the Twinsburg City Schools, the Ohio Environmental Protection Agency and the City of Twinsburg. Twinsburg's largest industrial manufacturers are Rockwell Automation, General Electric and Goodrich Power Systems.

Major Initiatives

Business Retention. Business retention efforts involve cooperative arrangements with the Summit County Department of Development, the Twinsburg Chamber of Commerce, and the Greater Akron Chamber of Commerce. Twinsburg participates in the Summit Business Partnership program with Summit County. This program uses site visits with local companies to learn of the issues and challenges facing them and provides an opportunity for economic development staff at the City, County and State level to cooperate on efforts to assist companies where possible. This is a formalized interview process conducted with key business administrators. Where questions or issues are identified, local, county, state or utility partners are mobilized to address the issue so that the needs of the business may be addressed. The goal of the program is to support and nurture existing businesses which typically account for 80% of all job growth.

Business Solicitation. Business solicitation is conducted to attract desirable companies to Twinsburg. Solicitation is focused on specific business and industrial segments. Soliciting and Supporting Local Investment. This element of the City's economic development program is growing in importance. Nothing stimulates economic activity more than increased investment on the part of existing businesses and industries. Some of the efforts already discussed provide tax incentives to encourage and support increased investment. Businesses and industries need to be assured that their investment will be protected and enhanced by continuous investment by others. This is achieved by provision of safety and support services to protect the physical property, by property maintenance code enforcement, and by establishing an environment in which real property investment is supported by public sector investment. Public sector investment in streets, streetscaping, infrastructure and image can significantly enhance private sector real property investment, thereby raising the assessed value and re-sale value of all property.

COVID-19 Impact

The City has not yet determined the full impact of the COVID-19 coronavirus global pandemic. As the Country, State, County, and City re-open the City will be better able to provide detail regarding significant changes to the region's employee base. In direct response to the economic disruption from the pandemic, the City has reduced the 2020 budget through delays in Capital/Infrastructure spending. A lay-off was also implemented during the stay-at-home order.

Long-term financial planning

The City has recently undergone a Performance Audit with the Ohio Auditor of State's Performance Audit Team. Twinsburg was provided with five recommendations to consider with a focus on efficiencies and cost savings. Over the past several years the City has worked to reduce spending while still offering cost of living raises and an excellent benefits package to its employees. Long-term financial planning includes stabilization of the General Fund through proposed revenue generation efforts and a continued focus on spending reductions. In 2020 continued staffing reductions have brought the current full-time employee total to 166 as of the date of this report.

Major Initiatives

The City has set forth several goals and objectives as it strives to continually grow and improve for the betterment of the residents of Twinsburg. One specific example of an ongoing initiative is the Downtown Redevelopment Plan that aims to develop a mixed-use area on seven acres in the Southeast Quadrant of the City in conjunction with a third party. Some additional initiatives are listed below:

1. Provide balanced growth and a mix of land uses that generate sufficient revenues to sustain the current level of City services.
2. Promote quality residential neighborhoods that are effectively serviced by city infrastructure and safety services.
3. Ensure that neighborhoods are adequately served with community facilities, parks and open space opportunities that encourage social interaction and community pride.
4. Stimulate entrepreneurship and business creation.
5. Encourage and promote locally owned small businesses.
6. Support and retain existing industry
7. Expand international business relationships
8. Provide and preserve open space and recreation areas to enhance quality of life
9. Develop integrated network of accessible parks and recreational facilities.
10. Provide a high level of service at a reasonable cost to residents
11. Assure public health, safety, and welfare by providing superior safety services.
12. Develop a dynamic community that encourages the contributions of all citizens.

Thank you to Mayor Yates and Members of Council for their support for excellence in financial reporting and disclosure as we prepared the City's first Comprehensive Annual Financial Report this year. The City would like to express its appreciation to Perry & Associates CPAs, A.C. for their assistance with the preparation of this CAFR.

This comprehensive annual financial report was prepared by the Finance Department thanks to an incredible team effort by the entire staff. I express my sincere gratitude to each of them and to many of the City's other employees who have made the preparation of this report possible.

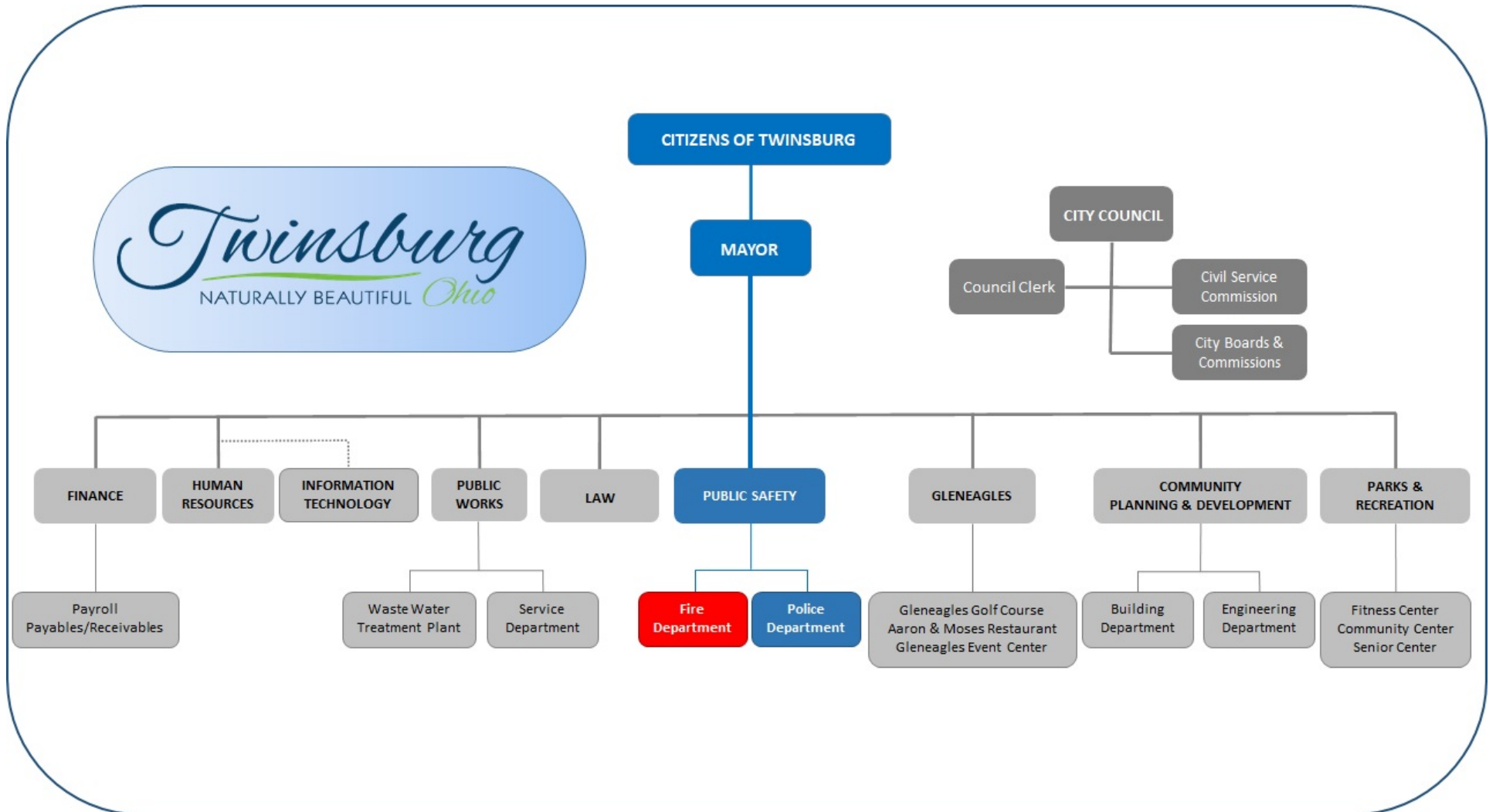
Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Buccigross', with a stylized, cursive script.

Sarah Buccigross, Finance Director

City of Twinsburg, Ohio

Organizational Chart



City of Twinsburg, Ohio

*List of Principal Officials
As of December 31, 2019*

Elected City Officials

Mayor

Ted Yates

City Council

Sam Scaffide, Ward 1

Daisy Walker, Ward 2

Jo-Ann McFearin, Ward 3

Maureen Stauffer, Ward 4

Greg Bellan, President, Ward 5

Bill Furey, At-Large

Scott Barr, At-Large

Appointed City Officials

Sarah Buccigross, Finance Director

Keith Foulkes, Building Commissioner

Larry Finch, AICP, Director of Planning and Community Development

Tim Morgan, Fire Chief

Kolette Woloszynek, SPHR, Director of Human Resources

David Maistros, Law Director

Derek Schroeder, Parks & Recreation Director

Christopher J. Noga, MCJ, Chief of Police

Christopher Campbell, Public Works Director

FINANCIAL SECTION



Aerial View of Gleneagles Golf Club

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Certified Public Accountants, A.C.

313 Second St.
Marietta, OH 45750
740.373.0056

1907 Grand Central Ave.
Vienna, WV 26105
304.422.2203

150 West Main St.
St. Clairsville, OH 43950
740.695.1569

1310 Market Street, Suite 300
Wheeling, WV 26003
304.232.1358

749 Wheeling Ave., Suite 300
Cambridge, OH 43725
740.435.3417

INDEPENDENT AUDITOR'S REPORT

July 24, 2020

City of Twinsburg
Summit County
10075 Ravenna Road
Twinsburg, Ohio 44087

To the City Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Twinsburg**, Summit County, Ohio (the City), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Twinsburg, Summit County, Ohio, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Street Construction, Maintenance and Repair Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2020, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates

Certified Public Accountants, A.C.

Marietta, Ohio

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City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

The discussion and analysis of the City of Twinsburg's (the "City") financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2019. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers are encouraged to consider the information presented here in conjunction with the additional information contained in the financial statements and the notes thereof.

Financial Highlights

Key financial highlights for 2019 are as follows:

- ◆ The assets and deferred outflows of resources of the City of Twinsburg exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$155,978,570. Of this amount, \$5,580,095 is restricted in use.
- ◆ Total assets and deferred outflows increased by \$7,402,020, which represents an increase of 3.4 percent over 2018. The primary change that contributed to this increase was a \$5,066,878 increase in deferred outflows related to the City's allocation of the proportionate share of the pension amounts.
- ◆ Total liabilities and deferred inflows of resources decreased by \$2,564,623, which represents a decrease of 3.5 percent over 2018. The main factor contributing to this decrease was a \$11,610,895 decrease in net OPEB liability.
- ◆ In total, net position increased by \$9,966,643 during 2019. This represents a 6.8 percent increase from 2018.

Using this Annual Financial Report

This discussion and analysis is intended to serve as an introduction to the City of Twinsburg's basic financial statements. The City of Twinsburg's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements – Reporting the City of Twinsburg as a Whole

Statement of Net Position and the Statement of Activities

The statement of net position presents information on all the City of Twinsburg's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, increase or decrease in net position may serve as a useful indicator of whether the financial position of the City of Twinsburg is improving or deteriorating. However, in evaluating the overall position of the City, nonfinancial factors such as the City's tax base, change in property and municipal income tax laws, and the condition of the capital assets should also be considered.

The statement of activities presents information showing how the City's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

Both the statement of net position and the statement of activities use the accrual basis of accounting like the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

In the statement of net position and the statement of activities, we divide the City into two kinds of activities:

- **Governmental activities:** most of the City's basic services are reported here, including the police, fire, street maintenance, parks and recreation, and general administration. Municipal income tax, state and county taxes, licenses, permits and charges for services finance most of these activities.
- **Business-type activities:** the City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's sewer system, fitness center, golf course, and community theater, are reported here.

Fund Financial Statements - Reporting the City of Twinsburg's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The City of Twinsburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Twinsburg can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. 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 City's general government operations and the basic services it provides. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds.

The City maintains 22 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the general fund, street construction, maintenance and repair fund, park debt service fund, and the capital improvement fund, all of which are considered to be major funds. The remaining funds are combined and presented within the column titled other governmental funds.

Proprietary Funds: The City of Twinsburg maintains enterprise funds that are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer system, fitness center, golf course, and other business type activity. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

Notes to the Financial Statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 31 of this report.

Government-wide Financial Analysis - City of Twinsburg as a Whole

**Table 1
Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other Assets	\$ 23,432,296	\$ 21,589,515	\$ 4,487,740	\$ 3,491,415	\$ 27,920,036	\$ 25,080,930
Capital Assets, Net	132,917,514	132,906,301	53,923,146	54,273,594	186,840,660	187,179,895
Net Pension Asset	49,992	59,803	23,701	30,412	73,693	90,215
Total Assets	156,399,802	154,555,619	58,434,587	57,795,421	214,834,389	212,351,040
Deferred Outflows of Resources						
Deferred Charge on Refunding	42,633	63,949	-	-	42,633	63,949
Pension	8,674,124	4,431,310	1,724,523	900,459	10,398,647	5,331,769
OPEB	1,936,699	2,083,056	223,181	203,715	2,159,880	2,286,771
Total Deferred Outflows	10,653,456	6,578,315	1,947,704	1,104,174	12,601,160	7,682,489
Liabilities						
Current and Other Liabilities	1,080,546	865,614	370,015	386,446	1,450,561	1,252,060
Long-Term Liabilities:						
Due Within One Year	2,267,902	2,310,989	157,704	148,495	2,425,606	2,459,484
Other Amounts Due in More Than One Year	8,214,242	10,142,186	6,967,965	6,585,172	15,182,207	16,727,358
Net Pension Liability	33,036,926	23,245,086	5,635,604	3,374,930	38,672,530	26,620,016
Net OPEB Liability	7,889,927	19,833,683	2,621,945	2,289,084	10,511,872	22,122,767
Total Liabilities	52,489,543	56,397,558	15,753,233	12,784,127	68,242,776	69,181,685
Deferred Inflows of Resources						
Property Taxes	1,121,132	1,100,254	-	-	1,121,132	1,100,254
Pension	757,236	2,229,318	85,777	826,258	843,013	3,055,576
OPEB	1,242,921	513,566	7,137	170,521	1,250,058	684,087
Total Deferred Inflows	3,121,289	3,843,138	92,914	996,779	3,214,203	4,839,917
Net Position						
Net Investment in Capital Assets	124,332,004	122,829,183	47,134,586	50,539,347	171,466,590	173,368,530
Restricted	5,580,095	5,812,693	-	-	5,580,095	5,812,693
Unrestricted (Deficit)	(18,469,673)	(27,748,638)	(2,598,442)	(5,420,658)	(21,068,115)	(33,169,296)
Total Net Position	\$ 111,442,426	\$ 100,893,238	\$ 44,536,144	\$ 45,118,689	\$ 155,978,570	\$ 146,011,927

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2019 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. If contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

The largest portion (111 percent) of the City's net position reflects its net investment in capital assets. Capital assets include construction in progress, land, land improvements, buildings and improvements, machinery and equipment, vehicles, and infrastructure. The City uses those capital assets to provide services to its citizens; consequently, they are not available for future spending. Net investment in capital assets as of December 31, 2019, was \$171,466,590. Although the City's investment is reported net of related debt, it should be noted that resources to repay the debt must be provided from other sources since capital assets cannot be used to liquidate these liabilities.

An additional portion of the City's net position (3.6 percent) represents resources that have been restricted on how they may be used. The remaining balance of unrestricted net position of a negative \$22,924,267 may be used to meet the City's ongoing obligations to citizens and creditors.

Total net position of the City increased \$9,966,643. The following factors were primarily responsible for this increase:

- An increase in cash and cash equivalents of \$895,692
- A decrease in capital assets, net of \$339,235
- An increase in deferred outflows of resources – pension of \$5,066,878
- A decrease in deferred outflows of resources – OPEB of \$126,891
- An increase in net pension liability of \$12,052,514
- A decrease in net OPEB liability of \$11,610,895
- A decrease in deferred inflows of resources-pension of \$2,212,563
- An increase in deferred inflows of resources-OPEB of \$565,971
- A decrease in other long-term liabilities of \$1,529,170

The net position of business-type activities decreased by 1.3 percent in 2019. The City generally can only use the net position to finance the continuing operations of the sewer system, fitness center, golf course, and community theater operations.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

To further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for the current year in comparison to 2018.

Table 2 - Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Program Revenues:						
Charges for Services	\$ 2,260,922	\$ 1,860,510	\$ 7,589,285	\$ 6,283,297	\$ 9,850,207	\$ 8,143,807
Operating Grants and and Contributions	15,456	518,401	1,115	-	16,571	518,401
Capital Grants and and Contributions	2,367,174	690,066	792,636	473,517	3,159,810	1,163,583
Total Program Revenues	4,643,552	3,068,977	8,383,036	6,756,814	13,026,588	9,825,791
General Revenues:						
Property and Other Local Taxes	1,325,561	1,265,690	-	-	1,325,561	1,265,690
Municipal Income Taxes	26,664,266	21,584,620	-	-	26,664,266	21,584,620
Grants and Entitlements not Restricted to Specific Programs	2,465,034	1,761,907	-	-	2,465,034	1,761,907
Investment Income	598,281	178,584	-	-	598,281	178,584
Gain/(Loss) on Sale of Assets	(21,156)	-	(3,052)	-	(24,208)	-
Miscellaneous	1,431,158	1,041,574	139,353	25,766	1,570,511	1,067,340
Total General Revenues	32,463,144	25,832,375	136,301	25,766	32,599,445	25,858,141
Total Revenues	37,106,696	28,901,352	8,519,337	6,782,580	45,626,033	35,683,932
Program Expenses						
General Government	3,641,103	6,510,387	-	-	3,641,103	6,510,387
Security of Persons and Property	10,442,932	11,930,391	-	-	10,442,932	11,930,391
Public Health and Welfare	210,262	208,609	-	-	210,262	208,609
Transportation	8,222,401	9,706,605	-	-	8,222,401	9,706,605
Leisure Time Activities	1,755,317	1,389,613	-	-	1,755,317	1,389,613
Community Development	1,249,005	2,732,406	-	-	1,249,005	2,732,406
Basic Utility Services	-	90,476	-	-	-	90,476
Interest and Fiscal Charges	156,888	180,473	-	-	156,888	180,473
Sewer	-	-	3,634,378	3,635,806	3,634,378	3,635,806
Fitness Center	-	-	1,944,708	2,393,208	1,944,708	2,393,208
Golf Course	-	-	4,365,419	2,187,772	4,365,419	2,187,772
Other Business-Type Activities	-	-	36,977	61,353	36,977	61,353
Total Program Expenses	25,677,908	32,748,960	9,981,482	8,278,139	35,659,390	41,027,099
Increase (Decrease) in Net Position						
Before Transfers	11,428,788	(3,847,608)	(1,462,145)	(1,495,559)	9,966,643	(5,343,167)
Transfers	(879,600)	(1,855,263)	879,600	1,855,263	-	-
Change in Net Position	10,549,188	(5,702,871)	(582,545)	359,704	9,966,643	(5,343,167)
Net Position, Beginning of Year	100,893,238	106,596,109	45,118,689	44,758,985	146,011,927	151,355,094
Net Position, End of Year	<u>\$111,442,426</u>	<u>100,893,238</u>	<u>\$44,536,144</u>	<u>45,118,689</u>	<u>\$155,978,570</u>	<u>\$146,011,927</u>

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

Governmental Activities

Several revenue sources fund our governmental activities with the City municipal income tax being the largest contributor. The City's municipal income tax rate is 2.0 percent. Residents of the City who work in another municipality and pay the withholding tax for that municipality will receive a 100 percent tax credit on up to 2.0 percent for municipal income taxes paid to their workplace municipality. During 2019, the revenues generated from municipal income tax collections amounted to \$26,664,266. The City continues to enforce a delinquent letter program and the subpoena program to ensure compliance with the local tax laws.

Security of persons and property, transportation, community development and general government are the major activities of the City generating 93.0 percent of the governmental expenses. Security of persons and property includes the cost of providing police, dispatch, fire, and paramedic services. Techniques such as defensive and emergency vehicle operations training, EMS continuing education classes, technical skills evaluation, practical drills, and on-line education help keep the men and women updated to perform their jobs most efficiently. The total cost of operating the fire and EMS department during 2019 was \$3,741,713 within the general fund. During 2019, the total cost of operating the police department was \$4,157,086 within the general fund. Both the police and fire departments place strong emphasis on the training of their employees to keep up with the rapidly changing laws, practices, and technology. Dispatch costs for police and fire services were \$3,703,421 and \$3,342,133, respectively, for the year ended December 31, 2019.

General government expense accounted for \$5,533,839, or 20.2 percent, of the governmental expenses. Expenses for this program decreased \$976,548 compared to 2018. The decrease in expense is due to a combined decrease in health care and workers compensation expenditures, decreased economic development reimbursement expenditures, and decreases in repairs and maintenance expenditures that did not meet capitalization threshold during the current year.

Business-Type Activities

The business-type activities of the City, which include the City's sewer system, fitness center, golf course and community theater operations, decreased the City's net position by \$582,545. The figures listed below are inclusive of required pension and other post-employment benefits expenses related to the calculation of the net pension liability and net OPEB liability. These liabilities are required by GASB 68 and GASB 75 and have a primarily noncash impact on the City's operations.

Program revenues exceeded program expenses in the amount of \$1,142,594 for the sewer system for 2019.

Program expenses exceeded program revenue in the amount of \$455,217 for the fitness center operations for 2019.

Program expenses exceeded program revenue in the amount of \$2,281,212 for the golf course operations for 2019. About \$940,000 of this loss is attributable to the pension and OPEB expenses described in the paragraph above.

Program expenses exceeded program revenues in the amount of \$4,611 for the theater operations for 2019.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

The City's Funds

Governmental Funds

Information about the City's major funds starts on page 20. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$35,471,488 and expenditures and other financing uses of \$34,859,803.

The net change in fund balance for the year was most significant in the general fund showing an increase in fund balance of \$800,144 in 2019 which increases the beginning fund balance of \$12,300,720 to \$13,100,864. The street, construction, repair, and maintenance fund reflected a decrease of \$46,332. Overall revenues and other financing sources exceeded expenditures and other financing sources used by \$611,685.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund. An annual appropriation budget is legally required to be prepared for all funds of the City other than agency funds. City Council is provided with a detailed line item budget for all departments and after a discussion at a regularly held City Council meeting, which is open to the public; the budget is adopted by City Council. City Council must approve legislation for any revisions in the budget that alter totals or the total appropriations for any department or fund. The finance department watches all the departmental budgets closely to monitor compliance with allocated budgets and provides monthly reports to City Council depicting monthly and year-to-date activity.

For the general fund, final budget basis revenue, excluding other financing sources was \$943,536 more than the original budget estimates of \$26,340,035. The City continues the conservative practice of estimating low in the tax, intergovernmental revenue, and interest revenue areas. The final appropriations of \$24,589,353, excluding other financing uses, was sufficient to meet the expenditures for the year, which ended up at \$23,722,429. The final budget of expenditures, excluding other financing uses, increased \$140,618 from the original budget.

The City's ending unobligated budgetary fund balance was \$2,979,960 higher than the final budgeted amount.

Business-Type Funds

The City's major enterprise funds consist of the sewer fund, fitness center fund, golf course fund, and theater fund. The basic financial statements for the major funds are included in this report.

Proprietary funds provide the same type of information as the government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for the sewer, fitness center, and golf course. The basic proprietary fund financial statements can be found on pages 26 through 30 of this report.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the City of Twinsburg had \$186,840,660 invested in land and land improvements, buildings and improvements, machinery and equipment, vehicles, and infrastructure, net of accumulated depreciation.

Table 3 shows fiscal 2019 balances of capital assets as compared to the 2018 balances:

Table 3
Capital Assets at December 31
(Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 23,630,645	\$ 23,712,390	\$ 2,596,350	\$ 2,596,350	\$ 26,226,995	\$ 26,308,740
Land Improvements	1,879,303	1,749,585	3,421,764	3,509,008	5,301,067	5,258,593
Buildings and Improvement:	5,520,420	5,743,837	18,990,054	19,669,908	24,510,474	25,413,745
Machinery and Equipment	2,208,589	2,066,751	1,930,972	2,121,548	4,139,561	4,188,299
Vehicles	2,914,826	3,270,915	238,509	272,079	3,153,335	3,542,994
Infrastructure:						
Roads	38,168,327	37,897,827	-	-	38,168,327	37,897,827
Water Mains	28,217,002	28,123,577	-	-	28,217,002	28,123,577
Storm Sewers and Culvert	29,404,553	29,311,593	-	-	29,404,553	29,311,593
Traffic Signs and Signals	523,452	587,196	-	-	523,452	587,196
Street Lights	450,397	442,630	-	-	450,397	442,630
Sewer Lines	-	-	26,745,497	26,104,701	26,745,497	26,104,701
Total Capital Assets	\$132,917,514	\$132,906,301	\$53,923,146	\$54,273,594	\$186,840,660	\$187,179,895

The City has an aggressive stance on maintaining its assets, including infrastructure, in excellent condition. Vehicles such as fire trucks and ambulances are planned for well in advance by the respective department heads and a scheduled maintenance and replacement timetable is followed to provide peak performance for the maximum time frame. Vehicles no longer in service are either traded in or sold at an auction or online.

With regards to the infrastructure, the City's engineering department maintains a comprehensive listing of all the streets, bridges, culverts, and sewer lines in the City. As part of the City's annual road maintenance program, the engineer evaluates the condition of each street after each winter and prepares a list of streets to be either resurfaced or crack sealed and in the case of concrete roads, either replaced or repaired. After approval from City Council, the projects are bid in early to late spring to get the best possible pricing from contractors. This program is funded by the capital improvement fund of the City. Additional information concerning the City's capital assets can be found in the Note 7 to the financial statements.

City of Twinsburg, Ohio

Management's Discussion and Analysis For the Year Ended December 31, 2019 Unaudited

Debt

At December 31, 2019, the City of Twinsburg had \$69,305,101 in outstanding debt, compensated absences, claims payable, net pension liability, and net OPEB liability, of which \$2,343,853 was in general obligation bonds. Table 4 summarizes the outstanding obligations of the City.

Table 4
Outstanding Long-term Obligations at Year End

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
	General Obligation Bonds	\$ 2,343,853	\$ 3,680,780	\$ -	\$ -	\$ 2,343,853
Long Term Notes	-	-	6,138,000	6,138,000	6,138,000	6,138,000
Special Assessment Bonds	80,000	98,000	-	-	80,000	98,000
OPWC Loans	5,828,652	5,977,031	650,560	257,695	6,479,212	6,234,726
Capital Leases	333,004	653,295	-	-	333,004	653,295
Claims	18,350	46,095	-	-	18,350	46,095
Net Pension Liability	33,036,926	23,245,086	5,635,604	3,374,930	38,672,530	26,620,016
Net OPEB Liability	7,889,892	19,833,683	2,621,945	2,289,084	10,511,837	22,122,767
Compensated Absences	1,878,284	1,997,974	337,109	337,972	2,215,393	2,335,946
Total	\$51,408,961	\$55,531,944	\$15,383,218	\$12,397,681	\$66,792,179	\$67,929,625

General obligation bonds are composed of park land and conservation, senior citizens center, golf course and road improvements. The special assessment bonds consist of the taxpayer portion of water, sewer, and road improvements. The energy equipment loan is composed of equipment purchased for energy conservation. The OPWC loans are composed of road improvements.

Other obligations include accrued compensated absences and operating and capital lease obligations. Additional information concerning the City's debt can be found in Notes 10 and 11 to the financial statements.

2019 Economic and Community Development Accomplishments

Regionally, an expanding economy with increased industrial activity continues to generate new jobs and increase the need for industrial space. Industrial space vacancies in Twinsburg continue to be running at an all-time low at about 3% of total space. As 2019 gets underway the former Chrysler Stamping Plant property, renamed Cornerstone Business Park, will have over 1,500,000 square feet of industrial building space. Approximately 650,000 square feet of this will accommodate O'Reilly Auto Enterprises and a multi-tenant speculative industrial building, increasing employment in the park to over 1,200 jobs. The industrial sector continues to be Twinsburg's strongest asset. A drive around the City will show several job available signs. The following is a summary of the year's economic development activity.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

Cornerstone Business Park (former Chrysler Stamping Plant)

- Cornerstone Business Park is home to Vistar/PFG, FedEx, Amazon, TTW (Bridgestone), Berlin Packaging, Corbel Plastics, Dunkin Donuts Consumer Products, and O'Reilly Auto Enterprises.
- O'Reilly Auto Enterprises, LLC now occupies a 404,000 s.f. distribution facility that serves as a multi-state region and employs over 350 people.
- Scannell Properties has finished constructing a 248,000 square foot speculative multi-tenant industrial building. This building is similar to the building constructed three years ago which is now fully occupied.
- Siffron is currently constructing a building addition of 101,018 square feet. Vistar also has a building addition project in process that will add 78,070 square feet.

New and Expanding Businesses

During the 2019 calendar year a number of businesses received occupancy permits as a result of moving into the City or expanding their facilities. New or expanding businesses will add about 160 new employees.

Businesses new to Twinsburg or expanding in 2019 include:

- OM Beauty Salon, LLC – 9810 Ravenna Road
- American Builders and Contractors – 2440 Edison Blvd.
- Moore's Wholesale Pallets – 2095 Midway Drive
- Lifestance Health – 8054 Darrow Road
- Operation RELO – 8987 Darrow Road
- Turle Kidz Sports – 10735 Ravenna Road
- Life Hearing and Balance – 10812 Ravenna Road
- Allstate Insurance – 11660 Ravenna Road
- Fine Line Communications – 2305 E. Aurora Road

Central Twinsburg Redevelopment and the Twinsburg Community Improvement Corporation

Efforts are underway by the City and the Twinsburg Community Improvement Corporation (TCIC) to encourage new investment in the central area. The TCIC is contributing to this effort by assembling key properties. The former Twinsburg School site has been cleared, making 5.5 acres of land available for mixed use development and public open space. In the same area a 2.1-acre tract of land has been acquired. Efforts continue to involve additional adjacent properties to achieve a comprehensive and transformational mixed-use development in the heart of the City.

The TCIC has acquired properties on the north side of E. Aurora Road, which were investor owned and rented. This purchase will enable the TCIC to control the type of development that will occur on this important gateway to the Square.

City of Twinsburg, Ohio

*Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited*

Connecting Communities

Twinsburg has completed an analysis of its recreational trail system through a grant from the Akron Metropolitan Transportation Study (AMATS). Study recommendations propose to connect trail segments and provide connections to key destinations (high school, library, rec. center, etc.) and tie all to central Twinsburg. A digital copy of this final report is available from the City's website. The City will be taking incremental steps to implement several of the recommendations. This activity will further enhance the quality of life in the City and contribute to the community's image, public health, and housing values.

Housing Stats

Residential housing demand remains strong in the community. During the year 224 point-of-sale inspections were provided by the Building Department to accommodate the sale of single-family homes. Homes in Twinsburg sell rapidly and very few are on the market for more than a month or two.

A total of 47 new houses were constructed, adding about \$8,589,200 in market value to the community. Three new small residential subdivisions were approved during 2018 where homes will continue be constructed this year. A total of 98 lots are available. As a result, housing stats are likely to increase during 2020.

Current Related Financial Activities

The City of Twinsburg, in the past, faced some challenging financial years; however, with the development of the Cornerstone Project and the addition of several new businesses in the City, we have begun to see growth in employment. As the economy continues to improve, we expect to see increased employment and increased income tax revenue. On a cash basis, the municipal income tax revenue represents 85% of the City's total general fund revenue. The net income tax collections (gross collections less refunds) for 2019 were \$26,664,266 compared to 2018 collections of \$21,584,620. This reflects a decrease over last year of 5 percent.

The City continues to strive to operate lean and under budget. Just as in 2018, the city was awarded several grants to help support the cost of major capital projects and as a result; once again the City was able to end the year strong. The City will continue to make every effort to build up the reserves while operating lean and efficient while holding at the income tax rate of 2 percent at this time.

The City's current credit rating assigned by Moody's still holds at Aa2. The Aa2 rating was reaffirmed in April of 2020 due to the demonstrations of financial stability and the ability to capitalize on development opportunities. The City's system of budgeting and internal controls is well regarded. As a continued effort to stay above the economic challenges, the Administration and City Council meet frequently to discuss current operating conditions, the economy and community development. The City will continue to be proactive by strategizing to maintain solvency not just for today, but for the future.

Contacting the City of Twinsburg's Finance Department

This financial report is designed to provide our citizen's, taxpayers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for all money it receives, spends, or invests. If you have any questions about this report or need additional financial information, contact Director of Finance, Sarah Buccigross, City of Twinsburg, 10075 Ravenna Road, Twinsburg, Ohio 44087, telephone (330) 425-7161, or web site at my.twinsburg.com.

City of Twinsburg, Ohio

*Statement of Net Position
December 31, 2019*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Twinsburg Community Improvement Corporation
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 14,371,870	\$ 3,446,689	\$ 17,818,559	\$ 156,206
Cash and Cash Equivalents:				
Restricted Cash	40,925	-	40,925	-
Receivables:				
Accounts	274,226	854,191	1,128,417	-
Accrued Interest	52,850	-	52,850	-
Intergovernmental	648,888	-	648,888	-
Municipal Income Taxes	6,704,705	-	6,704,705	-
Property Taxes	1,189,399	-	1,189,399	-
Contributions	-	-	-	-
Special Assessments	1,711	26,806	28,517	-
Prepaid Items	-	-	-	1,071
Materials and Supplies Inventory	147,722	160,054	307,776	-
Land Held for Investment/Sale	-	-	-	875,078
Nondepreciable Capital Assets	23,630,645	2,596,350	26,226,995	-
Depreciable Capital Assets (Net)	109,286,869	51,326,796	160,613,665	-
Net Pension Asset	49,992	23,701	73,693	-
Total Assets	156,399,802	58,434,587	214,834,389	1,032,355
Deferred Outflows of Resources				
Deferred Charges on Refunding	42,633	-	42,633	-
Pensions	8,674,124	1,724,523	10,398,647	-
OPEB	1,936,699	223,181	2,159,880	-
Total Deferred Outflows of Resources	\$ 10,653,456	\$ 1,947,704	\$ 12,601,160	\$ -

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Net Position
December 31, 2019*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Twinsburg Community Improvement Corporation
Liabilities				
Accounts Payable	\$ 151,052	\$ 24,002	\$ 175,054	\$ -
Accrued Wages and Benefits	336,461	83,843	420,304	-
Intergovernmental Payable	345,693	90,668	436,361	-
Claims Payable	160,822	34,270	195,092	-
Accrued Interest Payable	86,518	29,847	116,365	-
Unearned Revenue	-	107,385	107,385	-
Long Term Liabilities:				
Due Within One Year	2,267,903	157,704	2,425,607	55,000
Due in More Than One Year:				
Net Pension Liability	33,036,926	5,635,604	38,672,530	-
Net OPEB Liability	7,889,927	2,621,945	10,511,872	-
Other Amounts Due in More than One Year	8,214,241	6,967,965	15,182,206	105,417
<i>Total Liabilities</i>	<u>52,489,543</u>	<u>15,753,233</u>	<u>68,242,776</u>	<u>160,417</u>
Deferred Inflows of Resources				
Property Taxes	1,121,132	-	1,121,132	-
Pensions	757,236	85,777	843,013	-
OPEB	1,242,921	7,137	1,250,058	-
<i>Total Deferred Inflows of Resources</i>	<u>3,121,289</u>	<u>92,914</u>	<u>3,214,203</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	124,332,004	47,134,586	171,466,590	-
Restricted for:				
Capital Projects	1,906,075	-	1,906,075	-
Debt Service	657,958	-	657,958	-
Other Purposes	3,016,062	-	3,016,062	-
Unrestricted (Deficit)	(18,469,673)	(2,598,442)	(21,068,115)	871,938
<i>Total Net Position</i>	<u>\$ 111,442,426</u>	<u>\$ 44,536,144</u>	<u>\$ 155,978,570</u>	<u>\$ 871,938</u>

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Activities
For the Year Ended December 31, 2019*

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Twinsburg Community Improvement Corporation
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Primary Government								
Governmental Activities:								
General Government	\$ 3,641,103	\$ 1,018,242	\$ -	\$ 2,232,804	\$ (390,057)	\$ -	\$ (390,057)	\$ -
Security of Persons and Property	10,442,932	634,166	15,456	-	(9,793,310)	-	(9,793,310)	-
Public Health and Welfare	210,262	-	-	-	(210,262)	-	(210,262)	-
Transportation	8,222,401	-	-	-	(8,222,401)	-	(8,222,401)	-
Leisure Time Activities	1,755,317	243,807	-	-	(1,511,510)	-	(1,511,510)	-
Community Development	1,249,005	364,707	-	134,370	(749,928)	-	(749,928)	-
Interest and Fiscal Charges	156,888	-	-	-	(156,888)	-	(156,888)	-
Total Governmental Activities	25,677,908	2,260,922	15,456	2,367,174	(21,034,356)	-	(21,034,356)	-
Business-Type Activities								
Sewer	3,634,378	3,984,336	-	792,636	-	1,142,594	1,142,594	-
Fitness Center	1,944,708	1,489,491	-	-	-	(455,217)	(455,217)	-
Golf Course	4,365,419	2,084,207	-	-	-	(2,281,212)	(2,281,212)	-
Community Theater	36,977	31,251	1,115	-	-	(4,611)	(4,611)	-
Total Business-Type Activities	9,981,482	7,589,285	1,115	792,636	-	(1,598,446)	(1,598,446)	-
Total - Primary Government	\$ 35,659,390	\$ 9,850,207	\$ 16,571	\$ 3,159,810	\$ (21,034,356)	\$ (1,598,446)	\$ (22,632,802)	\$ -
Component Unit								
Twinsburg Community Improvement Corporation	\$ 25,123	\$ 11,905	\$ 92,589	\$ -	\$ -	\$ -	\$ -	\$ 79,371

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Activities
For the Year Ended December 31, 2019*

General Revenues				
Property and Other Local Taxes Levied for:				
General Purposes	535,679	-	535,679	-
Debt Service	789,882	-	789,882	-
Municipal Income Taxes Levied for				
General Purposes	26,689,266	-	26,689,266	-
Grants and Entitlements not Restricted				
to Specific Programs	2,440,034	-	2,440,034	-
Investment Income	598,281	-	598,281	-
Gain/(Loss) on Disposal of Assets	(21,156)	(3,052)	(24,208)	-
Miscellaneous Income	1,431,158	139,353	1,570,511	1,602
<i>Total General Revenues</i>	<u>32,463,144</u>	<u>136,301</u>	<u>32,599,445</u>	<u>1,602</u>
Net Transfers	(879,600)	879,600	-	-
<i>Change in Net Position</i>	10,549,188	(582,545)	9,966,643	80,973
<i>Net Position Beginning of Year</i>	<u>100,893,238</u>	<u>45,118,689</u>	<u>146,011,927</u>	<u>790,965</u>
<i>Net Position End of Year</i>	<u>\$ 111,442,426</u>	<u>\$ 44,536,144</u>	<u>\$ 155,978,570</u>	<u>\$ 871,938</u>

See the related notes to the financial statements

City of Twinsburg, Ohio

*Balance Sheet
Governmental Funds
December 31, 2019*

	General	Street Construction Maintenance and Repair	Park Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 8,923,748	\$ 1,546,612	\$ 34,095	\$ 1,731,491	\$ 2,135,924	\$ 14,371,870
Cash and Cash Equivalents:						
Restricted Cash	440	-	-	-	40,485	40,925
Receivables:						
Accounts	274,226	-	-	-	-	274,226
Accrued Interest	52,850	-	-	-	-	52,850
Intergovernmental	143,360	379,219	41,819	-	84,490	648,888
Municipal Income Taxes	6,704,705	-	-	-	-	6,704,705
Property Taxes	-	-	815,764	-	373,635	1,189,399
Special Assessments	1,711	-	-	-	-	1,711
Interfund Receivable	270,000	-	-	-	-	270,000
Materials and Supplies Inventory	147,722	-	-	-	-	147,722
Total Assets	\$ 16,518,762	\$ 1,925,831	\$ 891,678	\$ 1,731,491	\$ 2,634,534	\$ 23,702,296
Liabilities						
Accounts Payable	\$ 143,463	\$ 3,431	\$ -	\$ 2,628	\$ 1,530	\$ 151,052
Accrued Wages & Benefits	336,461	-	-	-	-	336,461
Intergovernmental Payable	194,184	-	-	-	151,509	345,693
Claims Payable	160,822	-	-	-	-	160,822
Interfund Payable	-	-	-	-	270,000	270,000
Total Liabilities	834,930	3,431	-	2,628	423,039	1,264,028
Deferred Inflows of Resources						
Deferred Inflows - Property Taxes	-	-	768,942	-	352,190	1,121,132
Unavailable Revenue	2,582,968	209,671	88,641	-	57,599	2,938,879
Total Deferred Inflows of Resources	2,582,968	209,671	857,583	-	409,789	4,060,011
Fund Balances						
Nonspendable	152,172	-	-	-	-	152,172
Restricted	-	1,712,729	34,095	-	1,122,463	2,869,287
Committed	-	-	-	-	729,637	729,637
Assigned	3,431,199	-	-	1,728,863	-	5,160,062
Unassigned (Deficit)	9,517,493	-	-	-	(50,394)	9,467,099
Total Fund Balances	13,100,864	1,712,729	34,095	1,728,863	1,801,706	18,378,257
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 16,518,762	\$ 1,925,831	\$ 891,678	\$ 1,731,491	\$ 2,634,534	\$ 23,702,296

See the related notes to the financial statements

City of Twinsburg, Ohio

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2019*

Total Governmental Fund Balances	\$	18,378,257
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds		132,917,514
Net pension asset is a long-term asset that is not a financial resource and therefore is not reported in the funds		49,992
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the funds:		
Property & Other Local Taxes	68,267	
Municipal Income Taxes	2,257,675	
Special Assessments	1,711	
Charges for Services	197,916	
Intergovernmental	52,850	
Investment Income	360,460	
Total		2,938,879
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(86,518)
Deferred charges on refunding related to the issuance of long-term refunding debt that will be amortized over the life of the debt on the statement of net position.		42,633
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions:		
Pension	8,674,124	
OPEB	1,936,699	
Total		10,610,823
Deferred inflows of resources related to pensions and OPEB:		
Pension	(757,236)	
OPEB	(1,242,921)	
Total		(2,000,157)
Long-term liabilities, including compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(2,260,000)	
Special Assessment Bonds	(80,000)	
OPWC Loans Payable	(5,828,653)	
Unamortized Premium on Bonds	(83,853)	
Capital Leases	(333,004)	
Claims Payable	(18,350)	
Compensated Absences	(1,878,284)	
Net Pension Liability	(33,036,926)	
Net OPEB Liability	(7,889,927)	
Total		(51,408,997)
Net Position of Governmental Activities	\$	111,442,426

See the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019*

	General	Street Construction Maintenance and Repair	Park Debt Service	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Revenues						
Property and Other Local Taxes	\$ 176,478	\$ -	\$ 743,060	\$ -	\$ 337,756	\$ 1,257,294
Municipal Income Taxes	24,431,591	-	-	-	-	24,431,591
Intergovernmental	368,269	1,044,898	93,967	26,086	561,954	2,095,174
Charges for Services	1,204,877	-	-	-	3,217	1,208,094
Licenses & Permits	740,981	-	-	-	-	740,981
Fines & Forfeitures	108,731	-	-	-	3,489	112,220
Investment Income	485,279	-	-	-	60,152	545,431
Miscellaneous	1,385,845	13,015	-	140,634	25,890	1,565,384
Total Revenues	28,902,051	1,057,913	837,027	166,720	992,458	31,956,169
Expenditures						
Current Operations and Maintenance:						
General Government	6,522,023	-	10,672	-	-	6,532,695
Security of Persons and Property	8,754,460	-	-	-	1,566,652	10,321,112
Public Health and Welfare	210,262	-	-	-	-	210,262
Transportation	5,666,487	1,664,432	-	-	325,546	7,656,465
Leisure Time Activities	1,424,545	-	-	-	54,367	1,478,912
Community Development	1,433,280	-	-	-	-	1,433,280
Capital Outlay	-	-	-	893,601	-	893,601
Debt Service:						
Principal Retirement	-	-	760,000	320,291	761,565	1,841,856
Interest and Fiscal Charges	-	-	75,650	17,933	63,305	156,888
Total Expenditures	24,011,057	1,664,432	846,322	1,231,825	2,771,435	30,525,071
Excess of Revenues						
<i>Over (Under) Expenditures</i>	4,890,994	(606,519)	(9,295)	(1,065,105)	(1,778,977)	1,431,098
Other Financing Sources (Uses)						
Proceeds from OPWC Loan	-	60,187	-	-	-	60,187
Transfers In	9,000	500,000	-	1,000,000	1,720,250	3,229,250
Transfers Out	(4,099,850)	-	-	-	(9,000)	(4,108,850)
Total Financing Sources (Uses)	(4,090,850)	560,187	-	1,000,000	1,711,250	(819,413)
Net Change in Fund Balance	800,144	(46,332)	(9,295)	(65,105)	(67,727)	611,685
Fund Balance Beginning of Year	12,300,720	1,759,061	43,390	1,793,968	1,869,433	17,766,572
Fund Balance End of Year	\$ 13,100,864	\$ 1,712,729	\$ 34,095	\$ 1,728,863	\$ 1,801,706	\$ 18,378,257

See the related notes to the financial statements

City of Twinsburg, Ohio

*Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2019*

Net Change in Fund Balances - Total Governmental Funds	\$	611,685
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>		
Capital Asset Additions	2,333,896	
Contributed Capital - Donated Assets	2,232,804	
Current Year Depreciation	<u>(4,330,917)</u>	
Total		235,783
<p>Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.</p>		
		(21,156)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property & Other Local Taxes	68,267	
Municipal Income Taxes	2,257,675	
Special Assessments	1,711	
Charges for Services	360,460	
Intergovernmental	52,850	
Investment Income	<u>197,916</u>	
Total		2,938,879
<p>Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
		1,863,173
<p>Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB liability impact pension/OPEB expense in the statement of activities.</p>		
Pension	(4,184,709)	
OPEB	<u>11,068,075</u>	
Total		6,883,366
<p>Some expenses 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.</p>		
Compensated Absences	(1,878,284)	
Claims Payable	<u>(18,350)</u>	
Total		(1,896,634)
<p>Governmental funds report premiums and deferred outflows as expenditures, whereas these amounts are deferred and amortized in the statement of activities.</p>		
Amortization of Deferred Charge on Refunded Bonds	(21,317)	
Amortization of Bond Premiums	<u>41,927</u>	
Total		20,610
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.</p>		
		<u>(86,518)</u>
Change in Net Position of Governmental Activities	\$	<u>10,549,188</u>

See Independent Accountants' Compilation Report and the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Revenues, Expenditures, and Changes in Fund Balance –
Changes in Fund Balances of Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$ 22,575,000	\$ 23,475,000	23,534,824	\$ 59,824
Other Local Taxes	190,000	190,000	185,158	(4,842)
Intergovernmental	247,400	269,436	353,007	83,571
Charges for Services	1,147,535	1,147,535	1,199,173	51,638
Licenses & Permits	721,500	721,500	775,195	53,695
Fines & Forfeitures	106,350	106,350	99,684	(6,666)
Investment Income	210,000	210,000	269,200	59,200
Other	1,142,250	1,163,750	1,347,601	183,851
<i>Total Revenues</i>	<u>26,340,035</u>	<u>27,283,571</u>	<u>27,763,842</u>	<u>480,271</u>
Expenditures				
Current:				
General Government	7,067,350	6,940,336	6,670,909	269,427
Security of Persons and Property	8,846,250	8,953,744	8,700,547	253,197
Public Health and Welfare	210,000	210,262	210,262	-
Transportation	5,598,200	5,652,300	5,602,444	49,856
Leisure Time Activities	1,077,800	1,101,420	1,061,940	39,480
Community Development	1,649,135	1,731,291	1,476,327	254,964
<i>Total Expenditures</i>	<u>24,448,735</u>	<u>24,589,353</u>	<u>23,722,429</u>	<u>866,924</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,891,300</u>	<u>2,694,218</u>	<u>4,041,413</u>	<u>1,347,195</u>
Other Financing Sources (Uses)				
Proceeds of OPWC Loan	25,000	25,000	-	(25,000)
Transfers In	-	-	9,000	9,000
Transfers Out	(5,503,415)	(5,748,615)	(4,099,850)	1,648,765
<i>Total Other Financing Sources (Uses)</i>	<u>(5,478,415)</u>	<u>(5,723,615)</u>	<u>(4,090,850)</u>	<u>1,632,765</u>
<i>Net Change in Fund Balance</i>	<u>(3,587,115)</u>	<u>(3,029,397)</u>	<u>(49,437)</u>	<u>2,979,960</u>
<i>Fund Balance Beginning of Year</i>	8,866,292	8,866,292	8,866,292	-
Prior Year Encumbrances Appropriated	140,935	140,935	140,935	-
<i>Fund Balance End of Year</i>	<u>\$ 5,420,112</u>	<u>\$ 5,977,830</u>	<u>\$ 8,957,790</u>	<u>\$ 2,979,960</u>

See Independent Accountants' Compilation Report and the related notes to the financial statements

City of Twinsburg, Ohio

Statement of Revenues, Expenditures, and Changes in Fund Balance – Changes in Fund Balances of Budget (Non-GAAP Basis) and Actual Street, Construction, Maintenance and Repair Fund For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 837,000	\$ 837,000	980,287	\$ 143,287
Other	-	15,000	13,015	(1,985)
<i>Total Revenues</i>	<u>837,000</u>	<u>852,000</u>	<u>993,302</u>	<u>141,302</u>
Expenditures				
Current:				
Transportation	1,560,000	1,968,928	1,779,954	188,974
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(723,000)</u>	<u>(1,116,928)</u>	<u>(786,652)</u>	<u>330,276</u>
Other Financing Sources (Uses)				
Proceeds of OPWC Loan	50,000	50,000	60,186	10,186
Transfers In	675,000	675,000	500,000	(175,000)
<i>Total Other Financing Sources (Uses)</i>	<u>725,000</u>	<u>725,000</u>	<u>560,186</u>	<u>(164,814)</u>
<i>Net Change in Fund Balance</i>	2,000	(391,928)	(226,466)	165,462
<i>Fund Balance Beginning of Year</i>	1,318,226	1,318,226	1,318,226	-
Prior Year Encumbrances Appropriated	335,898	335,898	335,898	-
<i>Fund Balance End of Year</i>	<u>\$ 1,656,124</u>	<u>\$ 1,262,196</u>	<u>\$ 1,427,658</u>	<u>\$ 165,462</u>

See Independent Accountants' Compilation Report and the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Fund Net Position
Proprietary Funds
December 31, 2019*

	Business-Type Activities - Enterprise				
	Sewer	Fitness Center	Golf Course	Theater Fund	Total
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$ 3,314,312	\$ 21,164	\$ 7,784	\$ 103,429	\$ 3,446,689
Accounts Receivable	839,787	14,404	-	-	854,191
Special Assessments Receivable	26,806	-	-	-	26,806
Materials and Supplies Inventory	105,552	-	54,502	-	160,054
<i>Total Current Assets</i>	<u>4,286,457</u>	<u>35,568</u>	<u>62,286</u>	<u>103,429</u>	<u>4,487,740</u>
<i>Noncurrent Assets:</i>					
Nondepreciable Capital Assets	31,150	-	2,565,200	-	2,596,350
Depreciable Capital Assets, Net	32,552,391	7,574,080	11,200,325	-	51,326,796
Net Pension Asset	10,407	6,351	6,943	-	23,701
<i>Total Noncurrent Assets</i>	<u>32,593,948</u>	<u>7,580,431</u>	<u>13,772,468</u>	<u>-</u>	<u>53,946,847</u>
<i>Total Assets</i>	<u>36,880,405</u>	<u>7,615,999</u>	<u>13,834,754</u>	<u>103,429</u>	<u>58,434,587</u>
Deferred Outflows of Resources					
Pension	757,220	462,096	505,207	-	1,724,523
OPEB	97,996	59,804	65,381	-	223,181
<i>Total Deferred Outflows of Resources</i>	<u>\$ 855,216</u>	<u>\$ 521,900</u>	<u>\$ 570,588</u>	<u>-</u>	<u>\$ 1,947,704</u>

See Independent Accountants' Compilation Report and the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Fund Net Position
Proprietary Funds
December 31, 2019*

	Business-Type Activities - Enterprise				
	Sewer	Fitness Center	Golf Course	Theater Fund	Total
Liabilities:					
<i>Current Liabilities:</i>					
Accounts Payable	\$ 4,858	\$ 8,472	\$ 10,672	-	\$ 24,002
Accrued Wages and Benefits	44,343	20,529	18,971	-	83,843
Intergovernmental Payable	23,502	56,872	10,294	-	90,668
Claims Payable	12,881	7,250	14,139	-	34,270
Accrued Interest Payable	-	-	29,847	-	29,847
Unearned Revenue	-	107,385	-	-	107,385
Due Within One Year	97,496	15,379	44,829	-	157,704
<i>Total Current Liabilities</i>	<u>183,080</u>	<u>215,887</u>	<u>128,752</u>	<u>-</u>	<u>527,719</u>
<i>Long-Term Liabilities (net of current portion)</i>					
Notes Payable	-	-	6,138,000	-	6,138,000
Compensated Absences Payable	105,233	30,296	60,754	-	196,283
OPWC Loans Payable	633,682	-	-	-	633,682
Net Pension Liability	2,474,535	1,510,094	1,650,975	-	5,635,604
Net OPEB Liability	1,151,269	702,566	768,110	-	2,621,945
<i>Total Long-Term Liabilities</i>	<u>4,364,719</u>	<u>2,242,956</u>	<u>8,617,839</u>	<u>-</u>	<u>15,225,514</u>
<i>Total Liabilities</i>	<u>4,547,799</u>	<u>2,458,843</u>	<u>8,746,591</u>	<u>-</u>	<u>15,753,233</u>
Deferred Inflows of Resources					
Pension	37,664	22,984	25,129	-	85,777
OPEB	3,133	1,912	2,092	-	7,137
<i>Total Deferred Inflows of Resources</i>	<u>40,797</u>	<u>24,896</u>	<u>27,221</u>	<u>-</u>	<u>92,914</u>
Net Position					
Net Investment in Capital Assets	31,932,981	7,574,080	7,627,525	-	47,134,586
Unrestricted (Deficit)	1,214,044	(1,919,920)	(1,995,995)	103,429	(2,598,442)
<i>Total Net Position</i>	<u>\$ 33,147,025</u>	<u>\$ 5,654,160</u>	<u>\$ 5,631,530</u>	<u>\$ 103,429</u>	<u>\$ 44,536,144</u>

See Independent Accountants' Compilation Report and the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2019*

	Business-Type Activities - Enterprise				Total
	Sewer	Fitness Center	Golf Course	Theater Fund	
Operating Revenues					
Charges for Services	\$ 3,984,336	\$ 1,489,491	\$ 2,084,207	\$ 31,251	\$ 7,589,285
Other Operating Revenues	125,663	10	13,680	-	139,353
<i>Total Operating Revenues</i>	<u>4,109,999</u>	<u>1,489,501</u>	<u>2,097,887</u>	<u>31,251</u>	<u>7,728,638</u>
Operating Expenses					
Personal Services	2,208,207	1,143,255	2,404,272	-	5,755,734
Materials & Supplies	250,849	203,494	771,056	26,794	1,252,193
Contractual Services	346,110	191,341	660,999	10,183	1,208,633
Other Operating Expenses	608	46,964	80,335	-	127,907
Depreciation Expense	828,604	359,654	360,298	-	1,548,556
<i>Total Operating Expenses</i>	<u>3,634,378</u>	<u>1,944,708</u>	<u>4,276,960</u>	<u>36,977</u>	<u>9,893,023</u>
<i>Operating Income (Loss)</i>	475,621	(455,207)	(2,179,073)	(5,726)	(2,164,385)
Non-Operating Revenues (Expenses)					
Interest and Fiscal Charges	-	-	(88,459)	-	(88,459)
Other Non-Operating Revenue (Expense)	-	(3,052)	-	-	(3,052)
<i>Income (Loss) Before Contributions & Transfers</i>	475,621	(458,259)	(2,267,532)	(5,726)	(2,255,896)
Grants & Contributed Capital	792,636	-	-	1,115	793,751
Transfers In	-	233,000	646,600	-	879,600
<i>Change in Net Position</i>	1,268,257	(225,259)	(1,620,932)	(4,611)	(582,545)
<i>Net Position Beginning of Year</i>	31,878,768	5,879,419	7,252,462	108,040	45,118,689
<i>Net Position End of Year</i>	<u>\$ 33,147,025</u>	<u>\$ 5,654,160</u>	<u>\$ 5,631,530</u>	<u>\$ 103,429</u>	<u>\$ 44,536,144</u>

See Independent Accountants' Compilation Report and the related notes to the financial statements

City of Twinsburg, Ohio

*Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019*

	Business-Type Activities - Enterprise				
	<u>Sewer</u>	<u>Fitness Center</u>	<u>Golf Course</u>	<u>Theater Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:					
Cash Received from Customers	\$ 3,821,429	\$ 1,493,201	\$ 2,084,207	\$ 31,251	\$ 7,430,088
Other Operating Revenues	125,663	10	13,680	-	139,353
Cash Paid for Personal Services	(2,217,899)	(1,257,635)	(1,419,118)	-	(4,894,652)
Cash Paid for Contractual Services	(347,073)	(193,357)	(666,141)	(10,200)	(1,216,771)
Cash Paid for Materials & Supplies	(273,318)	(203,494)	(771,970)	(26,794)	(1,275,576)
Cash Paid for Other Operating Expenses	(608)	(46,964)	(80,335)	-	(127,907)
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>1,108,194</u>	<u>(208,239)</u>	<u>(839,677)</u>	<u>(5,743)</u>	<u>54,535</u>
Cash Flows From Non-Capital Financing Activities					
Contributions and Donations	-	-	-	1,115	1,115
Transfers In	-	233,000	646,600	-	879,600
Cash Flows From Capital and Related Financing Activities					
Proceeds of Notes	-	-	6,138,000	-	6,138,000
Proceeds of Loans	403,026	-	-	-	403,026
Cash Received from Capital Grants	792,636	-	-	-	792,636
Payment for Capital Acquisitions	(1,109,657)	(56,016)	(20,903)	-	(1,186,576)
Principal Paid on Debt	(10,161)	-	(6,138,000)	-	(6,148,161)
Interest Paid on Debt	-	-	(121,532)	-	(121,532)
<i>Net Cash Provided by (Used For) Capital and Related Financing Activities</i>	<u>75,844</u>	<u>(56,016)</u>	<u>(142,435)</u>	<u>-</u>	<u>(122,607)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,184,038	(31,255)	(335,512)	(4,628)	812,643
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,130,274</u>	<u>52,419</u>	<u>343,296</u>	<u>108,057</u>	<u>2,634,046</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$ 3,314,312</u>	<u>\$ 21,164</u>	<u>\$ 7,784</u>	<u>\$ 103,429</u>	<u>\$ 3,446,689</u>

City of Twinsburg, Ohio

*Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended December 31, 2019*

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	Sewer	Fitness Center	Golf Course	Theater Fund	Total
Operating Income (Loss)	\$ 475,621	\$ (455,207)	\$ (2,179,073)	\$ (5,726)	\$ (2,164,385)
Adjustments:					
Depreciation	828,604	359,654	360,298	-	1,548,556
(Increase) Decrease in Assets & Deferred Outflows:					
Accounts Receivable	(180,075)	2,608	-	-	(177,467)
Materials & Supplies Inventory	(22,469)	-	(914)	-	(23,383)
Special Assessments Receivable	17,168	-	-	-	17,168
Retirement of Capital Assets	-	-	-	-	-
Net Pension Asset	4,913	3,641	(1,843)	-	6,711
Deferred Outflows - Pension	(303,617)	(166,248)	(354,199)	-	(824,064)
Deferred Outflows - OPEB	4,625	7,127	(31,218)	-	(19,466)
Increase (Decrease) in Liabilities & Deferred Inflows:					
Accounts Payable	(9,070)	(28,293)	(7,000)	(17)	(44,380)
Accrued Wages & Benefits	7,398	2,382	(84)	-	9,696
Intergovernmental Payable	8,107	26,277	1,858	-	36,242
Claims Payable	(10,425)	(6,005)	25,989	-	9,559
Unearned Revenue	-	1,102	-	-	1,102
Compensated Absences Payable	(23,840)	(4,416)	17,232	-	(11,024)
Net Pension Liability	774,428	401,254	1,084,992	-	2,260,674
Net OPEB Liability	(1,848)	(49,517)	384,226	-	332,861
Deferred Inflows - Pension	(378,560)	(248,485)	(113,436)	-	(740,481)
Deferred Inflows - OPEB	(82,766)	(54,113)	(26,505)	-	(163,384)
<i>Total Adjustments</i>	<u>632,573</u>	<u>246,968</u>	<u>1,339,396</u>	<u>(17)</u>	<u>2,218,920</u>
<i>Net Cash Provided By (Used For) Operating Activities</i>	<u>\$ 1,108,194</u>	<u>\$ (208,239)</u>	<u>\$ (839,677)</u>	<u>\$ (5,743)</u>	<u>\$ 54,535</u>

See Independent Accountants' Compilation Report and the related notes to the financial statements

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Note 1: The Reporting Entity

The City of Twinsburg (the "City") is a home rule municipal corporation established under the laws of the State of Ohio, which operates under its own Charter. The current Charter, which provides for a Mayor-Council form of government, was adopted November 3, 1981.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards, and agencies that are not legally separate from the City. For the City of Twinsburg, this includes police and fire protection, parks and recreation, planning, zoning, street maintenance and repair, refuse collection, a wastewater treatment plant, and general administrative services.

The City of Twinsburg is divided into various departments and financial management and control systems. The City departments include a public safety department, a public service department, a street maintenance department, a sanitation system, a parks and recreation department, a planning and zoning department, a waste water treatment system, and a staff to provide support (i.e., payroll processing, accounts payable, and revenue collection) to the service providers. The operation of each of these activities and entities is directly controlled by the City Council through the budgetary process and therefore is included as a part of the reportable entity.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of taxes. Based on these criteria, the City has one component unit.

The Twinsburg Community Improvement Corporation (TCIC) is a not-for-profit corporation to advance, encourage, and promote the industrial, commercial, civic, and economic development of Twinsburg, Ohio, under the applicable sections of the Ohio Revised Code. The City has agreed to provide 50 percent of the Transient Guest Tax funds the City collects and receives annually to the TCIC. Since this funding represents a significant portion of TCIC revenue, the organization is fiscally dependent on the City and therefore is considered a component unit of the City and is discretely presented in the City's financial statements. See Note 20 for specific disclosures relating to the TCIC.

Jointly Governed Organizations

Northeast Ohio Public Energy Council – The City is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of energy. NOPEC is currently comprised of 134 members in 200 communities in 13 counties who have been authorized by ballot to purchase energy on behalf of their citizens. The intent of NOPEC is to provide energy at the lowest possible rates while at the same time ensuring stability in prices by entering into long-term contracts with suppliers to provide energy to the citizens of its member communities.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives from each county then elect one person to serve on the nine-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board. The City of Twinsburg did not contribute to NOPEC during 2019. Financial information can be obtained by contacting NOPEC, 31360 Solon Rd, Suite 33, Solon, Ohio 44139.

Note 2: Summary of Significant Accounting Policies

The financial statements of the City of Twinsburg have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the City's accounting policies are described below.

A. Basis of Presentation

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

i. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. 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, 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 not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business activity is self-financing or draws from the general revenues of the City.

ii. Fund Financial Statements

During the year, the City segregates transactions related to certain City 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 City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

B. Fund Accounting

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

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter of the City of Twinsburg and/or the general laws of Ohio.

Street Construction, Maintenance and Repair Fund – This fund is required by the Ohio Revised Code to account for revenue from the state gasoline tax and motor vehicle registration fees. The Ohio Revised Code requires that 92.5 percent of these revenues be used for the maintenance and repair of streets within the City.

Park Debt Service Fund – The park debt fund accounts for property taxes levied for the purpose of improving parks and paying off debt associated with maintenance of the parks.

Capital Improvement Fund – The capital improvement fund accounts for resources allocated for the purpose of improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

The other governmental funds of the City account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service. The City has no internal service funds.

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds.

Sewer Fund – The sewer fund accounts for the provision of sanitary sewer service to the residents and commercial users located within the City.

Fitness Center Fund – The fitness center fund accounts for the operations of the fitness center.

Golf Course Fund – The golf course fund accounts for the operations of the golf course.

Theater Fund – The theater fund accounts for the operations of the community theater.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust funds. Agency funds are purely custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has no agency funds.

C. Measurement Focus

i. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

ii. 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 deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. The governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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; proprietary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

i. Revenues – 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 year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Available period for the City is sixty days after year-end.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include municipal income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from municipal income taxes is recognized in the period in which the income is earned.

Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 5).

Revenue from grants, entitlements and donations is recognized in the 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 year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a 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 year-end: municipal income tax, state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

ii. Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

iii. Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements that report financial position may include a section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2019, the City had deferred outflows of resources for deferred losses on refunding, pensions and OPEB reported in the government-wide statement of net position and the proprietary funds statement of fund net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 13 and 14.

In addition to liabilities, the financial statements that report financial position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and amounts for pension and OPEB. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2019, but which were levied to finance 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, income taxes, special assessments, charges for services, investment income and intergovernmental grants.

These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and in the proprietary funds on the statement of fund net position.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

iv. Expenses/Expenditures

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 governmental funds.

E. Budgetary Process

An annual appropriated budget is legally required to be prepared for all funds of the City. City Council passes appropriations at the line item level except for capital projects funds which are appropriated by department or project. Line item appropriations may be transferred between the accounts with the approval of the City Council. City Council must approve any revisions in the budget that alter total fund appropriations. The following are the procedures used by the City in establishing the budgetary data reported in the basic financial statements:

i. Tax Budget

A tax budget of estimated revenue and expenditures for all funds is submitted to the County Fiscal Officer, as Secretary of the County Budget Commission, by July 20th of each year, for the period January 1 to December 31 of the following year.

ii. Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the City by September 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure.

On or about January 1 the certificate of estimated resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the Finance Director determines that revenue to be collected will be greater than or less than the prior estimates and the budget commission find the revised estimates to be reasonable. The amounts reported in the budgetary statements as original represent the amounts in the first official certificate of estimated resources issued during 2019. The amounts reported in the budgetary statements as final reflect the amounts in the final amended official certificate of estimated resources issued during 2019.

iii. Annual Estimate

The Mayor, with the assistance of the Finance Director, is required by Charter to submit to City Council, on or before December 1 of each fiscal year, an estimate of the revenues and expenditures of each fund of the City for the next succeeding fiscal year. The annual estimate serves as the basis for appropriations (the appropriated budget) in each fund.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

iv. Appropriations

An appropriation ordinance (the appropriated budget) to control the level of expenditures for all funds must be legally enacted on or about January 1. Appropriations may not exceed estimated resources as established in the official amended certificate of estimated resources. Supplemental appropriations may be adopted by City Council action. During the year, several supplemental appropriation measures were necessary. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget for each fund that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

v. Lapsing of Appropriations

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 appropriations. The encumbered appropriation balance is carried forward to the succeeding year and is not reappropriated.

vi. Budgeted Level of Expenditure

Administrative control is maintained through the establishment of detailed line-item budgets. Appropriated funds may not be expended for purposes other than those designated in the appropriation ordinance without authority from City Council. Expenditures plus encumbrances may not legally exceed appropriations at the level of appropriation adopted by City Council. City Council appropriations are made to personal services, travel and education, contractual services, supplies and materials, capital outlay, other expenditures, debt principal and interest payments, and transfer accounts for each department. Capital projects funds are appropriated by department or project. The appropriations set by City Council must remain fixed unless amended by City Council ordinance. More detailed appropriation allocations may be made by the Finance Director as long as the allocations are within City Council's appropriated amount.

vii. Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations at the legal level of budgetary control.

On the GAAP basis, encumbrances outstanding at year end are reported as assigned, committed, or restricted fund balances for subsequent-year expenditures for governmental funds.

F. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts and nonnegotiable certificate of deposits are reported at cost. See Note 4 for specific disclosures relating to investments.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but the City has adopted Governmental Accounting Standards Board (GASB),

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV that approximates fair value.

For the year ended 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Interest allocation is determined by the Ohio Constitution, State statutes, and local ordinances adopted under City Charter. Under these provisions, City funds required to receive interest allocations are: 1) those which receive proceeds from the sale of notes and/or bonds and 2) those which receive distributions of state gasoline tax and motor vehicle licenses fees (street maintenance and state highway special revenue funds). All remaining interest is allocated to the general fund. Legally, proprietary funds generally do not receive interest. Interest revenue credited to the general fund during 2019 amounted to \$485,279.

G. Inventory

Inventories of all funds are stated at cost which is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as expenditures in the governmental fund types and as expenses in the proprietary fund type when used.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2019, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which it was consumed. The City did not report any prepaid assets for 2019.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The City maintains a capitalization threshold of five thousand dollars. The City's infrastructure consists of bridges, culverts, curbs, sidewalks, storm sewers, streets, irrigation systems and water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of enterprise capital assets is also capitalized.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5 to 45 years
Buildings and Improvements	5 to 50 years
Machinery and Equipment	5 to 30 years
Vehicles	10 to 15 years
Infrastructure	18 to 100 years

J. Interfund Balances

On fund financial statements, interfund loans are classified as “interfund receivable/payable” on the balance sheet. Long-term interfund loans are classified as “advances to/from other funds” on the balance sheet and are equally offset as part of nonspendable fund balance which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances. The City reported interfund balances for 2019 in the amount of \$270,000.

K. Compensated Absences

The City reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the City’s termination policy. Additionally, certain salary related payments associated with the payment of compensated absences have been accrued.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

L. Payables, Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, and compensated absences 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 and long-term loans are recognized as a liability on the fund financial statements when due.

M. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when limitations are imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sewer, fitness center, and other proprietary programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

O. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

P. Deferred Charge on Refunding

The difference between the reacquisition price (funds required to refund the old debt) of various refunding bonds and the net carrying amount of the old debt, the deferred amount (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old debt or the life of the new debt whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

Q. Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are receipted in the year the bonds are issued.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

R. Estimates

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

S. Capital Contributions

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction and from contributions from governmental funds. During 2019, the City received \$2,232,804 in governmental activities contributed capital donated from outside entities.

T. Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Assigned: Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance.

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

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

U. Pensions/Other Postemployment Benefits (OPEB)

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

Note 3: Budgetary Basis of Accounting

While 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 is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statements of revenues, expenditures, and changes in fund balance – budget (non-GAAP budgetary basis) are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budgetary basis and the GAAP basis are identified as follows:

- (a) Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis).
- (b) Expenditures/Expenses are recorded when paid in cash (budgetary basis) as opposed to when the liability is incurred (GAAP basis).
- (c) Encumbrances are treated as expenditures (budgetary basis) rather than a restricted, committed, or assigned fund balance (GAAP basis).

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and street construction, maintenance, and repair fund.

	Net Change in Fund Balance	
	General	Street Construction, Maintenance and Repair
GAAP Basis	\$ 800,144	\$ (46,332)
Net Adjustment for Revenue Accruals	(1,180,610)	(64,612)
Beginning Fair Value Adjustment	129,240	-
Ending Fair Value Adjustment	(86,839)	-
Net Adjustment for Expenditure Accruals	438,188	3,431
Adjustment for Encumbrances	(149,560)	(118,953)
Budget Basis	<u>\$ (49,437)</u>	<u>\$ (226,466)</u>

Note 4: Deposits and Investments

State statutes classify monies held by the City 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 City 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 monies identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

1. United States Treasury notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily.
4. Investment grade obligations of state and local governments, and public authorities.
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and,

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

6. The State Treasurer’s investment pool (STAROhio).
7. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity.

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the City’s deposits may not be returned to it. Protection of the City’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge as security for repayment of all public moneys.

At year-end, the carrying amount of the City’s deposits was \$5,053,724 and the bank balance was \$6,255,691. Of the bank balance, \$290,485 was covered by FDIC. The remaining uncovered balance of \$5,965,206 was collateralized with securities held by the pledging institution’s trust department, not in the City’s name.

Investments

Investments are reported at fair value. As of December 31, 2019, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity</u>
STAROhio	\$ 2,000,000	Less than One Year
Negotiable Certificates of Deposit	496,204	Less than One Year
Medium Term Note (FHLMC MTN)	634,746	Less than One Year
Commercial Paper	2,632,733	Less than One Year
Federal National Mortgage Association (FNMA)	749,992	Less than One Year
Money Market	426,350	Less than One Year
Medium Term Note (FHLMC MTN)	747,022	One to Five Years
Negotiable Certificates of Deposit	4,041,482	One to Five Years
Federal National Mortgage Association (FNMA)	350,399	One to Five Years
Federal Farm Credit Banks	726,828	One to Five Years
	<hr/>	
Total Portfolio	<u>\$ 12,805,756</u>	

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of December 31, 2019:

- Negotiable certificates of deposit, Treasury Notes, FHLB, FNMA, FNMAMTN, and FHLMCMTN are measured based on Level 2 inputs, using a matrix or model pricing method.
- STAR Ohio, Money market and Commercial paper is valued at amortized cost, which approximates fair value.

Interest Rate Risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk requiring that the City's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The City's investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. During 2019, no investments have been purchased with a life greater than five years.

Custodial Risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty.

The City has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires securities shall be delivered into the custody of the Finance Director or governing board or an agent designated by the Finance Director or governing board. All financial institutions and broker/dealers who desire to become qualified for investment transactions with the City must meet a set of prescribed standards and be periodically reviewed.

Credit Risk is addressed by the City's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The Federal Home Loan Bank bonds, Federal National Mortgage Association bonds, Federal National Mortgage Association Medium Term Note, and Federal Home Loan Mortgage Corporation Medium Term Note all carry a rating of Aaa by Standard & Poor's. The commercial paper carries a rating of P1 by Standard & Poor's. Star Ohio carries a rating AAA by Standard & Poor's. The negotiable certificate of deposits and money market are unrated.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Concentration of Credit Risk is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer. The City's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the City's allocation as of December 31, 2019:

	<u>Fair Value</u>
STAROhio	15.62%
Negotiable Certificates of Deposit	3.88%
Medium Term Note (FHLMC MTN)	4.96%
Commercial Paper	20.55%
Federal National Mortgage Association (FNMA)	5.86%
Money Market	3.33%
Medium Term Note (FHLMC MTN)	5.83%
Negotiable Certificates of Deposit	31.56%
Federal National Mortgage Association (FNMA)	2.74%
Federal Farm Credit Banks	5.68%
	<hr/>
Total Portfolio	<u>100.00%</u>

Note 5: Receivables

A. Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Real property taxes collected in 2019 are levied after October 1, 2018, on assessed value as of January 1, 2018, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. The last reappraisal was completed for tax year 2014 affecting collections beginning in 2015.

Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 88 percent of cost). Public utility property taxes paid in 2019 that became a lien on December 31, 2018, are levied after October 1, 2018, and are collected in 2019 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2019, was \$1.91 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2019 property tax receipts were based are as follows:

	2019	
	Half Collections	
	<u>Amount</u>	<u>Percent</u>
Real Property Valuation:		
Residential/Agricultural	\$ 451,619,230	70.54%
Commercial/Industrial/Mineral	176,481,170	27.56%
Tangible Personal Property Valuation:		
Public Utilities	<u>12,173,910</u>	<u>1.90%</u>
Total Valuation	<u>\$ 640,274,310</u>	<u>100.00%</u>

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

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 later 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.

B. Municipal Income Taxes

The City levies and collects a municipal income tax of two percent on all income earned within the City as well as on income of residents earned outside the City. In the latter case, the City allows a credit of 100 percent of the tax paid to another municipality, not to exceed the amount owed. Employers within the City are required to withhold municipal income tax on employee earnings and remit the tax to the City at least quarterly.

Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

C. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

Governmental Activities:	
Gasoline, Excise Tax & State Highway Distributions	\$ 409,967
Local Government	126,451
Homestead and Rollback	60,972
Miscellaneous	26,151
Permissive	<u>25,347</u>
Total Governmental Activities	<u>\$ 648,888</u>

Note 6: Risk Management

A. Property and Liability

The City maintains comprehensive insurance coverage with private insurance carriers for real property, building contents, vehicle and general liability insurance, and police professional liability insurance. By maintaining comprehensive insurance coverage with private carriers, the City has addressed these various types of risk. There were no reductions in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three years.

B. Health Insurance Benefits

The City continues to carry health insurance through Medical Mutual of Ohio (Medical Mutual). The City pays a monthly premium from the general fund, sewer fund, Gleneagles golf fund, and fitness center fund for each employee that varies according to which fund the employees' salary is paid.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

The claims liability of \$195,092 reported in the funds at December 31, 2019, was estimated by reviewing current claims and is based on the requirements of GASB No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claims adjustment expenses.

Changes in the fund's claims liability amount were:

<u>Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2019	\$ 157,938	\$ 200,996	\$ 163,842	\$ 195,092
2018	450,026	126,313	418,401	157,938

C. Workers' Compensation Program

The City is approved for self-insurance status by the Bureau of Workers' Compensation and administers its own workers' compensation program (the program). Liabilities of the fund are reported when an employee injury has occurred, it is probable that a claim will be filed under the program, and the amount of the claim can be reasonably estimated.

The claims liability of \$18,350 is reported in governmental activities and is based on the requirements of Governmental Standards Board No. 30, which requires a liability for the unpaid claims costs, including estimates of costs relating to incurred but not report claims, be reported. Changes in the claims liability amount in 2019 and 2018 were as follows:

<u>Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2019	\$ 46,095	\$ -	\$ 27,745	\$ 18,350
2018	47,643	-	1,548	46,095

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Note 7: Capital Assets

Capital asset activity for government the year ended December 31, 2019, was as follows:

	Balance 12/31/18	Additions	Reductions	Balance 12/31/19
<i>Governmental Activities:</i>				
Capital assets not being depreciated:				
Land	\$ 23,712,390	\$ 121,669	\$ (203,414)	\$ 23,630,645
Capital assets being depreciated:				
Land improvements	3,600,295	235,717	-	3,836,012
Buildings and improvements	10,681,101	-	-	10,681,101
Machinery and equipment	6,469,517	401,682	(15,170)	6,856,029
Vehicles	8,116,767	32,263	(323,129)	7,825,901
Infrastructure:				
Roads	65,352,441	2,446,370	(476,281)	67,322,530
Water mains	35,992,246	459,145	-	36,451,391
Storm sewers and culverts	42,490,374	812,861	-	43,303,235
Traffic signs and signals	1,684,539	-	-	1,684,539
Streetlights	1,810,682	56,993	(4,535)	1,863,140
Total capital assets being depreciated	176,197,962	4,445,031	(819,115)	179,823,878
Less Accumulated depreciation				
Land improvements	(1,850,710)	(105,999)	-	(1,956,709)
Buildings and improvements	(4,937,264)	(223,417)	-	(5,160,681)
Machinery and equipment	(4,402,766)	(259,844)	15,170	(4,647,440)
Vehicles	(4,845,852)	(388,352)	323,129	(4,911,075)
Infrastructure:				
Roads	(27,454,614)	(2,156,457)	456,868	(29,154,203)
Water mains	(7,868,669)	(365,720)	-	(8,234,389)
Storm sewers and culverts	(13,178,781)	(719,901)	-	(13,898,682)
Traffic signs and signals	(1,097,343)	(63,744)	-	(1,161,087)
Streetlights	(1,368,052)	(47,483)	2,792	(1,412,743)
Total accumulated depreciation	(67,004,051)	(4,330,917)	797,959	(70,537,009)
Capital assets being depreciated, net	109,193,911	114,114	(21,156)	109,286,869
Governmental activities capital assets, net	\$ 132,906,301	\$ 235,783	\$ (224,570)	\$ 132,917,514

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 105,619
Security of Persons and Property	535,636
Transportation	2,411,594
Leisure Time Activities	214,708
Community Development	<u>1,063,360</u>
 Total Depreciation Expense	 <u><u>\$ 4,330,917</u></u>

	<u>Balance 12/31/2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2019</u>
<i>Business-Type Activities</i>				
Capital assets not being depreciated:				
Land	\$ 2,596,350	\$ -	\$ -	\$ 2,596,350
Total capital assets not being depreciated	<u>2,596,350</u>	<u>-</u>	<u>-</u>	<u>2,596,350</u>
Capital assets being depreciated:				
Land Improvements	3,813,459	-	-	3,813,459
Buildings & Improvements	32,052,030	50,785	-	32,102,815
Machinery & Equipment	5,053,869	36,660	(113,601)	4,976,928
Vehicles	787,616	-	-	787,616
Infrastructure:				
Sewer Lines	35,546,773	1,113,715	-	36,660,488
Total capital assets being depreciated	<u>77,253,747</u>	<u>1,201,160</u>	<u>(113,601)</u>	<u>78,341,306</u>
Less Accumulated depreciation				
Land Improvements	(304,451)	(87,244)	-	(391,695)
Buildings & Improvements	(12,382,122)	(730,639)	-	(13,112,761)
Machinery & Equipment	(2,932,321)	(224,184)	110,549	(3,045,956)
Vehicles	(515,537)	(33,570)	-	(549,107)
Infrastructure:				
Sewer Lines	(9,442,072)	(472,919)	-	(9,914,991)
Total accumulated depreciation	<u>(24,210,349)</u>	<u>(1,548,556)</u>	<u>110,549</u>	<u>(27,014,510)</u>
Capital assets being depreciated, net	<u>44,971,771</u>	<u>(347,396)</u>	<u>(3,052)</u>	<u>51,326,796</u>
Business-Type activities capital assets, net	<u>\$ 51,122,689</u>	<u>\$ (347,396)</u>	<u>\$ (3,052)</u>	<u>\$ 53,923,146</u>

Note 8: Accountability

The City had deficit balances in the following funds at December 31, 2019:

Nonmajor Governmental Funds:	<u>Deficit</u>
Fire Pension	\$ 25,090
Police Pension	25,304

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

The fire pension and police pension fund deficits are the result of the recognition of liabilities in accordance with generally accepted accounting principles.

Note 9: Contingencies/Pending Litigation

The City is a party to various legal proceedings. The City's management is of the opinion that the ultimate outcome of such litigation will not have a material adverse effect on the City's financial position.

For the period January 1, 2019, to December 31, 2019, the City received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowances, if any, would be immaterial.

Note 10: Long-Term Obligations

The original issue date, interest rates and issuance amount for each of the City's bonds and loans follows:

	<u>Original Issue Date</u>	<u>Original Interest Rate</u>	<u>Original Issue Amount</u>
<i>Governmental Activities:</i>			
General Obligation Bonds:			
Park land and conservation refunding,	2011A	2.00% - 4.88%	\$6,455,000
senior citizens center, and golf course refunding	2011B	2.00% - 4.25%	3,115,000
Darrow road improvement refunding	2013	2.20%	1,888,500
Special Assessment Bonds:			
Liberty/Cannon/Chamberlin/Ravenna	2003	2.75% - 5.10%	310,000
Chamberlin waterline	2005	4.20% - 5.00%	62,000
Snow plow vehicles loan	2014	2.37%	506,045
OPWC Loans:			
Edgewood road improvements	2008	0.00%	344,925
Haverhill and Croyden road improvements	2009	0.00%	347,170
Post road improvements	2010	0.00%	895,653
Sunview drive improvements	2012	0.00%	631,912
Cobblestone Lane & Old Pond Lane improvement:	2013	0.00%	499,000
Warren Parkway improvements	2014	0.00%	288,000
Darrow road sanitary sewer replacement	2014	0.00%	203,109
Westwood Drive improvements	2014	0.00%	778,999
Hillsdale waterline and sewer improvements	2015	0.00%	412,098
Chamberlin sanitary	2015	0.00%	291,652
Rolling Acres improvements	2016	0.00%	891,131
Crestwood Waterline replacement	2017	0.00%	558,655
Joann & Lila Place reconstruction	2018	0.00%	340,009
<i>Business-Type Activities:</i>			
Long-Term Note:			
Gleneagles Golf Club Improvements	2019	1.98%	6,138,000
OPWC Loans:			
Darrow road improvements	2012	0.00%	84,834
Belmeadow drive and Serene Court	2013	0.00%	220,000
Darrow road SR91 sanitary replacement	2019	0.00%	403,026

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Bonded debt and other long-term obligations payable activity for the year ended December 31, 2019 was as follows:

	Balance 12/31/18	Additions	Deductions	Balance 12/31/19	Due in One Year
Governmental Activities:					
<i>General Obligation Bonds:</i>					
Park land and conservation refunding	\$ 1,710,000	\$ -	\$ (760,000)	\$ 950,000	\$ 790,000
Senior citizens center and golf course refunding	1,030,000	-	(335,000)	695,000	340,000
Darrow road improvement refunding	815,000	-	(200,000)	615,000	200,000
Premium on general obligation bonds	125,780	-	(41,927)	83,853	41,927
Total General Obligation Bonds	3,680,780	-	(1,336,927)	2,343,853	1,371,927
<i>Special Assessment Bonds:</i>					
Liberty/Cannon/Chamberlin/Ravenna	75,000	-	(15,000)	60,000	15,000
Chamberlin Waterline	23,000	-	(3,000)	20,000	3,000
Total Special Assessment Bonds:	98,000	-	(18,000)	80,000	18,000
<i>Other Long-Term Obligations:</i>					
OPWC Loans:					
CH10L Edgewood road improvements	264,443	-	(11,498)	252,945	11,498
CH19M Haverhill and Croyden road improvements	266,164	-	(11,572)	254,592	11,572
CH04N Post road improvements	731,450	-	(29,855)	701,595	29,855
CH02O Sunview drive improvements	526,593	-	(21,064)	505,529	21,064
CH06P Cobblestone Lane and Old Pond Lane improvements	432,467	-	(16,633)	415,834	16,633
CH09Q Warren Parkway improvements	259,200	-	(9,600)	249,600	9,600
CH08Q Darrow road sanitary sewer	186,183	-	(6,770)	179,413	6,770
CH11Q Westwood Drive improvements	688,116	-	(25,967)	662,149	25,967
CH05R Hillsdale waterline and sewer improvements	384,625	-	(13,737)	370,888	13,737
CH06S Chamberlin sanitary	272,209	-	(9,722)	262,487	9,722
CH03S Rolling Acres improvements	1,066,917	-	(36,167)	1,030,750	36,167
CH04T Crestwood Waterline Replacement	558,655	2,501	(9,352)	551,804	18,706
CH07U Joann & Lila Place reconstruction	340,009	57,686	(6,628)	391,067	13,257
Capital lease payable	653,295	-	(320,291)	333,004	204,096
Claims Payable	46,095	-	(27,745)	18,350	-
Accrued Compensated Absences	1,997,974	363,150	(482,840)	1,878,284	449,332
Total Other Long-Term Obligations	8,674,395	423,337	(1,039,441)	8,058,291	877,976
Total Before Net Pension & OPEB Liability	12,453,175	423,337	(2,394,368)	10,482,144	2,267,903
<i>Net Pension Liability:</i>					
OPERS	6,636,406	5,250,542	-	11,886,948	-
OP&F	16,608,680	4,541,298	-	21,149,978	-
Total Net Pension Liability	23,245,086	9,791,840	-	33,036,926	-
<i>Net OPEB Liability:</i>					
OPERS	4,501,214	1,029,146	-	5,530,360	-
OP&F	15,332,469	-	(12,972,902)	2,359,567	-
Total Net OPEB Liability	19,833,683	1,029,146	(12,972,902)	7,889,927	-
Total Governmental Long-Term Obligations	\$ 55,531,944	\$ 11,244,323	\$ (15,367,270)	\$ 51,408,997	\$ 2,267,903

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

	Balance 12/31/18	Additions	Deductions	Balance 12/31/19	Due in One Year
Business-Type Activities:					
<i>Long-Term Note:</i>					
Gleneagles Golf Club Improvements	\$ 6,138,000	\$ 6,138,000	\$ (6,138,000)	\$ 6,138,000	\$ -
<i>Other Long-Term Obligations:</i>					
CH04P Darrow road improvements	70,695	-	(2,828)	67,867	2,828
CH05P BelmeadowDrive/Serene Court	187,000	-	(7,333)	179,667	7,333
CH05U Darrow Road SR91 Sanitary Replacement	-	403,026	-	403,026	6,717
Accrued Compensated Absences	337,972	137,471	(138,334)	337,109	140,826
Total Other Long-Term Obligations	595,667	540,497	(148,495)	987,669	157,704
Total Before Net Pension & OPEB Liabilities	6,733,667	6,678,497	(6,286,495)	7,125,669	157,704
<i>Net Pension Liability:</i>					
OPERS	3,374,930	2,260,674	-	5,635,604	-
<i>Net OPEB Liability:</i>					
OPERS	2,289,084	332,861	-	2,621,945	-
Total Net Pension & OPEB Liabilities	5,664,014	2,593,535	-	8,257,549	-
Total Business-Type Long-Term Obligations	\$ 12,397,681	\$ 9,272,032	\$ (6,286,495)	\$ 15,383,218	\$ 157,704

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2019 were as follows:

Year Ending 12/31	Governmental Activities						Business Type Activities
	General Obligation Bonds		Special Assessment Bonds		OPWC	OPWC	
	Principal	Interest	Principal	Interest	Principal	Principal	
2020	\$ 1,330,000	\$ 84,718	\$ 18,000	\$ 4,060	\$ 224,546	\$ 16,878	
2021	720,000	32,018	18,000	3,145	224,546	23,595	
2022	210,000	4,620	18,000	2,230	224,545	23,595	
2023	-	-	18,000	1,315	224,546	23,595	
2024	-	-	4,000	400	224,546	23,595	
2025 - 2029	-	-	4,000	200	1,122,730	117,975	
2030 - 2034	-	-	-	-	1,122,730	117,975	
2035 - 2039	-	-	-	-	1,122,733	117,978	
2040 - 2044	-	-	-	-	987,676	111,481	
2045 - 2049	-	-	-	-	350,055	67,170	
2050	-	-	-	-	-	6,723	
Total	\$ 2,260,000	\$ 121,356	\$ 80,000	\$ 11,350	\$ 5,828,653	\$ 650,560	

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

As of December 31, 2019, the City's future governmental activities and business-type debt service requirements consisted of bonds payable at various interest rates, 16 non-interest bearing Ohio Public Works Commission (OPWC) loans numbered CH10L, CH19M, CH04N, CH02O, CH06P, CH09Q, CH04P, CH11Q, CH05R, CH06S, CH03S, CH04T, CH07U, CH04P, CH05P, and CH05U, capital leases, claims and compensated absences.

General obligation bonds will be paid from the bond retirement debt service fund and park debt service fund. Special assessment bonds are payable from the proceeds of assessments levied against the specific property owners who primarily benefited from the project. Special assessment monies will be received in, and the debt will be retired through, the special assessment bond retirement debt service fund. In the event that property owners fail to make their special assessment payments, the City is responsible for providing the resources to meet the annual principal and interest payments.

OPWC loans will be paid semi-annually from the bond retirement debt service fund. These loans are repaid with municipal income tax monies.

Compensated absences will be paid from the fund which the employees' salaries are paid. See Note 11 for further detail on capital leases.

In 2011, the City defeased a portion of various general obligation bonds and the City's ODOT loan in order to take advantage of lower interest rates. The proceeds of the new bonds and loan were placed in an irrevocable trust to provide for all future debt service payments on the refunded portion of the various general obligation bonds and ODOT loan.

On April 16, 2013, the City issued \$1,888,500 in general obligation bonds for the purpose of refunding various general obligation bonds in order to take advantage of lower interest rates. Proceeds of \$1,888,500 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the various general obligation bonds. The City decreased its total debt service payments by \$201,638 as a result of the refunding. The City also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$181,151.

During 2013, the City obtained an OPWC loan for the Cobblestone Lane and Old Pond Lane reconstruction in the amount of \$499,000, payable in semi-annual payments of \$8,317, at zero percent interest for 30 years. The amounts are included in the amortization table above.

The City also obtained an OPWC loan for the Darrow Road sanitary sewer replacement project and the Warren Parkway improvement project in the amount of \$203,109 and \$778,999, respectively. These loans will be payable in semi-annual payments of \$3,385 and 25,967, respectively, at zero percent interest for 30 years. The amounts are included in the amortization table above.

During 2015, the City obtained an OPWC loan for the Hillsdale improvement project and Chamberlin Sanitary improvement project in the amount of \$412,099 and \$291,652, respectively. These loans will be payable in semi-annual payments of \$13,737 and 9,722, respectively, at zero percent interest for 30 years. The amounts are included in the amortization table above.

At December 31, 2018, the City obtained proceeds for the OPWC loan related to the Rolling Acres improvement project in the amount of \$1,085,000. The loan will be repaid in semi-annual principal payments of \$36,167. The amounts are included in the amortization table above.

At December 31, 2018, the City obtained partial proceeds for the OPWC loan related to the Crestwood Waterline Replacement and the Joann & Lila Place Reconstruction projects. These loans will be repaid in semi-annual principal payments. The amounts are included in the amortization table above.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

During 2019, the City obtained proceeds for the OPWC loan related to the Darrow Road SR91 sanitary replacement project in the amount of \$403,026. The loan will be repaid in semi-annual principal payments of \$6,717. The amounts are included in the amortization table above.

On March 1, 2019, the City issued bond anticipation notes in the amount of \$6,138,000 with an interest rate of 1.198 percent, maturing on February 27, 2020. The notes were issued for the purpose of paying costs of constructing, furnishing, and equipping a new clubhouse at the City's Gleneagles Golf Club.

Note 11: Lease Obligations

The City has entered into multiple lease agreements as a lessee for financing various equipment and vehicles. These lease agreements qualify as operating and capital leases. For accounting purposes, capital leases have been recorded at the present value of its future minimum lease payments as of inception date.

Governmental capital assets acquired by a capital lease have been capitalized as vehicles in the amount of \$1,115,151. Accumulated depreciation as of December 31, 2019 for the vehicles and equipment was \$298,997, leaving a current book value of \$816,154.

Business-type capital assets acquired by these leases have been capitalized as equipment in the amount of \$113,600, accumulated depreciation as of December 31, 2019, for the equipment was \$82,730, leaving a current book value of \$30,870 for equipment.

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

Year Ending December 31,	Capital Lease	Operating Lease
	Governmental Lease Payments	Business-Type Lease Payments
2020	\$ 204,096	\$ 45,720
2021	128,908	45,720
2022	-	32,078
Total Minimum Lease Payments	333,004	123,518
Less: Amount Representing Interest	11,394	-
Present Value of Minimum Lease Payments	<u>\$ 344,398</u>	<u>\$ 123,518</u>

Note 12: Compensated Absences

Accumulated unpaid vacation is accrued when earned and is normally paid in the first three months of the subsequent calendar year. In accordance with the Codified Ordinances of the City, unused vacation pay cannot be carried over from year to year. Accordingly, all accrued vacation pay is considered to be due within one year. City employees are paid for earned, unused vacation leave at the time of the termination of their employment.

Sick leave is earned at the rate of ten hours per month for full-time employees and 4.6 hours per eighty hours worked by part-time employees. Each employee with the City is paid for up to 180 days or a maximum of 1,440 hours for Ohio Public Employment Retirement System (OPERS) employees and 1,740 hours for Ohio Police and Fire Pension Fund (OP&F) employees, upon retirement from the City, and 30 years of service for OPERS employees and 20 years of service for retiring police employees. Individuals leaving the employment of the City prior to retirement lose their accumulated sick leave.

Note 13: Defined Benefit Pension Plans

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Net Pension Liability/Asset

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

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

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

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan and the Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the Member-Directed Plan and the Combined Plan, substantially all employee members are in OPERS' Traditional Pension Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional Pension Plan. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the Traditional Pension Plan as per the reduced benefits adopted by SB 343 (see OPERS CAFR referenced above for additional information):

Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

A factor of 1.25% is applied to years of service in excess of 30. The benefit formula for transition Group C applies a factor of 1.0% to the member's FAS for the first 35 years of service and a factor of 1.25% is applied to years in excess of 35. Persons retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. The defined contribution portion of the benefit is based on accumulated member contributions plus or minus any investment gains or losses on those contributions.

Members retiring under the Combined Plan receive a cost-of-living adjustment on the defined benefit portion of their retirement benefit. For those who retired prior to January 7, 2013, current law provides for a 3% cost-of-living adjustment. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the adjustment will be based on the average percentage increase in the Consumer Price Index, capped at 3%.

Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20% each year. For additional information, see the Plan Statement in the OPERS CAFR.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>
2019 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee	10.0 %
2019 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits	0.0 %
Total Employer	<u>14.0 %</u>
Employee	<u>10.0 %</u>

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Authority’s contractually required contributions for the traditional plan and combined plan for 2019 were \$1,263,987 and \$41,561, respectively. 100% has been contributed for 2019. Of the traditional plan amount for 2019, \$90,813 is reported as intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position.

The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.50% for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index (CPI) over the 12-month period ending on September 30 of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013 is equal to three percent of their base pension or disability benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2019 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2019 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$1,228,765 for 2019. Of this amount, \$148,002 is reported as intergovernmental payable.

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

The net pension asset and liability were measured as of December 31, 2018, and the total pension asset and liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of that date. The Authority's proportions of the net pension asset and liability were based on the Authority's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

OP&F's total pension liability was measured as of December 31, 2018 and was determined by rolling forward the total pension liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.06381500%	0.06627100%	0.27061200%	
Proportion of the net pension liability/asset current measurement date	<u>0.06397900%</u>	<u>0.06590100%</u>	<u>0.25910700%</u>	
Change in proportionate share	<u>0.00016400%</u>	<u>-0.00037000%</u>	<u>-0.01150500%</u>	
Proportionate share of the net pension liability	\$ 17,522,552	\$ -	\$ 21,149,978	\$ 38,672,530
Proportionate share of the net pension asset	-	73,693	-	73,693
Pension expense	3,928,257	19,926	2,375,552	6,323,735

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OP&F	Total
Deferred outflows of resources				
Differences between expected and actual experience	\$ 808	\$ -	\$ 868,970	\$ 869,778
Net difference between projected and actual earnings on pension plan investments	2,378,300	15,875	2,605,660	4,999,835
Changes of assumptions	1,525,382	16,459	-	1,541,841
Changes in employer's proportionate percentage/difference between employer contributions	119,335	282	333,263	452,880
City contributions subsequent to the measurement date	1,263,987	41,561	1,228,765	2,534,313
Total deferred outflows of resources	\$ 5,287,812	\$ 74,177	\$ 5,036,658	\$ 10,398,647

	OPERS - Traditional	OPERS - Combined	OP&F	Total
Deferred inflows of resources				
Differences between expected and actual experience	\$ 230,082	\$ 30,098	\$ 19,763	\$ 279,943
Changes in employer's proportionate share/difference between employer contributions	4,837	1,688	556,545	563,070
Total deferred inflows of resources	\$ 234,919	\$ 31,786	\$ 576,308	\$ 843,013

\$2,534,313 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS - Traditional	OPERS - Combined	OP&F	Total
Year Ending December 31:				
2020	\$ 1,686,201	\$ 2,247	\$ 1,103,327	\$ 2,791,775
2021	775,986	(924)	533,552	1,308,614
2022	220,634	(589)	612,821	832,866
2023	1,106,085	4,381	958,223	2,068,689
2024	-	(2,143)	23,662	21,519
Thereafter	-	(2,142)	-	(2,142)
Total	\$ 3,788,906	\$ 830	\$ 3,231,585	\$ 7,021,321

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Actuarial Assumptions - OPERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2018, are presented below:

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2018, then 2.15% simple
Investment rate of return	7.20%
Actuarial cost method	Individual entry age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

During 2018 OPERS manage investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan. Within the defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first on the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was a loss of 2.94% for 2018.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	23.00 %	2.79 %
Domestic equities	19.00	6.21
Real estate	10.00	4.90
Private equity	10.00	10.81
International equities	20.00	7.83
Other investments	18.00	5.50
Total	100.00 %	5.95 %

Discount Rate The discount rate used to measure the total pension liability was 7.2% for the Traditional Pension Plan, Combined Plan and Member-Directed Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Authority's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.2 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 25,885,903	\$ 17,522,552	\$ 10,572,530
Combined Plan	(24,383)	(73,693)	(109,396)
Total	\$ 25,861,520	\$ 17,448,859	\$ 10,463,134

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2018 is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future.

Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations.

Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2017, are presented below:

Valuation date	1/1/18 with actuarial liabilities rolled forward to 12/31/18
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25%
Inflation assumptions	2.75%
Cost of living adjustments	2.20% and 3.00% simple

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2017. The recommended assumption changes based on this experience study were adopted by OP&F’s Board and were effective beginning with the January 1, 2018 actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in OP&F’s Statement of Investment Policy. A forecasted rate of inflation serves as a baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018 are summarized below:

Asset Class	Target Allocation	10 Year Expected Real Rate of Return **	30 Year Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %	0.80 %
Domestic Equity	16.00	5.30	5.50
Non-US Equity	16.00	6.10	5.90
Private Markets	8.00	8.40	8.40
Core Fixed Income *	23.00	2.20	2.60
High Yield Fixed Income	7.00	4.20	4.80
Private Credit	5.00	8.30	7.50
US Inflation Linked Bonds*	17.00	1.30	2.30
Master Limited Partnerships	8.00	6.70	6.40
Real Assets	8.00	7.00	7.00
Private Real Estate	12.00	5.70	6.10
Total	120.00 %		

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability/asset was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability/asset.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$ 27,800,188	\$ 21,149,978	\$ 15,592,767

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Note 14: Defined Benefit Other Postemployment Benefit (OPEB) Plans

Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, health care is not being funded.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2018, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2019 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2019.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment healthcare plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. OP&F provides health care benefits including coverage for medical, prescription drug, dental, vision, and Medicare Part B Premium to retirees, qualifying benefit recipients and their eligible dependents.

OP&F provides access to postretirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. There is one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. An Internal Revenue Code 401(h) account is maintained for Medicare Part B reimbursements.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For 2019, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Beginning January 1, 2019, OP&F is changing its retiree health care model and the current self-insured health care plan will no longer be offered. In its place is a stipend-based health care model. A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses.

The City's contractually required contribution to OP&F was \$29,108 for 2019. Of this amount, \$3,507 is reported as intergovernmental payable.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2018 and was determined by rolling forward the total OPEB liability as of January 1, 2018, to December 31, 2018. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.06253000%	0.27061200%	
Proportion of the net OPEB liability current measurement date	<u>0.06252900%</u>	<u>0.25910700%</u>	
Change in proportionate share	<u>-0.00000100%</u>	<u>-0.01150500%</u>	
Proportionate share of the net OPEB liability	\$ 8,152,305	\$ 2,359,567	\$ 10,511,872
OPEB expense	\$ 788,738	\$ (11,852,272)	\$ (11,063,534)

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 2,760	\$ -	\$ 2,760
Net difference between projected and actual earnings on pension plan investments	373,735	79,875	453,610
Changes of assumptions	262,840	1,223,085	1,485,925
Changes in employer's proportionate share/ difference between employer contributions	54,592	133,885	188,477
City contributions subsequent to the measurement date	-	29,108	29,108
Total deferred outflows of resources	<u>\$ 693,927</u>	<u>\$ 1,465,953</u>	<u>\$ 2,159,880</u>

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 22,119	\$ 63,218	\$ 85,337
Changes of assumptions	-	653,240	653,240
Changes in employer's proportionate percentage/difference between employer contributions	72	511,409	511,481
Total deferred inflows of resources	\$ 22,191	\$ 1,227,867	\$ 1,250,058

\$29,108 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2020	\$ 342,174	\$ 43,276	\$ 385,450
2021	79,727	43,276	123,003
2022	61,560	43,278	104,838
2023	188,275	67,437	255,712
2024	-	29,348	29,348
Thereafter	-	(17,637)	(17,637)
Total	\$ 671,736	\$ 208,978	\$ 880,714

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2017, rolled forward to the measurement date of December 31, 2018. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.96 percent
Prior Measurement date	3.85 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	3.71 percent
Health Care Cost Trend Rate	10.0 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006.

The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2018, OPERS managed investments in three investment portfolios: The Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio is a loss of 5.6 percent for 2018.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

The allocation of investment assets with the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The table below displays the Board-approved asset allocation policy for 2018 and the long-term expected real rates of return:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	34.00 %	2.42 %
Domestic Equities	21.00	6.21
Real Estate Investment Trust	6.00	5.98
International Equities	22.00	7.83
Other investments	17.00	5.57
Total	100.00 %	5.16 %

Discount Rate A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 3.71%.

The projection of cash flows used to determine this single discount rate assumed contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through the year 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.96 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.96 percent) or one-percentage-point higher (4.96 percent) than the current rate:

	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
City's proportionate share of the net OPEB liability	\$ 10,429,770	\$ 8,152,305	\$ 6,341,025

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2019 is 10.0 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.25 percent in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 7,836,084	\$ 8,152,305	\$ 8,516,395

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018 and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements, and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2018, with actuarial liabilities rolled forward to December 31, 2018
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Single discount rate:	
Current measurement date	3.85 percent
Prior measurement date	3.24 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five-year period ended December 31, 2016, the prior experience study was completed December 31, 2011.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2018, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	-	0.80 %
Domestic Equity	16.00	5.50
Non-US Equity	16.00	5.90
Private Markets	8.00	8.40
Core Fixed Income*	23.00	2.60
High Yield	7.00	4.80
Private Credit	5.00	7.50
U.S. Inflation Linked Bonds*	17.00	2.30
Master Limited Partnerships	8.00	6.40
Real Assets	8.00	7.00
Private Real Estate	12.00	6.10
Total	120.00 %	

Note: Assumptions are geometric.

*levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - Total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from members would be computed based on contribution requirements as stipulated by state statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return 8.00 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 4.13 percent at December 31, 2018 and 3.16 percent at December 31, 2017 was blended with the long-term rate of 8.00 percent, which resulted in a blended discount rate of 4.66 percent.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate Net OPEB liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following table presents the net OPEB liability calculated using the discount rate of 4.66 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 3.66 percent, or one percentage point higher, 5.66 percent, than the current rate:

	1% Decrease (3.66%)	Current Discount Rate (4.66%)	1% Increase (5.66%)
City's proportionate share of the net OPEB liability	\$ 2,874,596	\$ 2,359,567	\$ 1,927,244

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate Net OPEB liability is sensitive to changes in the health care cost trend rate. The trend rate is the annual rate at which the cost of covered medical services is assumed to increase from the current year to the next year. Beginning in 2017, the per-capita costs are assumed to change by the following percentages each year:

Year	Non-Medicare	Non-AARP	AARP	Rx Drug	Medicare Part B
2017	-0.47%	-2.50%	4.50%	-0.47%	5.20%
2018	7.00%	7.00%	4.50%	7.00%	5.10%
2019	6.50%	6.50%	4.50%	6.50%	5.00%
2020	6.00%	6.00%	4.50%	6.00%	5.00%
2021	5.50%	5.50%	4.50%	5.50%	5.00%
2022	5.00%	5.00%	4.50%	5.00%	5.00%
2023 and Later	4.50%	4.50%	4.50%	4.50%	5.00%

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Note 15: Fund Balances

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

Fund Balances	General	Street Construction Maintenance and Repair	Park Debt Service	Capital Improvement	Nonmajor Governmental	Total
<i>Nonspendable:</i>						
Inventory	\$ 147,722	\$ -	\$ -	\$ -	\$ -	\$ 147,722
Unclaimed Monies	4,450	-	-	-	-	4,450
<i>Total Nonspendable</i>	152,172	-	-	-	-	152,172
<i>Restricted for:</i>						
Debt Service Payments	-	-	34,095	-	-	34,095
Capital Improvements	-	-	-	-	240,216	240,216
Streets and Highways	-	1,712,729	-	-	787,650	2,500,379
Law Enforcement Education	-	-	-	-	94,597	94,597
<i>Total Restricted</i>	-	1,712,729	34,095	-	1,122,463	2,869,287
<i>Committed to:</i>						
Parks and Recreation	-	-	-	-	87,182	87,182
Employee Payout Reserve	-	-	-	-	107,234	107,234
Debt Service Payments	-	-	-	-	535,221	535,221
<i>Total Committed</i>	-	-	-	-	729,637	729,637
<i>Assigned to:</i>						
Capital Improvements	-	-	-	1,728,863	-	1,728,863
Encumbrances	149,560	-	-	-	-	149,560
Subsequent Year's Budget: Appropriation of Fund Balances	3,281,639	-	-	-	-	3,281,639
<i>Total Assigned</i>	3,431,199	-	-	1,728,863	-	5,160,062
<i>Unassigned (Deficit)</i>	9,517,493	-	-	-	(50,394)	9,467,099
<i>Total Fund Balances</i>	\$ 13,100,864	\$ 1,712,729	\$ 34,095	\$ 1,728,863	\$ 1,801,706	\$ 18,378,257

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Note 16: Interfund Transfers

Interfund transfers for the year ended December 31, 2019, consisted of the following:

	Transfers From	
	General Fund	Other Governmental Funds
Transfers To:		
General Fund	\$ -	\$ 9,000
Street Construction, Maintenance and Repair	500,000	-
Capital Improvement Fund	1,000,000	-
Fitness Center Fund	233,000	-
Golf Course Fund	646,600	-
	-	-
Other Governmental Funds	1,720,250	-
	<hr/>	<hr/>
Total Transfers	\$ 4,099,850	\$ 9,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and to provide additional resources for current operations or debt service.

Note 17: Other Significant Commitments

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

	<u>Encumbrances</u>
Governmental Funds:	
General Fund	\$ 149,560
Street Construction, Maintenance and Repair Fund	118,953
Capital Improvement Fund	139,134
Other Governmental Funds	413,826
	<hr/>
Total Governmental	\$ 821,473

Note 18: Tax Abatement Disclosures

As of December 31, 2019, the City of Twinsburg provides tax incentives under the Community Reinvestment Area (CRA) Program.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Real Estate tax abatements

Pursuant to Ohio Revised Code Chapter 3735, the City established a Community Reinvestment area in 1999, which included all land within the boundaries of the City of Twinsburg. The City of Twinsburg authorizes incentives through passage of public resolutions, based upon each business's investment criteria, and through a contractual application process with each business, including proof that the improvement has been made. The abatement equals an agreed upon percentage of the additional property tax resulting from the increase in assessed value because of the improvements.

The abatement is provided for an agreed upon time frame. The amount of the abatement is deducted from the recipient's property tax bill. The establishment of the Community Reinvestment Area gave the City the ability to maintain and expand business located in the City and created new jobs by abating or reducing assessed valuation of properties, resulting in abated taxes, from new or improved business real estate. During 2019, the City of Twinsburg contracted with the Twinsburg City School District for payments in lieu of taxes when required by Section 5709.82 of the Ohio Revised Code.

City Council's incentive criteria for decision making

The City of Twinsburg has offered tax incentives and CRA abatements to various businesses based upon substantial project investment into the City. The City considers projects that have at least a \$100,000 real estate investment into a property, along with the retention and creation of at least 10 jobs.

If the abated business materially fails to fulfill their obligations under their agreement, or if the City determines the certification as to delinquent taxes required by the agreement to be fraudulent, the City may terminate or modify the exemptions from taxation granted under their agreement and may require the repayment of the amount of taxes that would have been payable had the property not been exempted from taxation under their agreement.

For the year ended December 31, 2019, the City abated property taxes totaling \$377,151 under this program.

Pursuant to Section 5709.82 of the Ohio Revised Code, the City of Twinsburg and the Twinsburg City School District created various Community Reinvestment Area Compensation Agreements. These agreements state a reimbursement percentage of 35 percent municipal income tax revenue sharing with the Twinsburg City School District when new income tax collections exceed \$1 million dollars and the corresponding CRA abatement percentage on the project is greater than 50 percent.

The required amount of income tax dollars paid by the City to the Twinsburg City School District in 2019 was \$94,596.

Note 19: Discretely Presented Component Unit

Note A. Nature of Operations

The Twinsburg Community Improvement Corporation (TCIC) was incorporated as a non-profit organization in the state of Ohio, on July 1, 2013. The mission of the TCIC is to advance, encourage, and promote the industrial, economic, commercial, distribution, research, and civic development of the City of Twinsburg. The TCIC's basic programs include economic development and community development activities and the City of Twinsburg has designated the TCIC to as its agent for the Community Reinvestment Area and Twinsburg Occupancy programs.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Note B. Summary of Significant Accounting Policies

Basis of Accounting

The TCIC accounts for its revenues and related expenses on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America. Revenues are reported in the year earned. Costs and expenses are charged against revenues in the year to which the cost is applicable.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958, Financial Statements of Not-for-Profit Organizations. Under ASC 958, the TCIC is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Income Tax Status

The TCIC has filed for exemption from Federal income taxes as described under Internal Revenue Code (IRC) 501(c) (3). Therefore, no provision for income tax has been recorded in the accompanying financial statements.

Accounting principles generally accepted in the United States require management to evaluate tax positions taken by the TCIC and recognize a tax liability (or asset) if the TCIC has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the TCIC, and has concluded that as of December 31, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The TCIC is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The TCIC's Federal Return of Organization Exempt from Income Tax (federal Form 990) for 2016, 2017, and 2018 are subject to examination by the IRS, generally for three years after filing.

Estimates

In preparing financial statements in conformity with GAAP, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the TCIC considers all highly liquid instruments purchased with maturity of three months or less to be cash equivalents.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. It is the TCIC's policy to charge off uncollectible receivables when management determines the receivable will not be collected.

City of Twinsburg, Ohio

Notes to the Basic Financial Statements For the Year Ended December 31, 2019

Capital Assets

It is the policy of the TCIC to capitalize capital assets if the cost exceeds \$5,000, has a useful life of 3 years, and is not considered to be a normal repair or maintenance item.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services based on management estimates. Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the TCIC.

Restricted Without or With Donor Restrictions

Contributions received are recorded as increases in net assets without or with donor restrictions, depending on the revenue being comprised of any donor-imposed restrictions.

Unless specifically restricted by the donor, all contributions and grants are considered to be available for unrestricted use in the activities of the TCIC.

The Board of Trustees has discretionary control of the net assets without donor restrictions to use in the activities of the TCIC.

Note C. Liquidity

The TCIC's financial assets available within one year of the statement of financial position date for general expenditure consist only of cash and cash equivalents in the amount of \$156,206. Cash and cash equivalents are held in a business checking account and a money market savings account. Financial assets that are subject to donor restriction make them unavailable for general expenditure within one year of the statement of financial position date. As of December 31, 2019, the TCIC did not have any financial assets subject to donor restriction. The TCIC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note D. Land for Investment/Sale

The Corporation owns the land at 8949 Darrow Road, 2573 East Aurora Road, 2593 East Aurora Road, all of Twinsburg, Ohio 44087. The land is valued at its purchase price in the financial statements. The Corporation promotes the sale of this land in Summit County to prospective industrial clients.

Note E. Concentration of Risk

The TCIC maintains its cash at a local financial institution. The account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2019, the TCIC's entire cash balance is insured.

For the year ended December 31, 2019, the TCIC received 88 percent of its revenue from the City of Twinsburg.

City of Twinsburg, Ohio

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2019*

Note F. Debt

Long-term debt consists of the following as of December 31, 2019:

	<u>Amount</u>
Aurora Road Property Note	\$ 160,417
Less: Current Portion	<u>(55,000)</u>
Total Long-Term Debt	<u>\$ 105,417</u>

The Aurora Road Property Note was used to purchase property at 2573 and 2593 East Aurora Road, Twinsburg, OH 44087. The monthly payments are variable with a fixed principal payment of \$4,583 and interest rate of 2.75%. The note matures on November 7, 2022.

The aggregate maturities on long-term debt for the five years as of December 31, 2019, are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2020	\$ 55,000
2021	55,000
2022	<u>50,417</u>
Total	<u>\$ 160,417</u>

Note H. Insurance

The Corporation maintains property insurance through a private insurance carrier. The insurance was purchased in 2019 when the property was purchased. There have been no claims that exceeded coverage.

Note 20. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many counties, including the geographical area in which the City operates. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted to, amongst other provisions, provide emergence assistance for individuals, families and businesses affected by the coronavirus pandemic. It is unknown how long the adverse conditions with the coronavirus will last and what the complete financial effect will be to the City, however, the City has enough significant liquidity to survive.

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Ohio Public Employees Retirement System (OPERS) - Traditional Plan
Last Six Years (1)*

	2019	2018	2017	2016	2015	2014
City's Proportion of the Net Pension Liability (Asset)	0.0639790%	0.0638150%	0.0617640%	0.0633760%	0.6310700%	0.6310700%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 17,522,552	\$ 10,011,336	\$ 14,025,554	\$ 10,977,523	\$ 7,611,409	\$ 7,439,493
City's Covered Payroll	\$ 8,639,343	\$ 8,354,500	\$ 8,246,675	\$ 7,963,767	\$ 7,740,890	\$ 7,250,462
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	202.82%	119.83%	170.08%	137.84%	98.33%	102.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.70%	84.66%	77.25%	81.08%	86.45%	n/a

(1) Information prior to 2014 is not available.

Amounts presented as of the City's measurement date, which is the prior year end.

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Ohio Public Employees Retirement System (OPERS) - Combined Plan
Last Six Years (1)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability (Asset)	0.06590100%	0.06627100%	0.06630400%	0.06273000%	0.05865500%	0.05865500%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ (73,693)	\$ (90,216)	\$ (36,903)	\$ (30,526)	\$ (22,585)	\$ (6,155)
City's Covered Payroll	\$ 281,850	\$ 268,838	\$ 266,331	\$ 231,342	\$ 206,941	\$ 210,623
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	26.15%	33.56%	13.86%	13.20%	10.91%	2.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	126.64%	137.28%	116.55%	116.90%	114.83%	n/a

(1) Information prior to 2014 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Ohio Police and Fire Pension (OP&F)
Last Six Years (1)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City's Proportion of the Net Pension Liability (Asset)	0.25910700%	0.27061200%	0.26635800%	0.26254700%	0.25847900%	0.25847900%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 21,149,978	\$ 16,608,680	\$ 16,870,848	\$ 16,889,831	\$ 13,390,305	\$ 12,588,752
City's Covered Payroll	\$ 5,907,431	\$ 5,868,555	\$ 5,762,591	\$ 5,424,500	\$ 5,108,843	\$ 5,160,956
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	358.02%	283.01%	292.76%	311.36%	262.10%	243.92%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.07%	70.91%	68.36%	66.77%	71.71%	n/a

(1) Information prior to 2014 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System (OPERS)
Last Three Years (1)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.06252900%	0.06253000%	0.06097500%
City's Proportionate Share of the Net OPEB Liability	\$ 8,152,306	\$ 6,790,297	\$ 6,158,682
City's Covered Payroll	\$ 8,921,193	\$ 8,623,338	\$ 8,513,006
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.38%	78.74%	72.34%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.33%	54.14%	54.05%

(1) Information prior to 2017 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension (OP&F)
Last Three Years (1)*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's Proportion of the Net OPEB Liability	0.25910700%	0.27061200%	0.26635800%
City's Proportionate Share of the Net OPEB Liability	\$ 2,359,567	\$ 15,332,469	\$ 12,643,415
City's Covered Payroll	\$ 5,907,431	\$ 5,868,555	\$ 5,762,591
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	39.94%	261.26%	219.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.57%	14.13%	15.96%

(1) Information prior to 2017 is not available.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of City Pension Contributions
Ohio Public Employees Retirement System (OPERS) - Traditional Plan
Last Ten Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Pension Contribution	\$ 1,263,987	\$ 1,209,508	\$ 1,086,085	\$ 989,601	\$ 955,652
Pension Contributions in Relation to the Contractually Required Pension Contribution	(1,263,987)	(1,209,508)	(1,086,085)	(989,601)	(955,652)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 9,028,477	\$ 8,639,343	\$ 8,354,500	\$ 8,246,675	\$ 7,963,767
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%	12.00%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually Required Pension Contribution	\$ 928,907	\$ 942,560	\$ 690,548	\$ 672,454	\$ 602,574
Pension Contributions in Relation to the Contractually Required Pension Contribution	(928,907)	(942,560)	(690,548)	(672,454)	(602,574)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 7,740,890	\$ 7,250,462	\$ 6,905,479	\$ 6,724,542	\$ 6,695,270
Pension Contributions as a Percentage of Covered Payroll	12.00%	13.00%	10.00%	10.00%	9.00%

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of City Pension Contributions
Ohio Public Employees Retirement System (OPERS) - Combined Plan
Last Ten Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Pension Contribution	\$ 41,561	\$ 39,459	\$ 34,949	\$ 31,960	\$ 27,761
Pension Contributions in Relation to the Contractually Required Pension Contribution	(41,561)	(39,459)	(34,949)	(31,960)	(27,761)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 296,864	\$ 281,850	\$ 268,838	\$ 266,331	\$ 231,342
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.00%	12.00%	12.00%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually Required Pension Contribution	\$ 24,833	\$ 27,381	\$ 20,060	\$ 19,535	\$ 17,505
Pension Contributions in Relation to the Contractually Required Pension Contribution	(24,833)	(27,381)	(20,060)	(19,535)	(17,505)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 206,941	\$ 210,623	\$ 200,601	\$ 195,345	\$ 194,495
Pension Contributions as a Percentage of Covered Payroll	12.00%	13.00%	10.00%	10.00%	9.00%

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of City Pension Contributions
Ohio Police and Fire Pension (OP&F)
Last Ten Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Pension Contribution	\$ 1,228,765	\$ 1,246,394	\$ 1,247,068	\$ 1,222,346	\$ 1,143,718
Pension Contributions in Relation to the Contractually Required Pension Contribution	(1,228,765)	(1,246,394)	(1,247,068)	(1,222,346)	(1,143,718)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 5,821,652	\$ 5,907,431	\$ 5,868,555	\$ 5,762,591	\$ 5,424,500
Pension Contributions as a Percentage of Covered Payroll	21.11%	21.10%	21.25%	21.21%	21.08%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually Required Pension Contribution	\$ 1,084,244	\$ 930,836	\$ 725,403	\$ 748,985	\$ 702,098
Pension Contributions in Relation to the Contractually Required Pension Contribution	(1,084,244)	(930,836)	(725,403)	(748,985)	(702,098)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 5,108,843	\$ 5,160,956	\$ 4,877,787	\$ 5,005,113	\$ 4,697,080
Pension Contributions as a Percentage of Covered Payroll	21.22%	18.04%	14.87%	14.96%	14.95%

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of City OPEB Contributions
Ohio Public Employees Retirement System (OPERS)
Last Ten Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required OPEB Contribution	\$ -	\$ -	\$ 95,986	\$ 169,693	\$ 165,582
OPEB Contributions in Relation to the Contractually Required OPEB Contributions	-	-	(95,986)	(169,693)	(165,582)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 9,325,341	\$ 8,921,193	\$ 8,623,338	\$ 8,513,006	\$ 8,195,109
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	1.00%	1.99%	2.02%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually Required OPEB Contribution	\$ 161,534	\$ 76,280	\$ 297,023	\$ 289,241	\$ 360,065
OPEB Contributions in Relation to the Contractually Required OPEB Contributions	(161,534)	(76,280)	(297,023)	(289,241)	(360,065)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 7,947,831	\$ 7,461,085	\$ 7,106,080	\$ 6,919,887	\$ 6,889,765
OPEB Contributions as a Percentage of Covered Payroll	2.03%	1.02%	4.18%	4.18%	5.23%

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Schedule of City OPEB Contributions
Ohio Public Employees Retirement System (OP&F)
Last Ten Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required OPEB Contribution	\$ 29,108	\$ 29,537	\$ 28,942	\$ 28,762	\$ 27,017
OPEB Contributions in Relation to the Contractually Required OPEB Contributions	(29,108)	(29,537)	(28,942)	(28,762)	(27,017)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 5,821,652	\$ 5,907,431	\$ 5,868,555	\$ 5,762,591	\$ 5,424,500
OPEB Contributions as a Percentage of Covered Payroll	0.50%	0.50%	0.49%	0.50%	0.50%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually Required OPEB Contribution	\$ 25,780	\$ 181,174	\$ 329,251	\$ 326,430	\$ 317,053
OPEB Contributions in Relation to the Contractually Required OPEB Contributions	(25,780)	(181,174)	(329,251)	(326,430)	(317,053)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City Covered Payroll	\$ 5,108,843	\$ 5,160,956	\$ 4,877,787	\$ 5,005,113	\$ 4,697,080
OPEB Contributions as a Percentage of Covered Payroll	0.50%	3.51%	6.75%	6.52%	6.75%

See accompanying notes to the required supplementary information

City of Twinsburg, Ohio

*Required Supplementary Information
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019*

Pension

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 7.50% down to 7.20% and (b) changing the future salary increases from a range of 3.25%-8.25% to 3.25%-10.75%.

Ohio Police and Fire (OP&F) Pension Fund

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2014-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019.

Other Postemployment Benefits (OPEB)

Ohio Public Employees Retirement System (OPERS)

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) increase in the actuarially assumed rate of return from 3.85% up to 3.96%, (b) decrease in the investment rate of return from 6.5% down to 6.0%, (c) increase in the municipal bond rate from 3.31% up to 3.71%, and (d) increase in the initial health care cost trend rate from 7.25% up to 10%.

City of Twinsburg, Ohio

*Required Supplementary Information
Notes to the Required Supplementary Information
For the Year Ended December 31, 2019*

Ohio Police and Fire (OP&F) Pension Fund

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for 2017-2019.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) rates of death are based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables instead of the previously used RP2000 Combined Table.

Combining Statements and Individual Fund Schedule

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are operating funds used to account for the proceeds of specific revenue sources that are legally restricted for specific purposes other than special assessments or major capital projects.

Park and Recreation Revolving Fund accounts for funds received from the state and county governments and expended for park and recreation operations.

Liberty Park Fund accounts for funds received from park charges for services and expended for park operations.

Municipal Motor Vehicle Fund accounts for funds received from intergovernmental sources and expended for resurfacing, restoration, and rehabilitation of roads, bridges, and streets.

Enhanced 911 Fund accounts for funds received from grant funding and expended for emergency response operation improvements.

Permissive Tax Fund accounts for funds received from tax revenue and expended for resurfacing, restoration, and rehabilitation of roads, bridges, and streets.

State Highway Fund accounts for funds received from gasoline excise taxes and vehicles registration fees and expended for resurfacing, restoration, and rehabilitation of roads, bridges, and streets.

Drug Fund accounts for funds received from drug restitutions and expended for drug prevention, training, and education.

Law Enforcement Fund accounts for funds received from the DARE program and expended for drug and crime prevention, training, and education.

Ohio Peace Officer Training Academy Grant Fund accounts for funds received from and expended for participation in the Ohio Peace Officer Training Academy.

Federal Grant Fund accounts for funds received from federal grants and expended in accordance with the terms of those grants.

State Grant Fund accounts for funds received from state grants and expended in accordance with the terms of those grants.

Fire Pension Fund accounts for funds received from real estate taxes and expended for pension Ohio Police & Fire pension expenses.

Police Pension Fund accounts for funds received from real estate taxes and expended for pension Ohio Police & Fire pension expenses.

Employee Payout Reserve Fund accounts for funds received from transfers in and expended for payout of compensated absences upon employee retirement.

Debt Service Funds

Debt Service Funds are used to account for the payment of principal and interest on long-term debt. Debt Service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issue.

General Bond Retirement Fund accounts for funds received from bond premiums, proceeds, and reimbursements, and expended for payments of principal and interest on long-term debt.

City of Twinsburg, Ohio

*Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2019*

	Park & Rec Revolving Fund	Liberty Park Fund	Municipal Motor Vehicle Fund	Enhanced 911 Fund	Permissive Tax Fund	State Highway Fund	Drug Fund	Law Enforcement Fund	Ohio Peace Officer Training Academy Fund
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 76,627	\$ 10,554	\$ 175,160	\$ 4,895	\$ 132,694	\$ 440,702	\$ -	\$ 35,473	\$ 15,274
Cash and Cash Equivalents:									
Restricted Cash	-	-	-	-	-	-	40,485	-	-
Receivables:									
Intergovernmental	-	-	25,347	-	-	30,747	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-
Total Assets	\$ 76,627	\$ 10,554	\$ 200,507	\$ 4,895	\$ 132,694	\$ 471,449	\$ 40,485	\$ 35,473	\$ 15,274
Liabilities									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,530	\$ -	\$ -
Intergovernmental Payable	-	-	-	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	1,530	-	-
Deferred Inflows of Resources									
Deferred Inflows - Property Taxes	-	-	-	-	-	-	-	-	-
Unavailable Revenue	-	-	-	-	-	17,000	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	17,000	-	-	-
Fund Balances									
Restricted	-	-	200,507	4,895	132,694	454,449	38,955	35,473	15,274
Committed	76,627	10,554	-	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-
Total Fund Balances	76,627	10,554	200,507	4,895	132,694	454,449	38,955	35,473	15,274
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 76,627	\$ 10,554	\$ 200,507	\$ 4,895	\$ 132,694	\$ 471,449	\$ 40,485	\$ 35,473	\$ 15,274

City of Twinsburg, Ohio

*Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
December 31, 2019*

	Federal Grant Fund	State Grant Fund	Fire Pension Fund	Police Pension Fund	Employee Payout Reserve Fund	Total Special Revenue Funds	General Bond Retirement Fund	Total Debt Service Funds	Total Nonmajor Funds
Assets									
Equity in Pooled Cash and Cash Equivalents	\$ 164,057	\$ 336,917	\$ 47,886	\$ 53,229	\$ 107,234	\$ 1,600,702	\$ 535,222	\$ 535,222	\$ 2,135,924
Cash and Cash Equivalents:									
Restricted Cash	-	-	-	-	-	40,485	-	-	40,485
Receivables:									
Intergovernmental	9,242	-	9,577	9,577	-	84,490	-	-	84,490
Property Taxes	-	-	186,817	186,818	-	373,635	-	-	373,635
Total Assets	\$ 173,299	\$ 336,917	\$ 244,280	\$ 249,624	\$ 107,234	\$ 2,099,312	\$ 535,222	\$ 535,222	\$ 2,634,534
Liabilities									
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,530	\$ -	\$ -	\$ 1,530
Intergovernmental Payable	-	-	72,976	78,533	-	151,509	-	-	151,509
Interfund Payable	-	270,000	-	-	-	270,000	-	-	270,000
Total Liabilities	-	270,000	72,976	78,533	-	423,039	-	-	423,039
Deferred Inflows of Resources									
Deferred Inflows - Property Taxes	-	-	176,095	176,095	-	352,190	-	-	352,190
Unavailable Revenue	-	-	20,299	20,300	-	57,599	-	-	57,599
Total Deferred Inflows of Resources	-	-	196,394	196,395	-	409,789	-	-	409,789
Fund Balances									
Restricted	173,299	110,533	-	-	-	1,166,079	-	-	1,166,079
Committed	-	-	-	-	107,234	194,415	535,222	535,222	729,637
Unassigned (Deficit)	-	(43,616)	(25,090)	(25,304)	-	(94,010)	-	-	(94,010)
Total Fund Balances	173,299	66,917	(25,090)	(25,304)	107,234	1,266,484	535,222	535,222	1,801,706
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 173,299	\$ 336,917	\$ 244,280	\$ 249,624	\$ 107,234	\$ 2,099,312	\$ 535,222	\$ 535,222	\$ 2,634,534

City of Twinsburg, Ohio

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2019*

	Park & Rec Revolving Fund	Liberty Park Fund	Municipal Motor Vehicle Fund	Enhanced 911 Fund	Permissive Tax Fund	State Highway Fund	Drug Fund	Law Enforcement Fund	Ohio Peace Officer Training Academy Fund
Revenues									
Property and Other Local Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	18,829	-	157,567	-	70,000	84,722	-	4,889	375
Charges for Services	-	3,217	-	-	-	-	-	-	-
Fines & Forfeitures	-	-	-	-	-	-	2,069	1,420	-
Investment Income	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	2,065	850	-
Total Revenues	18,829	3,217	157,567	-	70,000	84,722	4,134	7,159	375
Expenditures									
Current Operations and Maintenance:									
Security of Persons and Property	-	-	-	-	-	-	36,269	14,300	3,715
Transportation	-	-	130,000	4,499	70,000	81	-	-	-
Leisure Time Activities	40,994	13,373	-	-	-	-	-	-	-
Debt Service:									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-	-
Total Expenditures	40,994	13,373	130,000	4,499	70,000	81	36,269	14,300	3,715
Excess of Revenues									
Over (Under) Expenditures	(22,165)	(10,156)	27,567	(4,499)	-	84,641	(32,135)	(7,141)	(3,340)
Other Financing Sources (Uses)									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-	-
Total Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	(22,165)	(10,156)	27,567	(4,499)	-	84,641	(32,135)	(7,141)	(3,340)
Fund Balance Beginning of Year	98,792	20,710	172,940	9,394	132,694	369,808	71,090	42,614	18,614
Fund Balance End of Year	\$ 76,627	\$ 10,554	\$ 200,507	\$ 4,895	\$ 132,694	\$ 454,449	\$ 38,955	\$ 35,473	\$ 15,274

City of Twinsburg, Ohio

*Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
December 31, 2019*

	Federal Grant Fund	State Grant Fund	Fire Pension Fund	Police Pension Fund	Employee Payout Reserve Fund	Total Special Revenue Funds	General Bond Retirement Fund	Total Debt Service Funds	Total Nonmajor Funds
Revenues									
Property and Other Local Taxes	\$ -	\$ -	\$ 168,878	\$ 168,878	\$ -	\$ 337,756	\$ -	\$ -	\$ 337,756
Intergovernmental	164,947	15,011	22,807	22,807	-	561,954	-	-	561,954
Charges for Services	-	-	-	-	-	3,217	-	-	3,217
Fines & Forfeitures	-	-	-	-	-	3,489	-	-	3,489
Investment Income	-	-	-	-	-	-	60,152	60,152	60,152
Miscellaneous	-	-	-	-	-	2,915	22,975	22,975	25,890
Total Revenues	164,947	15,011	191,685	191,685	-	909,331	83,127	83,127	992,458
Expenditures									
Current Operations and Maintenance:									
Security of Persons and Property	-	214,971	656,629	640,768	-	1,566,652	-	-	1,566,652
Transportation	120,966	-	-	-	-	325,546	-	-	325,546
Leisure Time Activities	-	-	-	-	-	54,367	-	-	54,367
Debt Service:									
Principal Retirement	-	-	-	-	-	-	761,565	761,565	761,565
Interest and Fiscal Charges	-	-	-	-	-	-	63,305	63,305	63,305
Total Expenditures	120,966	214,971	656,629	640,768	-	1,946,565	824,870	824,870	2,771,435
<i>Excess of Revenues</i>									
<i>Over (Under) Expenditures</i>	<u>43,981</u>	<u>(199,960)</u>	<u>(464,944)</u>	<u>(449,083)</u>	<u>-</u>	<u>(1,037,234)</u>	<u>(741,743)</u>	<u>(741,743)</u>	<u>(1,778,977)</u>
Other Financing Sources (Uses)									
Transfers In	-	-	464,250	441,000	-	905,250	815,000	815,000	1,720,250
Transfers Out	(9,000)	-	-	-	-	(9,000)	-	-	(9,000)
Total Financing Sources (Uses)	(9,000)	-	464,250	441,000	-	896,250	815,000	815,000	1,711,250
Net Change in Fund Balance	34,981	(199,960)	(694)	(8,083)	-	(140,984)	73,257	73,257	(67,727)
Fund Balance Beginning of Year	138,318	266,877	(24,396)	(17,221)	107,234	1,407,468	461,965	461,965	1,869,433
Fund Balance End of Year	\$ 173,299	\$ 66,917	\$ (25,090)	\$ (25,304)	\$ 107,234	\$ 1,266,484	\$ 535,222	\$ 535,222	\$ 1,801,706

City of Twinsburg, Ohio

*Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
General Fund
December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Municipal Income Taxes	\$ 22,575,000	\$ 23,475,000	\$ 23,534,824	\$ 59,824
Other Local Taxes	190,000	190,000	185,158	(4,842)
Intergovernmental	247,400	269,436	353,007	83,571
Charges for Services	1,147,535	1,147,535	1,199,173	51,638
Licenses & Permits	721,500	721,500	775,195	53,695
Fines & Forfeitures	106,350	106,350	99,684	(6,666)
Investment Income	210,000	210,000	269,200	59,200
Other	1,142,250	1,163,750	1,347,601	183,851
<i>Total Revenues</i>	<u>26,340,035</u>	<u>27,283,571</u>	<u>27,763,842</u>	<u>480,271</u>
Expenditures				
Current:				
General Government				
Council				
Personal Services	188,100	191,500	182,904	(8,596)
Contractual Services	28,000	27,275	23,840	(3,435)
Materials and Supplies	3,000	3,000	2,503	(497)
Other	2,675	-	-	-
<i>Total Council</i>	<u>221,775</u>	<u>221,775</u>	<u>209,247</u>	<u>(12,528)</u>
Mayor				
Personal Services	241,850	241,850	223,514	(18,336)
Contractual Services	15,480	15,480	14,188	(1,292)
Materials and Supplies	3,280	3,280	2,778	(502)
<i>Total Mayor</i>	<u>260,610</u>	<u>260,610</u>	<u>240,480</u>	<u>(20,130)</u>
Civil Service				
Personal Services	2,385	1,385	974	(411)
Contractual Services	10,800	17,244	16,088	(1,156)
Materials and Supplies	600	-	-	-
<i>Total Civil Service</i>	<u>13,785</u>	<u>18,629</u>	<u>17,062</u>	<u>(1,567)</u>
Human Resources				
Personal Services	119,900	119,230	114,972	(4,258)
Contractual Services	53,250	67,039	63,601	(3,438)
Materials and Supplies	5,700	4,737	4,299	(438)
<i>Total Human Resources</i>	<u>178,850</u>	<u>191,006</u>	<u>182,872</u>	<u>(8,134)</u>
Information Technology				
Personal Services	281,900	277,250	266,336	(10,914)
Contractual Services	180,000	192,650	191,404	(1,246)
Materials and Supplies	61,000	53,000	50,487	(2,513)
<i>Total Information Technology</i>	<u>522,900</u>	<u>522,900</u>	<u>508,227</u>	<u>(14,673)</u>
Law				
Personal Services	198,980	198,980	194,453	(4,527)
Contractual Services	33,900	34,750	34,230	(520)
Materials and Supplies	2,500	1,650	896	(754)
<i>Total Law</i>	<u>235,380</u>	<u>235,380</u>	<u>229,579</u>	<u>(5,801)</u>

City of Twinsburg, Ohio

*Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual (Continued)
General Fund
December 31, 2019*

Finance				
Personal Services	323,900	322,300	313,655	(8,645)
Contractual Services	16,100	16,950	16,768	(182)
Materials and Supplies	6,250	7,718	7,316	(402)
Total Finance	<u>346,250</u>	<u>346,968</u>	<u>337,739</u>	<u>(9,229)</u>
General Government				
Personal Services	3,217,500	3,202,005	3,088,043	(113,962)
Contractual Services	1,352,800	1,343,563	1,267,645	(75,918)
Other	717,500	597,500	590,015	(7,485)
Total General Government	<u>5,287,800</u>	<u>5,143,068</u>	<u>4,945,703</u>	<u>(197,365)</u>
Total General Government	<u>7,067,350</u>	<u>6,940,336</u>	<u>6,670,909</u>	<u>(269,427)</u>
Security of Persons and Property				
Communication				
Personal Services	792,750	888,296	888,295	(1)
Contractual Services	21,750	13,034	13,034	-
Materials and Supplies	77,500	76,152	76,152	-
Other	11,600	-	-	-
Total Communication	<u>903,600</u>	<u>977,482</u>	<u>977,481</u>	<u>(1)</u>
Police				
Personal Services	3,555,500	3,715,086	3,713,360	(1,726)
Contractual Services	292,100	222,868	222,869	1
Materials and Supplies	84,000	77,258	76,841	(417)
Other	40,000	-	-	-
Total Police	<u>3,971,600</u>	<u>4,015,212</u>	<u>4,013,070</u>	<u>(2,142)</u>
Fire				
Personal Services	3,405,200	3,549,200	3,342,133	(207,067)
Contractual Services	220,400	227,400	220,653	(6,747)
Materials and Supplies	195,450	184,450	147,210	(37,240)
Other	150,000	-	-	-
Total Fire	<u>3,971,050</u>	<u>3,961,050</u>	<u>3,709,996</u>	<u>(251,054)</u>
Total Security of Persons and Property	<u>8,846,250</u>	<u>8,953,744</u>	<u>8,700,547</u>	<u>(253,197)</u>
Transportation				
Public Works				
Personal Services	3,103,850	3,099,527	3,091,593	(7,934)
Contractual Services	1,765,600	1,801,923	1,791,173	(10,750)
Materials and Supplies	721,750	750,850	719,678	(31,172)
Other	7,000	-	-	-
Total Public Works	<u>5,598,200</u>	<u>5,652,300</u>	<u>5,602,444</u>	<u>(49,856)</u>
Total Transportation	<u>5,598,200</u>	<u>5,652,300</u>	<u>5,602,444</u>	<u>(49,856)</u>
Public Health and Welfare				
Contractual Services	210,000	210,262	210,262	-
Total Public Health and Welfare	<u>210,000</u>	<u>210,262</u>	<u>210,262</u>	<u>-</u>
Leisure Time Activities				
Parks and Recreation				
Personal Services	526,800	534,000	533,791	(209)
Contractual Services	308,300	332,161	310,408	(21,753)
Materials and Supplies	52,500	43,939	43,509	(430)
Total Parks and Recreation	<u>887,600</u>	<u>910,100</u>	<u>887,708</u>	<u>(22,392)</u>

City of Twinsburg, Ohio

*Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual (Continued)
General Fund
December 31, 2019*

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Senior Activities				
Personal Services	140,350	140,350	134,994	(5,356)
Contractual Services	33,550	34,670	26,552	(8,118)
Materials and Supplies	16,000	16,000	12,523	(3,477)
Other	300	300	163	(137)
<i>Total Senior Activities</i>	<u>190,200</u>	<u>191,320</u>	<u>174,232</u>	<u>(17,088)</u>
<i>Total Leisure Time Activities</i>	<u>1,077,800</u>	<u>1,101,420</u>	<u>1,061,940</u>	<u>(39,480)</u>
Community Development				
Engineering				
Personal Services	703,080	715,080	649,244	(65,836)
Contractual Services	188,500	270,656	200,475	(70,181)
Materials and Supplies	8,700	7,700	4,427	(3,273)
Capital Outlay	12,000	1,000	-	(1,000)
<i>Total Engineering</i>	<u>912,280</u>	<u>994,436</u>	<u>854,146</u>	<u>(140,290)</u>
Building				
Personal Services	387,745	392,522	370,343	(22,179)
Contractual Services	86,660	76,296	46,726	(29,570)
Materials and Supplies	8,800	14,387	12,359	(2,028)
Other	50,000	50,000	-	(50,000)
<i>Total Building</i>	<u>533,205</u>	<u>533,205</u>	<u>429,428</u>	<u>(103,777)</u>
Planning				
Personal Services	2,500	2,500	1,238	(1,262)
Contractual Services	2,000	2,000	-	(2,000)
Materials and Supplies	100	100	-	(100)
<i>Total Planning</i>	<u>4,600</u>	<u>4,600</u>	<u>1,238</u>	<u>(3,362)</u>
Economic Development				
Personal Services	186,050	185,902	182,803	(3,099)
Contractual Services	11,850	12,848	8,712	(4,136)
Materials and Supplies	1,150	300	-	(300)
<i>Total Economic Development</i>	<u>199,050</u>	<u>199,050</u>	<u>191,515</u>	<u>(7,535)</u>
<i>Total Community Development</i>	<u>1,649,135</u>	<u>1,731,291</u>	<u>1,476,327</u>	<u>(254,964)</u>
<i>Total Expenditures</i>	<u>24,448,735</u>	<u>24,589,353</u>	<u>23,722,429</u>	<u>(866,924)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,891,300</u>	<u>2,694,218</u>	<u>4,041,413</u>	<u>(386,653)</u>
Other Financing Sources (Uses)				
Proceeds of OPWC Loan	25,000	25,000	-	(25,000)
Transfers In	-	-	9,000	9,000
Transfers Out	<u>(5,503,415)</u>	<u>(5,748,615)</u>	<u>(4,099,850)</u>	<u>1,648,765</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(5,478,415)</u>	<u>(5,723,615)</u>	<u>(4,090,850)</u>	<u>1,632,765</u>
<i>Net Change in Fund Balance</i>	<u>(3,587,115)</u>	<u>(3,029,397)</u>	<u>(49,437)</u>	<u>2,979,960</u>
<i>Fund Balance Beginning of Year</i>	8,866,292	8,866,292	8,866,292	-
Prior Year Encumbrances Appropriated	<u>140,935</u>	<u>140,935</u>	<u>140,935</u>	-
<i>Fund Balance End of Year</i>	<u>\$ 5,420,112</u>	<u>\$ 5,977,830</u>	<u>\$ 8,957,790</u>	<u>\$ 2,979,960</u>

City of Twinsburg, Ohio

*Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Street, Construction, Maintenance and Repair Fund
December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 837,000	\$ 837,000	\$ 980,287	\$ 143,287
Other	-	-	13,015	13,015
<i>Total Revenues</i>	<u>837,000</u>	<u>837,000</u>	<u>993,302</u>	<u>156,302</u>
Expenditures				
Current:				
Transportation				
Materials and Supplies	395,000	390,000	201,360	188,640
Capital Outlay	1,165,000	1,578,928	1,578,594	334
<i>Total Transportation</i>	<u>1,560,000</u>	<u>1,968,928</u>	<u>1,779,954</u>	<u>188,974</u>
<i>Total Expenditures</i>	<u>1,560,000</u>	<u>1,968,928</u>	<u>1,779,954</u>	<u>188,974</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(723,000)</u>	<u>(1,131,928)</u>	<u>(786,652)</u>	<u>345,276</u>
Other Financing Sources (Uses)				
Proceeds of OPWC Loan	50,000	50,000	60,186	10,186
Transfers In	675,000	675,000	500,000	(175,000)
<i>Total Other Financing Sources (Uses)</i>	<u>725,000</u>	<u>725,000</u>	<u>560,186</u>	<u>(164,814)</u>
<i>Net Change in Fund Balance</i>	2,000	(406,928)	(226,466)	180,462
<i>Fund Balance Beginning of Year</i>	1,318,226	1,318,226	1,318,226	-
Prior Year Encumbrances Appropriated	335,898	335,898	335,898	-
<i>Fund Balance End of Year</i>	<u>\$ 1,656,124</u>	<u>\$ 1,247,196</u>	<u>\$ 1,427,658</u>	<u>\$ 180,462</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Park Debt Service Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other Local Taxes	\$ 765,040	\$ 743,081	\$ 743,060	\$ (21)
Intergovernmental	100,000	93,845	93,967	122
<i>Total Revenues</i>	<u>865,040</u>	<u>836,926</u>	<u>837,027</u>	<u>101</u>
Expenditures				
Current:				
General Government				
Contractual Services	14,500	14,500	10,672	3,828
<i>Total General Government</i>	<u>14,500</u>	<u>14,500</u>	<u>10,672</u>	<u>3,828</u>
Debt Service:				
Principal Retirement	760,000	760,000	760,000	-
Interest and Fiscal Charges	75,650	75,650	75,650	-
<i>Total Expenditures</i>	<u>850,150</u>	<u>850,150</u>	<u>846,322</u>	<u>3,828</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>14,890</u>	<u>(13,224)</u>	<u>(9,295)</u>	<u>3,929</u>
<i>Fund Balance Beginning of Year</i>	<u>43,390</u>	<u>43,390</u>	<u>43,390</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 58,280</u>	<u>\$ 30,166</u>	<u>\$ 34,095</u>	<u>\$ 3,929</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Capital Improvement Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 46,518	\$ 51,086	\$ 4,568
Other	5,000	5,000	140,634	135,634
<i>Total Revenues</i>	<u>5,000</u>	<u>51,518</u>	<u>191,720</u>	<u>140,202</u>
Expenditures				
Current:				
Capital Outlay	1,290,240	1,301,097	823,899	477,198
Debt Service:				
Principal Retirement	-	-	320,291	(320,291)
Interest and Fiscal Charges	-	-	17,933	(17,933)
<i>Total Expenditures</i>	<u>1,290,240</u>	<u>1,301,097</u>	<u>1,372,385</u>	<u>(71,288)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,285,240)</u>	<u>(1,249,579)</u>	<u>(1,180,665)</u>	<u>68,914</u>
Other Financing Sources (Uses)				
Transfers In	1,290,000	1,289,900	1,000,000	(289,900)
<i>Total Other Financing Sources (Uses)</i>	<u>1,290,000</u>	<u>1,289,900</u>	<u>1,000,000</u>	<u>(289,900)</u>
<i>Net Change in Fund Balance</i>	4,760	40,321	(180,665)	(220,986)
<i>Fund Balance Beginning of Year</i>	<u>1,562,760</u>	<u>1,562,760</u>	<u>1,562,760</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 1,567,520</u>	<u>\$ 1,603,081</u>	<u>\$ 1,382,095</u>	<u>\$ (220,986)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Park and Recreation Revolving Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 19,500	\$ 19,500	\$ 18,829	\$ (671)
<i>Total Revenues</i>	<u>19,500</u>	<u>19,500</u>	<u>18,829</u>	<u>(671)</u>
Expenditures				
Current:				
Leisure Time Activities				
Contractual Services	45,500	45,500	40,814	4,686
Other	500	500	180	320
<i>Total Leisure Time Activities</i>	<u>46,000</u>	<u>46,000</u>	<u>40,994</u>	<u>5,006</u>
<i>Total Expenditures</i>	<u>46,000</u>	<u>46,000</u>	<u>40,994</u>	<u>5,006</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(26,500)</u>	<u>(26,500)</u>	<u>(22,165)</u>	<u>4,335</u>
<i>Fund Balance Beginning of Year</i>	<u>98,792</u>	<u>98,792</u>	<u>98,792</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 72,292</u>	<u>\$ 72,292</u>	<u>\$ 76,627</u>	<u>\$ 4,335</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Liberty Park Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for Services	\$ 6,000	\$ 6,000	\$ 3,217	\$ (2,783)
Other	350	350	-	(350)
<i>Total Revenues</i>	<u>6,350</u>	<u>6,350</u>	<u>3,217</u>	<u>(3,133)</u>
Expenditures				
Current:				
Leisure Time Activities				
Contractual Services	8,250	8,250	8,250	-
Materials and Supplies	5,500	5,500	5,123	377
<i>Total Leisure Time Activities</i>	<u>13,750</u>	<u>13,750</u>	<u>13,373</u>	<u>377</u>
<i>Total Expenditures</i>	<u>13,750</u>	<u>13,750</u>	<u>13,373</u>	<u>377</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(7,400)</u>	<u>(7,400)</u>	<u>(10,156)</u>	<u>(2,756)</u>
<i>Fund Balance Beginning of Year</i>	<u>20,710</u>	<u>20,710</u>	<u>20,710</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 13,310</u>	<u>\$ 13,310</u>	<u>\$ 10,554</u>	<u>\$ (2,756)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Municipal Motor Vehicle Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 145,000	\$ 145,000	\$ 144,027	\$ (973)
<i>Total Revenues</i>	<u>145,000</u>	<u>145,000</u>	<u>144,027</u>	<u>(973)</u>
Expenditures				
Current:				
Transportation				
Capital Outlay	130,000	130,000	130,000	-
<i>Total Transportation</i>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
<i>Total Expenditures</i>	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>15,000</u>	<u>15,000</u>	<u>14,027</u>	<u>(973)</u>
<i>Fund Balance Beginning of Year</i>	<u>161,133</u>	<u>161,133</u>	<u>161,133</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 176,133</u>	<u>\$ 176,133</u>	<u>\$ 175,160</u>	<u>\$ (973)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Enhanced 911 Fund
Budget (Non-GAAP Basis) and Actual
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current:				
Transportation				
Materials and Supplies	\$ 9,390	\$ 9,390	\$ 4,499	\$ 4,891
Other	-	-	-	-
<i>Total Transportation</i>	<u>9,390</u>	<u>9,390</u>	<u>4,499</u>	<u>4,891</u>
<i>Total Expenditures</i>	<u>9,390</u>	<u>9,390</u>	<u>4,499</u>	<u>4,891</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,390)</u>	<u>(9,390)</u>	<u>(4,499)</u>	<u>4,891</u>
<i>Fund Balance Beginning of Year</i>	<u>9,394</u>	<u>9,394</u>	<u>9,394</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 4,895</u>	<u>\$ 4,891</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Permissive Tax Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 70,000	\$ -
<i>Total Revenues</i>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Expenditures				
Current:				
Transportation				
Capital Outlay	70,000	70,000	70,000	-
<i>Total Transportation</i>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
<i>Total Expenditures</i>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance Beginning of Year</i>	<u>132,694</u>	<u>132,694</u>	<u>132,694</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 132,694</u>	<u>\$ 132,694</u>	<u>\$ 132,694</u>	<u>\$ -</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
State Highway Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 57,150	\$ 57,150	\$ 79,483	\$ 22,333
<i>Total Revenues</i>	<u>57,150</u>	<u>57,150</u>	<u>79,483</u>	<u>22,333</u>
Expenditures				
Current:				
Transportation				
Materials and Supplies	25,000	25,000	81	24,919
<i>Total Transportation</i>	<u>25,000</u>	<u>25,000</u>	<u>81</u>	<u>24,919</u>
<i>Total Expenditures</i>	<u>25,000</u>	<u>25,000</u>	<u>81</u>	<u>24,919</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>32,150</u>	<u>32,150</u>	<u>79,402</u>	<u>47,252</u>
<i>Fund Balance Beginning of Year</i>	<u>361,300</u>	<u>361,300</u>	<u>361,300</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 393,450</u>	<u>\$ 393,450</u>	<u>\$ 440,702</u>	<u>\$ 47,252</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Drug Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Fines & Forfeitures	\$ 25,000	\$ 25,000	\$ 2,069	\$ (22,931)
Other	-	-	2,065	2,065
<i>Total Revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>4,134</u>	<u>(20,866)</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	8,000	8,000	5,783	2,217
Contractual Services	2,000	8,000	7,093	907
Materials and Supplies	33,000	27,000	21,863	5,137
<i>Total Security of Persons and Property</i>	<u>43,000</u>	<u>43,000</u>	<u>34,739</u>	<u>8,261</u>
<i>Total Expenditures</i>	<u>43,000</u>	<u>43,000</u>	<u>34,739</u>	<u>8,261</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(18,000)</u>	<u>(18,000)</u>	<u>(30,605)</u>	<u>(12,605)</u>
<i>Fund Balance Beginning of Year</i>	<u>71,090</u>	<u>71,090</u>	<u>71,090</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 53,090</u>	<u>\$ 53,090</u>	<u>\$ 40,485</u>	<u>\$ (12,605)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 4,948	\$ 4,948
Fines & Forfeitures	500	500	1,420	920
Other	-	-	850	850
<i>Total Revenues</i>	<u>500</u>	<u>500</u>	<u>7,218</u>	<u>6,718</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	8,000	8,000	1,369	6,631
Contractual Services	1,000	1,000	1,000	-
Materials and Supplies	31,000	31,000	11,931	19,069
<i>Total Security of Persons and Property</i>	<u>40,000</u>	<u>40,000</u>	<u>14,300</u>	<u>25,700</u>
<i>Total Expenditures</i>	<u>40,000</u>	<u>40,000</u>	<u>14,300</u>	<u>25,700</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(39,500)</u>	<u>(39,500)</u>	<u>(7,082)</u>	<u>32,418</u>
<i>Fund Balance Beginning of Year</i>	<u>42,555</u>	<u>42,555</u>	<u>42,555</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 3,055</u>	<u>\$ 3,055</u>	<u>\$ 35,473</u>	<u>\$ 32,418</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Ohio Peace Officer Training Academy Grant Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 375	\$ 375	\$ -
<i>Total Revenues</i>	<u>-</u>	<u>375</u>	<u>375</u>	<u>-</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	9,000	9,000	3,715	5,285
<i>Total Security of Persons and Property</i>	<u>9,000</u>	<u>9,000</u>	<u>3,715</u>	<u>5,285</u>
<i>Total Expenditures</i>	<u>9,000</u>	<u>9,000</u>	<u>3,715</u>	<u>5,285</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(9,000)</u>	<u>(8,625)</u>	<u>(3,340)</u>	<u>5,285</u>
<i>Fund Balance Beginning of Year</i>	<u>18,614</u>	<u>18,614</u>	<u>18,614</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 9,614</u>	<u>\$ 9,989</u>	<u>\$ 15,274</u>	<u>\$ 5,285</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Federal Grant Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 210,000	\$ 264,500	\$ 155,705	\$ (108,795)
<i>Total Revenues</i>	<u>210,000</u>	<u>264,500</u>	<u>155,705</u>	<u>(108,795)</u>
Expenditures				
Current:				
Security of Persons and Property				
Capital Outlay	80,000	80,000	80,000	-
<i>Total Security of Persons and Property</i>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Community Development				
Capital Outlay	130,000	157,639	125,386	32,253
<i>Total Community Development</i>	<u>130,000</u>	<u>157,639</u>	<u>125,386</u>	<u>32,253</u>
Leisure Time Activities				
Capital Outlay	-	12,500	12,500	-
<i>Total Leisure Time Activities</i>	<u>-</u>	<u>12,500</u>	<u>12,500</u>	<u>-</u>
<i>Total Expenditures</i>	<u>210,000</u>	<u>250,139</u>	<u>217,886</u>	<u>32,253</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>14,361</u>	<u>(62,181)</u>	<u>(76,542)</u>
Other Financing Sources (Uses)				
Transfers Out	-	(9,000)	(9,000)	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>(9,000)</u>	<u>(9,000)</u>	<u>-</u>
<i>Net Change in Fund Balance</i>	<u>-</u>	<u>5,361</u>	<u>(71,181)</u>	<u>(76,542)</u>
<i>Fund Balance Beginning of Year</i>	<u>138,318</u>	<u>138,318</u>	<u>138,318</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 138,318</u>	<u>\$ 143,679</u>	<u>\$ 67,137</u>	<u>\$ (76,542)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
State Grant Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 281,000	\$ 411,000	\$ 15,011	\$ (395,989)
<i>Total Revenues</i>	<u>281,000</u>	<u>411,000</u>	<u>15,011</u>	<u>(395,989)</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	31,000	31,000	210,262	(179,262)
<i>Total Security of Persons and Property</i>	<u>31,000</u>	<u>31,000</u>	<u>210,262</u>	<u>(179,262)</u>
Community Development				
Capital Outlay	250,000	516,543	401,877	114,666
<i>Total Community Development</i>	<u>250,000</u>	<u>516,543</u>	<u>612,139</u>	<u>(95,596)</u>
Leisure Time Activities				
Capital Outlay	-	130,000	130,000	-
<i>Total Leisure Time Activities</i>	<u>-</u>	<u>130,000</u>	<u>340,262</u>	<u>(210,262)</u>
<i>Total Expenditures</i>	<u>281,000</u>	<u>677,543</u>	<u>1,162,663</u>	<u>(485,120)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(266,543)</u>	<u>(1,147,652)</u>	<u>(881,109)</u>
<i>Fund Balance Beginning of Year</i>	<u>266,877</u>	<u>266,877</u>	<u>266,877</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 266,877</u>	<u>\$ 334</u>	<u>\$ (880,775)</u>	<u>\$ (881,109)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Fire Pension Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other Local Taxes	\$ 160,008	\$ 168,882	\$ 168,878	\$ (4)
Intergovernmental	15,450	22,781	22,807	26
<i>Total Revenues</i>	<u>175,458</u>	<u>191,663</u>	<u>191,685</u>	<u>22</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	735,000	734,956	647,378	87,578
Contractual Services	2,400	2,444	2,444	-
<i>Total Security of Persons and Property</i>	<u>737,400</u>	<u>737,400</u>	<u>649,822</u>	<u>87,578</u>
<i>Total Expenditures</i>	<u>737,400</u>	<u>737,400</u>	<u>649,822</u>	<u>87,578</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(561,942)</u>	<u>(545,737)</u>	<u>(458,137)</u>	<u>87,600</u>
Other Financing Sources (Uses)				
Transfers In	600,000	600,000	464,250	(135,750)
<i>Total Other Financing Sources (Uses)</i>	<u>600,000</u>	<u>600,000</u>	<u>464,250</u>	<u>(135,750)</u>
<i>Net Change in Fund Balance</i>	38,058	54,263	6,113	(48,150)
<i>Fund Balance Beginning of Year</i>	<u>41,773</u>	<u>41,773</u>	<u>41,773</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 79,831</u>	<u>\$ 96,036</u>	<u>\$ 47,886</u>	<u>\$ (48,150)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Police Pension Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other Local Taxes	\$ 160,008	\$ 168,882	\$ 168,878	\$ (4)
Intergovernmental	15,450	22,781	22,807	26
<i>Total Revenues</i>	<u>175,458</u>	<u>191,663</u>	<u>191,685</u>	<u>22</u>
Expenditures				
Current:				
Security of Persons and Property				
Personal Services	735,000	732,500	629,841	102,659
Contractual Services	-	2,500	2,444	56
<i>Total Security of Persons and Property</i>	<u>735,000</u>	<u>735,000</u>	<u>632,285</u>	<u>102,715</u>
<i>Total Expenditures</i>	<u>735,000</u>	<u>735,000</u>	<u>632,285</u>	<u>102,715</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(559,542)</u>	<u>(543,337)</u>	<u>(440,600)</u>	<u>102,737</u>
Other Financing Sources (Uses)				
Transfers In	600,000	600,000	441,000	(159,000)
<i>Total Other Financing Sources (Uses)</i>	<u>600,000</u>	<u>600,000</u>	<u>441,000</u>	<u>(159,000)</u>
<i>Net Change in Fund Balance</i>	40,458	56,663	400	(56,263)
<i>Fund Balance Beginning of Year</i>	<u>52,829</u>	<u>52,829</u>	<u>52,829</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 93,287</u>	<u>\$ 109,492</u>	<u>\$ 53,229</u>	<u>\$ (56,263)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Employee Payout Reserve Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current:				
General Government				
Personal Services	\$ 50,000	\$ 50,000	\$ -	\$ 50,000
<i>Total General Government</i>	<u>50,000</u>	<u>50,000</u>	<u>210,262</u>	<u>(160,262)</u>
<i>Total Expenditures</i>	<u>50,000</u>	<u>50,000</u>	<u>210,262</u>	<u>(160,262)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>(210,262)</u>	<u>(160,262)</u>
Other Financing Sources (Uses)				
Transfers In	50,000	25,000	-	(25,000)
<i>Total Other Financing Sources (Uses)</i>	<u>50,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
<i>Net Change in Fund Balance</i>	-	(25,000)	(210,262)	(185,262)
<i>Fund Balance Beginning of Year</i>	<u>107,234</u>	<u>107,234</u>	<u>107,234</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 107,234</u>	<u>\$ 82,234</u>	<u>\$ (103,028)</u>	<u>\$ (185,262)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
General Bond Retirement Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Investment Income	\$ -	\$ -	\$ 60,152	\$ 60,152
Other	-	-	22,975	22,975
<i>Total Revenues</i>	-	-	83,127	83,127
Expenditures				
Current:				
Debt Service:				
Principal Retirement	753,650	753,650	761,565	(7,915)
Interest and Fiscal Charges	58,330	58,330	63,305	(4,975)
<i>Total Expenditures</i>	811,980	811,980	824,870	(12,890)
<i>Excess of Revenues Over (Under) Expenditures</i>	(811,980)	(811,980)	(741,743)	70,237
Other Financing Sources (Uses)				
Transfers In	815,650	815,650	815,000	(650)
<i>Total Other Financing Sources (Uses)</i>	815,650	815,650	815,000	(650)
<i>Net Change in Fund Balance</i>	3,670	3,670	73,257	69,587
<i>Fund Balance Beginning of Year</i>	461,965	461,965	461,965	-
<i>Fund Balance End of Year</i>	\$ 465,635	\$ 465,635	\$ 535,222	\$ 69,587

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for Services	\$ 3,500,000	\$ 3,500,000	\$ 3,848,235	\$ 348,235
Other Operating Revenues	215,000	215,000	826,383	611,383
<i>Total Operating Revenues</i>	<u>3,715,000</u>	<u>3,715,000</u>	<u>4,674,618</u>	<u>959,618</u>
Operating Expenses				
Current:				
Personal Services	2,259,000	2,223,000	2,115,066	107,934
Materials & Supplies	272,000	312,000	273,818	38,182
Contractual Services	546,500	542,500	482,752	59,748
Other Operating Expenses	5,000	5,000	608	4,392
Capital Outlay	1,166,500	1,166,500	1,029,581	136,919
<i>Total Operating Expenses</i>	<u>4,249,000</u>	<u>4,249,000</u>	<u>3,901,825</u>	<u>347,175</u>
<i>Operating Income (Loss)</i>	<u>(534,000)</u>	<u>(534,000)</u>	<u>772,793</u>	<u>1,306,793</u>
Nonoperating Revenues (Expenses)				
Interest and Fiscal Charges	(4,975)	(4,975)	-	4,975
Other Non-Operating Revenue (Expense)	(28,200)	(28,200)	(10,161)	18,039
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(33,175)</u>	<u>(33,175)</u>	<u>(10,161)</u>	<u>23,014</u>
<i>Income (Loss) before Contributions & Transfers</i>	<u>(567,175)</u>	<u>(567,175)</u>	<u>762,632</u>	<u>1,329,807</u>
Grants & Contributed Capital	500,100	495,100	-	
Transfers In	555,000	555,000	-	(555,000)
<i>Net Change in Fund Balance</i>	<u>487,925</u>	<u>482,925</u>	<u>762,632</u>	<u>279,707</u>
<i>Fund Balance Beginning of Year</i>	<u>2,130,273</u>	<u>2,130,273</u>	<u>2,130,273</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 2,618,198</u>	<u>\$ 2,613,198</u>	<u>\$ 2,892,905</u>	<u>\$ 279,707</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Fitness Center Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for Services	\$ 1,563,000	\$ 1,569,500	\$ 1,599,484	\$ 29,984
Other Operating Revenues	-	-	10	10
<i>Total Operating Revenues</i>	<u>1,563,000</u>	<u>1,569,500</u>	<u>1,599,494</u>	<u>29,994</u>
Operating Expenses				
Current:				
Personal Services	1,285,415	1,266,191	1,217,309	48,882
Materials & Supplies	194,850	207,073	199,253	7,820
Contractual Services	332,600	344,070	336,675	7,395
Other Operating Expenses	5,000	5,054	5,054	-
Capital Outlay	85,000	119,928	66,298	53,630
<i>Total Operating Expenses</i>	<u>1,902,865</u>	<u>1,942,316</u>	<u>1,824,589</u>	<u>117,727</u>
<i>Operating Income (Loss)</i>	<u>(339,865)</u>	<u>(372,816)</u>	<u>(225,095)</u>	<u>147,721</u>
Nonoperating Revenues (Expenses)				
Other Non-Operating Revenue (Expense)	-	-	(41,910)	(41,910)
<i>Total Nonoperating Revenues (Expenses)</i>	<u>-</u>	<u>-</u>	<u>(41,910)</u>	<u>(41,910)</u>
<i>Income (Loss) before Transfers</i>	<u>(339,865)</u>	<u>(372,816)</u>	<u>(267,005)</u>	<u>105,811</u>
Transfers In	340,000	321,000	233,000	(88,000)
<i>Net Change in Fund Balance</i>	<u>135</u>	<u>(51,816)</u>	<u>(34,005)</u>	<u>17,811</u>
<i>Fund Balance Beginning of Year</i>	<u>52,419</u>	<u>52,419</u>	<u>52,419</u>	<u>-</u>
Prior Year Encumbrances Appropriated	31,478	31,478	31,478	-
<i>Fund Balance End of Year</i>	<u>\$ 84,032</u>	<u>\$ 32,081</u>	<u>\$ 49,892</u>	<u>\$ 17,811</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Golf Course Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for Services	\$ 2,350,750	\$ 2,350,750	\$ 2,084,207	\$ (266,543)
Other Operating Revenues	-	-	13,680	13,680
<i>Total Operating Revenues</i>	<u>2,350,750</u>	<u>2,350,750</u>	<u>2,097,887</u>	<u>(252,863)</u>
Operating Expenses				
Current:				
Personal Services	1,559,555	1,514,345	1,399,257	115,088
Materials & Supplies	659,000	784,120	766,604	17,516
Contractual Services	425,950	356,745	334,846	21,899
Other Operating Expenses	90,500	91,205	80,335	10,870
Capital Outlay	76,965	377,516	377,515	1
<i>Total Operating Expenses</i>	<u>2,811,970</u>	<u>3,123,931</u>	<u>2,958,557</u>	<u>165,374</u>
<i>Operating Income (Loss)</i>	<u>(461,220)</u>	<u>(773,181)</u>	<u>(860,670)</u>	<u>(87,489)</u>
Nonoperating Revenues (Expenses)				
Interest and Fiscal Charges	(121,535)	(121,535)	(121,532)	3
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(121,535)</u>	<u>(121,535)</u>	<u>(121,532)</u>	<u>3</u>
<i>Income (Loss) before Transfers</i>	<u>(582,755)</u>	<u>(894,716)</u>	<u>(982,202)</u>	<u>(87,486)</u>
Transfers In	582,765	582,765	646,600	63,835
<i>Net Change in Fund Balance</i>	<u>10</u>	<u>(311,951)</u>	<u>(335,602)</u>	<u>(23,651)</u>
<i>Fund Balance Beginning of Year</i>	<u>343,386</u>	<u>343,386</u>	<u>343,386</u>	<u>-</u>
Prior Year Encumbrances Appropriated	312,801	312,801	312,801	-
<i>Fund Balance End of Year</i>	<u>\$ 656,197</u>	<u>\$ 344,236</u>	<u>\$ 320,585</u>	<u>\$ (23,651)</u>

City of Twinsburg, Ohio

*Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget (Non-GAAP Basis) and Actual
Theater Fund
For the Year Ended December 31, 2019*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating Revenues				
Charges for Services	\$ 27,500	\$ 27,500	\$ 31,251	\$ 3,751
Other Operating Revenues	7,750	7,750	1,115	(6,635)
<i>Total Operating Revenues</i>	<u>35,250</u>	<u>35,250</u>	<u>32,366</u>	<u>(2,884)</u>
Operating Expenses				
Current:				
Materials & Supplies	28,000	28,000	26,794	1,206
Contractual Services	12,500	12,500	10,200	2,300
Other Operating Expenses	500	500	-	500
<i>Total Operating Expenses</i>	<u>41,000</u>	<u>41,000</u>	<u>36,994</u>	<u>4,006</u>
<i>Operating Income (Loss)</i>	<u>(5,750)</u>	<u>(5,750)</u>	<u>(4,628)</u>	<u>1,122</u>
<i>Net Change in Fund Balance</i>	<u>(5,750)</u>	<u>(5,750)</u>	<u>(4,628)</u>	<u>1,122</u>
<i>Fund Balance Beginning of Year</i>	108,057	108,057	108,057	-
<i>Fund Balance End of Year</i>	<u>\$ 102,307</u>	<u>\$ 102,307</u>	<u>\$ 103,429</u>	<u>\$ 1,122</u>

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STATISTICAL SECTION



City of Twinsburg, Ohio

Statistical Section Guide to Statistical Tables

This part of the City of Twinsburg’s comprehensive annual financial report presents detailed information about the government’s economic condition. This section aids in understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Contents	Page
Financial Trends – Tables 1-4	126
<i>These schedules contain trend information to help the reader understand and assess how the government’s financial position has changed over time.</i>	
Revenue Capacity – Tables 5-7	133
<i>These schedules contain information to help the reader assess the government’s most significant revenue source, sales tax.</i>	
Debt Capacity – Tables 8-12	136
<i>These schedules contain information to help the reader assess the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information – Tables 13-14	142
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information – Tables 15-17	144
<i>These schedules contain information to help the reader understand the government’s operations and resources.</i>	

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

City of Twinsburg, Ohio

Net Position by Activity Type Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Primary government-governmental activities										
Net investment in capital assets	\$ 110,143,632	\$ 106,963,648	\$ 107,775,665	\$ 106,911,674	\$ 109,280,345	\$ 114,740,582	\$ 118,237,342	\$ 121,726,674	\$ 122,829,183	\$ 124,332,004
Restricted	9,269,714	8,963,814	7,080,398	5,219,831	4,809,367	5,895,549	3,763,577	6,381,156	5,812,693	5,580,095
Unrestricted	13,011,530	17,497,065	23,915,298	32,644,964	28,746,035	7,277,224	2,863,824	(4,878,353)	(27,748,638)	(18,469,673)
Total governmental activities net position	132,424,876	133,424,527	138,771,361	144,776,469	142,835,747	127,913,355	124,864,743	123,229,477	100,893,238	111,442,426
Primary government-business-type activities										
Net investment in capital assets	43,049,588	43,919,484	45,362,111	44,128,179	46,400,391	47,210,407	48,193,049	47,385,065	50,539,347	47,134,586
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,085,346	3,524,647	2,957,056	2,489,069	1,962,444	(192,509)	(371,756)	(497,478)	(5,420,658)	(2,598,442)
Total business-type activities net position	46,134,934	47,444,131	48,319,167	46,617,248	48,362,835	47,017,898	47,821,293	46,887,587	45,118,689	44,536,144
Total primary government										
Net investment in capital assets	153,193,220	150,883,132	153,137,776	151,039,853	155,680,736	161,950,989	166,430,391	169,111,739	173,368,530	171,466,590
Restricted	9,269,714	8,963,814	7,080,398	5,219,831	4,809,367	5,895,549	3,763,577	6,381,156	5,812,693	5,580,095
Unrestricted	16,096,876	21,021,712	26,872,354	35,134,033	30,708,479	7,084,715	2,492,068	(5,375,831)	(33,169,296)	(21,068,115)
Total primary government net position	\$ 178,559,810	\$ 180,868,658	\$ 187,090,528	\$ 191,393,717	\$ 191,198,582	\$ 174,931,253	\$ 172,686,036	\$ 170,117,064	\$ 146,011,927	\$ 155,978,570

Please see the Net Position section of Management's Discussion and Analysis for details of negative unrestricted net position.

City of Twinsburg, Ohio

Changes in Net Position Last Ten Fiscal Years

Expenses	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
General government	\$ 4,594,648	\$ 4,505,303	\$ 4,446,875	\$ 6,688,110	\$ 3,782,280	\$ 5,508,770	\$ 6,307,981	\$ 7,433,264	\$ 6,510,387	\$ 3,641,103
Security of persons and property	7,282,747	7,179,745	8,261,111	8,451,014	8,719,995	9,916,169	11,498,555	11,896,459	11,930,391	10,442,932
Public health and welfare	-	-	-	-	-	-	208,164	208,142	208,609	210,262
Transportation	7,523,868	5,217,894	8,271,282	7,148,445	8,496,165	8,891,060	8,099,317	8,997,784	9,706,605	8,222,401
Leisure time activities	2,274,586	2,183,923	1,571,366	1,677,223	2,283,000	2,553,121	1,637,768	1,404,835	1,389,613	1,755,317
Community development	899,304	4,265,753	2,269,353	4,845,641	7,528,149	1,636,063	2,252,246	3,275,867	2,732,406	1,249,005
Basic utility service	15,049	15,815	62,463	12,225	13,758	13,226	22,114	97,117	90,476	-
Interest and fiscal charges	640,793	779,923	475,342	593,334	336,900	315,976	287,995	220,986	180,473	156,888
Total governmental activities expenses	<u>23,230,995</u>	<u>24,148,356</u>	<u>25,357,792</u>	<u>29,415,992</u>	<u>31,160,247</u>	<u>28,834,385</u>	<u>30,314,140</u>	<u>33,534,454</u>	<u>32,748,960</u>	<u>25,677,908</u>
Business-type activities:										
Sewer	2,953,181	3,324,356	3,049,169	4,769,812	3,806,876	4,451,137	3,648,338	4,567,087	3,635,806	3,634,378
Golf	1,056,241	1,036,945	961,762	1,046,463	1,159,882	1,554,474	1,381,674	1,487,776	2,187,772	4,365,419
Fitness center	1,306,424	1,285,571	1,480,899	1,622,192	1,821,770	1,858,224	2,241,685	2,397,227	2,393,208	1,944,708
Community theater	-	-	-	33,275	25,266	38,257	36,788	40,779	61,353	36,977
Total business-type activities expenses	<u>5,315,846</u>	<u>5,646,872</u>	<u>5,491,830</u>	<u>7,471,742</u>	<u>6,813,794</u>	<u>7,902,092</u>	<u>7,308,485</u>	<u>8,492,869</u>	<u>8,278,139</u>	<u>9,981,482</u>
Total primary government expenses	<u>\$ 28,546,841</u>	<u>\$ 29,795,228</u>	<u>\$ 30,849,622</u>	<u>\$ 36,887,734</u>	<u>\$ 37,974,041</u>	<u>\$ 36,736,477</u>	<u>\$ 37,622,625</u>	<u>\$ 42,027,323</u>	<u>\$ 41,027,099</u>	<u>\$ 35,659,390</u>

City of Twinsburg, Ohio

Changes in Net Position (Continued) Last Ten Fiscal Years

Program Revenues	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Charges for services:										
General government	\$ 1,119,015	\$ 1,017,949	\$ 1,306,430	\$ 1,599,390	\$ 1,309,881	\$ 1,324,425	\$ 1,210,493	\$ 933,850	\$ 780,749	\$ 1,018,242
Security of persons and property	589,610	540,684	536,280	541,230	556,740	570,074	521,358	489,682	406,697	634,166
Transportation	363,142	401,378	142,558	-	-	-	-	-	-	-
Leisure time activities	420,919	431,237	546,745	414,539	356,988	402,141	394,501	303,406	253,342	243,807
Community development	370,520	418,572	418,322	516,399	442,774	395,946	663,893	498,565	419,722	364,707
Operating grants and contributions	47,768	109,477	72,337	25,554	36,795	30,364	53,915	245,367	518,401	15,456
Capital grants and contributions	-	819,384	2,981,575	1,409,545	6,417,353	4,554,217	2,691,738	4,802,950	690,066	2,367,174
Total governmental activities program revenue	<u>2,910,974</u>	<u>3,738,681</u>	<u>6,004,247</u>	<u>4,506,657</u>	<u>9,120,531</u>	<u>7,277,167</u>	<u>5,535,898</u>	<u>7,273,820</u>	<u>3,068,977</u>	<u>4,643,552</u>
Business-type activities:										
Charges for services:										
Sewer	2,894,826	2,963,496	2,915,587	2,800,084	3,323,257	3,281,141	3,471,054	3,363,306	3,422,301	3,984,336
Golf	941,859	959,889	993,049	906,123	812,664	853,200	901,491	890,669	1,242,372	2,084,207
Fitness center	1,026,744	1,013,151	1,100,465	1,246,005	1,272,762	1,379,578	1,395,234	1,455,709	1,575,577	1,489,491
Community theater	-	-	-	41,845	29,004	47,279	40,323	33,776	43,047	31,251
Operating grants and contributions	-	-	-	-	-	-	-	-	-	1,115
Capital grants and contributions	-	-	274,960	463,815	486,372	453,667	-	-	473,517	792,636
Total business-type activities program revenue	<u>4,863,429</u>	<u>4,936,536</u>	<u>5,284,061</u>	<u>5,457,872</u>	<u>5,924,059</u>	<u>6,014,865</u>	<u>5,808,102</u>	<u>5,743,460</u>	<u>6,756,814</u>	<u>8,383,036</u>
Net (expense)/revenue										
Governmental activities	(20,320,021)	(20,409,675)	(19,353,545)	(24,909,335)	(22,039,716)	(21,557,218)	(24,778,242)	(26,260,634)	(29,679,983)	(21,034,356)
Business-type activities	(452,417)	(710,336)	(207,769)	(2,013,870)	(889,735)	(1,887,227)	(1,500,383)	(2,749,409)	(1,521,325)	(1,598,446)
Total primary government net expense	<u>\$ (20,772,438)</u>	<u>\$ (21,120,011)</u>	<u>\$ (19,561,314)</u>	<u>\$ (26,923,205)</u>	<u>\$ (22,929,451)</u>	<u>\$ (23,444,445)</u>	<u>\$ (26,278,625)</u>	<u>\$ (29,010,043)</u>	<u>\$ (31,201,308)</u>	<u>\$ (22,632,802)</u>

City of Twinsburg, Ohio

Changes in Net Position (Continued) Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property and other local taxes	\$ 1,250,996	\$ 1,455,144	\$ 1,253,802	\$ 1,239,860	\$ 1,226,511	\$ 1,303,837	\$ 1,220,369	\$ 1,246,135	\$ 1,265,690	\$ 1,325,561
Municipal income taxes	19,406,177	20,305,224	22,852,493	27,931,865	19,498,390	21,404,750	20,969,489	22,749,862	21,584,620	26,689,266
Grants and entitlements not restricted to specific programs	3,333,837	1,566,739	1,621,453	1,939,843	1,900,831	2,038,693	1,496,357	1,449,985	1,761,907	2,440,034
Investment income	8,452	49,544	16,304	45,992	21,396	56,943	180,075	137,362	178,584	598,281
Miscellaneous	95,153	51,846	39,132	68,834	87,188	103,447	146,622	836,174	1,041,574	1,431,158
Gain/(Loss) on sale of assets	-	-	-	-	-	-	20,496	-	-	(21,156)
Transfers	(394,865)	(2,019,171)	(1,082,805)	(311,951)	(2,635,322)	(2,751,552)	(2,303,778)	(1,794,150)	(1,855,263)	(879,600)
Total governmental activities	23,699,750	21,409,326	24,700,379	30,914,443	20,098,994	22,156,118	21,729,630	24,625,368	23,977,112	31,583,544
Business-type activities:										
Investment income	875	362	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	21,553	25,766	139,353
Gain/(Loss) on sale of assets	-	-	-	-	-	-	-	-	-	(3,052)
Transfers	394,865	2,019,171	1,082,805	311,951	2,635,322	2,751,552	2,303,778	1,794,150	1,855,263	879,600
Total business-type activities	395,740	2,019,533	1,082,805	311,951	2,635,322	2,751,552	2,303,778	1,815,703	1,881,029	1,015,901
Total primary government	24,095,490	23,428,859	25,783,184	31,226,394	22,734,316	24,907,670	24,033,408	26,441,071	25,858,141	32,599,445
Changes in Net Position										
Governmental activities	3,379,729	999,651	5,346,834	6,005,108	(1,940,722)	598,900	(3,048,612)	(1,635,266)	(5,702,871)	10,549,188
Business-type activities	(56,677)	1,309,197	875,036	(1,701,919)	1,745,587	864,325	803,395	(933,706)	359,704	(582,545)
Total primary government	\$ 3,323,052	\$ 2,308,848	\$ 6,221,870	\$ 4,303,189	\$ (195,135)	\$ 1,463,225	\$ (2,245,217)	\$ (2,568,972)	\$ (5,343,167)	\$ 9,966,643

City of Twinsburg, Ohio

*Fund Balances of Governmental Funds
Last Ten Fiscal Years*

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Reserved	\$ 754,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	13,188,570	-	-	-	-	-	-	-	-	-
Nonspendable	-	235,191	212,629	396,947	216,414	225,280	180,000	110,327	460,020	152,172
Assigned	-	363,095	147,710	6,508,841	5,944,848	7,291,319	9,656,106	5,905,572	3,678,050	3,431,199
Unassigned	-	18,268,628	24,759,442	21,710,920	20,046,754	14,401,927	7,187,465	8,222,971	8,162,650	9,517,493
Total general fund	<u>\$ 13,943,003</u>	<u>\$ 18,866,914</u>	<u>\$ 25,119,781</u>	<u>\$ 28,616,708</u>	<u>\$ 26,208,016</u>	<u>\$ 21,918,526</u>	<u>\$ 17,023,571</u>	<u>\$ 14,238,870</u>	<u>\$ 12,300,720</u>	<u>\$ 13,100,864</u>
All other governmental funds										
Reserved	\$ 802,052	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	2,206,806	-	-	-	-	-	-	-	-	-
Debt service funds	24,970	-	-	-	-	-	-	-	-	-
Capital projects funds	5,251,042	-	-	-	-	-	-	-	-	-
Restricted	-	3,083,274	2,618,341	2,005,409	1,992,020	2,923,555	3,460,811	3,439,091	3,031,051	2,912,903
Committed	-	4,664,523	3,701,529	383,665	377,545	421,041	594,426	720,981	688,701	729,637
Assigned	-	-	-	2,815,206	3,952,494	2,782,139	2,475,128	1,914,010	1,787,718	1,728,863
Unassigned	-	(503,511)	(569,430)	(371,013)	(56,832)	(193,748)	(70,102)	(192,260)	(41,618)	(94,010)
Total all other governmental funds	<u>\$ 8,284,870</u>	<u>\$ 7,244,286</u>	<u>\$ 5,750,440</u>	<u>\$ 4,833,267</u>	<u>\$ 6,265,227</u>	<u>\$ 5,932,987</u>	<u>\$ 6,460,263</u>	<u>\$ 5,881,822</u>	<u>\$ 5,465,852</u>	<u>\$ 5,277,393</u>

For fiscal year 2011, GASB Statement No. 54 was implemented requiring changes in fund balance classifications.

City of Twinsburg, Ohio

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property and other taxes	\$ 1,153,362	\$ 1,316,496	\$ 1,059,823	\$ 1,086,258	\$ 1,062,583	\$ 1,100,179	\$ 1,058,858	\$ 1,047,002	\$ 1,075,191	\$ 1,257,294
Municipal income tax	19,355,533	20,254,599	22,889,874	23,405,030	22,867,654	21,113,765	21,433,481	22,539,519	22,720,517	24,431,591
Other local taxes	111,964	119,445	130,992	156,428	160,441	188,490	186,991	188,590	199,215	-
Intergovernmental	3,394,815	2,479,117	2,742,941	3,090,081	6,524,483	3,641,852	2,212,949	2,184,689	2,326,727	2,095,174
Charges for services	1,586,391	1,557,010	1,623,791	1,459,665	1,348,403	1,388,683	1,350,008	1,241,369	1,212,161	1,208,094
License and permits	462,022	483,159	357,121	239,508	327,088	369,090	468,043	696,105	657,524	740,981
Fines and forfeitures	166,729	108,670	118,133	113,742	113,649	101,268	107,523	204,128	115,643	112,220
Investment income	8,452	49,544	16,304	45,992	21,396	56,943	146,047	130,500	175,284	545,431
Reimbursements received	583,862	521,453	-	-	-	-	-	-	-	-
Miscellaneous income	185,429	209,876	922,454	1,014,086	930,812	821,338	906,908	1,031,478	1,223,522	1,565,384
	-	-	-	-	-	-	-	-	-	-
Total revenues	\$ 27,008,559	\$ 27,099,369	\$ 29,861,433	\$ 30,610,790	\$ 33,356,509	\$ 28,781,608	\$ 27,870,808	\$ 29,263,380	\$ 29,705,784	\$ 31,956,169
Expenditures										
Current operations and maintenance:										
General government	4,410,625	4,795,606	5,848,541	7,477,236	6,209,228	6,214,407	6,161,288	7,066,769	6,340,992	6,532,695
Security of persons and property	6,893,613	6,862,438	7,974,230	8,209,562	8,391,289	9,011,133	9,628,084	10,115,612	9,992,467	10,321,112
Public health and welfare	-	-	-	-	-	-	208,164	208,142	208,609	210,262
Transportation	4,480,706	5,150,130	5,293,494	5,116,565	6,526,324	7,386,799	8,487,162	5,653,095	8,569,355	7,656,465
Leisure time activities	2,083,991	2,018,923	1,487,478	1,578,272	954,571	1,032,623	1,145,875	1,102,296	1,115,959	1,478,912
Community development	1,130,987	1,236,221	1,265,405	1,258,411	1,719,775	1,564,887	1,560,405	1,985,601	1,467,848	1,433,280
Basic utility service	145,045	121,068	160,094	111,567	107,637	118,911	128,907	97,117	90,476	-
Capital outlay	3,500,226	874,448	1,663,332	2,698,756	9,187,145	5,557,127	3,225,525	3,412,112	1,371,808	893,601
Debt service:										
Principal retirement	1,206,974	2,123,241	1,511,650	3,469,746	1,785,047	1,680,444	1,525,497	1,701,418	1,660,585	1,841,856
Interest and fiscal charges	642,835	795,033	491,305	514,455	362,860	346,708	303,871	251,048	204,722	156,888
Issuance costs	-	6,325	-	-	-	-	-	-	-	-
Total expenditures	\$ 24,495,002	\$ 23,983,433	\$ 25,695,529	\$ 30,434,570	\$ 35,243,876	\$ 32,913,039	\$ 32,374,778	\$ 31,593,210	\$ 31,022,821	\$ 30,525,071
Excess of revenues over (under) expenditures	\$ 2,513,557	\$ 3,115,936	\$ 4,165,904	\$ 176,220	\$ (1,887,367)	\$ (4,131,431)	\$ (4,503,970)	\$ (2,329,830)	\$ (1,317,037)	\$ 1,431,098

City of Twinsburg, Ohio

*Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other financing sources (uses)										
Inception of capital leases	\$ 164,768	\$ -	\$ -	\$ 333,704	\$ -	\$ -	\$ 587,442	\$ -	\$ 463,293	\$ -
Proceeds from issuance of debt	749,046	10,660,447	666,840	2,381,781	1,760,818	711,394	941,011	737,646	354,887	60,187
Proceeds from sale of capital assets	-	-	-	-	-	-	-	23,192	-	-
Premium on issuance of debt	-	477,662	-	-	-	-	-	-	-	-
Payment on refunded bond escrow agent	-	(8,351,547)	-	-	-	-	-	-	-	-
Transfers - in	1,468,100	1,436,234	1,802,935	4,082,384	6,797,844	5,984,646	6,495,521	3,546,160	3,867,434	3,229,250
Transfers - out	(1,862,965)	(3,455,405)	(1,876,658)	(4,394,335)	(7,648,027)	(7,439,891)	(7,887,683)	(5,340,310)	(5,722,697)	(4,108,850)
Total other financing sources (uses)	\$ 518,949	\$ 767,391	\$ 593,117	\$ 2,403,534	\$ 910,635	\$ (743,851)	\$ 136,291	\$ (1,033,312)	\$ (1,037,083)	\$ (819,413)
Net changes in fund balances	\$ 3,032,506	\$ 3,883,327	\$ 4,759,021	\$ 2,579,754	\$ (976,732)	\$ (4,875,282)	\$ (4,367,679)	\$ (3,363,142)	\$ (2,354,120)	\$ 611,685
Debt services as a percentage of non-capital expenditures	8.09%	8.38%	7.73%	12.40%	6.37%	5.83%	4.94%	5.82%	5.27%	5.92%

City of Twinsburg, Ohio

Income Tax Revenue Base, Rate, and Collections Last Ten Fiscal Years

Tax Year	Tax Rate (1)	Total Tax Collected (2)	Taxes from Withholding	Percentage of Taxes from Withholding	Taxes from Net Profits	Percentage of Taxes from Net Profits	Taxes From Individuals	Percentage of Taxes from Individuals
2019	2.00%	\$ 23,390,483	\$ 17,463,041	74.66%	\$ 3,933,367	16.82%	\$ 1,994,076	8.53%
2018	2.00%	22,701,741	17,238,419	75.93%	3,798,921	16.73%	1,664,402	7.33%
2017	2.00%	22,300,468	16,661,202	74.71%	3,944,927	17.69%	1,694,339	7.60%
2016	2.00%	20,739,171	16,371,449	78.94%	2,547,944	12.29%	1,819,778	8.78%
2015	2.00%	19,651,388	15,271,531	77.71%	2,721,213	13.85%	1,658,644	8.44%
2014	2.00%	22,878,022	15,018,535	65.65%	5,577,363	24.38%	2,282,124	9.98%
2013	2.25%	25,058,791	17,791,296	71.00%	4,729,766	18.88%	2,537,729	10.13%
2012	2.25%	23,148,257	14,827,123	64.05%	5,985,651	25.86%	2,335,483	10.09%
2011	2.25%	19,966,970	13,902,002	69.63%	3,549,152	17.78%	2,515,816	12.60%
2010	2.25%	18,915,746	15,057,907	79.61%	2,025,390	10.71%	1,832,450	9.69%

(1) The City's basic income tax rate may only be increased by a majority vote of the City's residents.

(2) Accrual basis.

City of Twinsburg, Ohio

*Income Tax Filers by Income Level
Current Year and Nine Years Ago
Unaudited*

Tax Year 2019

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$100,000 and Over	1,383	30%	\$ 254,692,014	67%
75,000-99,999	512	11%	44,589,564	12%
50,000-74,999	650	14%	40,340,418	10%
25,000-49,999	808	18%	30,207,056	8%
Under 25,000	1,232	27%	12,224,114	3%
Total	4,585	100%	382,053,166	100%

Tax Year 2010

Income Range	Number of Filers	Percent of Filers	Taxable Income	Percent of Taxable Income
\$100,000 and Over	1,744	24%	\$ 292,065,473	57%
75,000-99,999	877	12%	76,203,427	15%
50,000-74,999	1,193	16%	73,878,994	14%
25,000-49,999	1,368	19%	50,684,102	10%
Under 25,000	2,066	29%	20,428,840	4%
Total	7,248	100%	513,260,836	100%

Source: Regional Income Tax data - certain amounts may be estimates

Note: Number of filers does not equal total taxpayers due to taxpayers paying City taxes through employer withholding only without having a filing requirement.

City of Twinsburg, Ohio

*Principal Revenue Remitters of Municipal Income Tax
Current Year and Nine Years Ago
Unaudited*

Employer	2010 Rank	2019 Rank
RGH Enterprises	1	1
Chrysler Group LLC	2	-
Twinsburg Board of Education	3	6
Pepsi Cola General Bottlers	4	7
Rockwell Automation Inc	5	5
Cellco Partnership	6	9
General Electric	7	-
Winstream Communications Inc	8	8
City of Twinsburg	9	-
Envision Pharmaceutical Holdings	10	-
RGH Enterprises Inc	-	2
Rx Options LLC	-	3
The Cleveland Clinic Foundation	-	4
Hitachi Healthcare Americas Co	-	10

Source: RITA

City of Twinsburg, Ohio

*Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited*

Fiscal Year	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Special Assessment Bonds	Notes Payable	Capital Lease Payable	General Obligation Bonds	Special Assessment Bonds	Notes Payable	Capital Lease Payable
2010	\$ 10,670,024	\$ 287,000	\$ 3,182,303	\$ 119,428	\$ 1,635,003	\$ 10,000	\$ -	\$ 17,831
2011	11,623,452	256,000	2,962,993	54,904	-	-	-	9,131
2012	10,573,725	225,000	3,229,087	-	-	-	83,649	22,866
2013	9,714,530	194,000	3,290,985	219,841	-	-	304,834	100,678
2014	1,140,000	21,000	4,496,383	111,214	-	-	298,339	72,636
2015	7,386,560	152,000	4,799,547	-	-	-	288,178	43,621
2016	6,189,634	134,000	5,388,061	587,442	-	-	278,017	22,096
2017	4,952,708	116,000	5,796,643	428,088	-	-	6,405,856	-
2018	3,680,780	98,000	5,977,031	653,295	-	-	6,395,695	-
2019	2,343,853	80,000	5,828,653	333,004	-	-	6,788,560	-

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Data from U.S. Department of Commerce, Bureau of Economic Analysis (Data reported for Twinsburg, OH)

(2) 2010-2018 data from U.S. Department of Commerce, Bureau of Economic Analysis (Data reported for

(3) 2019 data from U.S. Census

City of Twinsburg, Ohio

*Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years
Unaudited*

Total Primary Government							
Fiscal Year	Total Debt Primary Government	Total Debt as Percentage of Personal Income	Total Debt per Capita	Population (1)	Median Household Income (1)	Per Capita Income (2)(3)	
2010	\$ 15,921,589	2.26%	\$ 860	18,508	69,662.00	\$ 38,081	
2011	14,906,480	1.99%	808	18,460	69,862.00	40,528	
2012	14,134,327	1.81%	766	18,456	71,528.00	42,292	
2013	13,824,868	1.74%	746	18,544	70,958.00	42,767	
2014	6,139,572	0.74%	331	18,556	69,778.00	44,751	
2015	12,669,906	1.48%	682	18,573	71,194.00	46,163	
2016	12,599,250	1.44%	678	18,585	73,314.00	46,963	
2017	17,699,295	1.95%	947	18,685	75,365.00	48,701	
2018	16,804,801	1.76%	896	18,762	77,021.00	50,872	
2019	15,374,070	2.14%	815	18,856	77,021.00	38,143	

City of Twinsburg, Ohio

*Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited*

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Net Bonded Debt	Net Bonded Debt as Percent of Estimated Actual Taxable Value of Property	Net Bonded Debt Per Capita	Total Assessed Property Tax
2010	\$ 12,305,027	\$ 24,970	\$ 12,280,057	1.96%	\$ 663	627,418,110
2011	11,623,452	46,863	11,576,589	1.84%	627	628,167,010
2012	10,573,725	33,164	10,540,561	1.85%	571	569,277,460
2013	9,714,530	85,895	9,628,635	1.70%	519	567,033,150
2014	1,140,000	72,168	1,067,832	0.19%	58	569,528,270
2015	7,386,560	306,194	7,080,366	1.25%	381	566,767,150
2016	6,189,634	117,528	6,072,106	1.06%	327	571,330,980
2017	4,952,708	591,400	4,361,308	0.75%	233	581,020,330
2018	3,680,780	584,719	3,096,061	0.49%	165	630,954,430
2019	2,343,853	657,958	1,685,895	0.26%	89	640,274,310

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Net bonded debt equals: G.O. bonds, notes, and warrants outstanding (net of related premiums, discounts, and adjustments), less Debt Service funds' equity.

City of Twinsburg, Ohio

*Direct and Overlapping Governmental Activities Debt
Fiscal Year 2019
Unaudited*

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<u>City of Twinsburg Direct Debt</u>			
General Bonded Debt and Warrants	\$ 8,783,000	100%	\$ 8,783,000
<u>Overlapping Debt</u>			
Summit County	31,755,010	5.11%	1,622,681
Twinsburg City School District	6,206,641	70.41%	4,370,096
 Total Direct and Overlapping Debt			<u><u>\$ 14,775,777</u></u>

Source: Ohio Municipal Advisory Council

City of Twinsburg, Ohio

Legal Debt Margin Information Last Ten Fiscal Years Unaudited

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Assessed Valuation	\$ 640,274,310	\$ 630,954,430	\$ 581,020,330	\$ 571,330,980	\$ 566,767,150	\$ 569,528,270	\$ 567,033,150	\$ 569,227,460	\$ 628,167,010	\$ 627,418,110
Overall Debt Limitation - 10.5% of Assessed Valuation	67,228,803	66,250,215	61,007,135	59,989,753	59,510,551	59,800,468	59,538,481	59,768,883	65,957,536	65,878,902
Gross Indebtedness	15,041,066	16,151,506	17,271,207	11,989,712	12,626,285	13,536,208	13,504,349	14,111,461	14,842,445	15,784,330
Less Debt Outside Limitation										
Bond Anticipation Notes	6,138,000	6,138,000	6,138,000	-	-	-	-	-	-	-
Special Assessment Bonds	80,000	98,000	116,000	134,000	152,000	173,000	194,000	225,000	256,000	297,000
ODOT Loans	-	-	-	-	-	-	220,000	535,000	795,000	1,008,765
OPWC Loans	6,479,213	6,234,726	6,064,499	5,493,430	4,692,155	4,094,528	2,700,239	2,243,771	1,511,029	1,398,737
Net Indebtedness	2,343,853	3,680,780	4,952,708	6,362,282	7,782,130	9,268,680	10,390,110	11,107,690	12,280,416	13,079,828
Less Fund Balance in Debt Service Fund	(569,316)	(505,354)	(504,577)	(290,082)	(306,194)	(72,168)	(85,895)	(33,164)	(46,863)	(7,795)
Net Debt Within 10.5% Limitation	1,774,537	3,175,426	4,448,131	6,072,200	7,475,936	9,196,512	10,304,215	11,074,526	12,233,553	13,072,033
Legal Debt Margin Within 10.5% Limitation	65,454,266	63,074,789	56,559,004	53,917,553	52,034,615	50,603,956	49,234,266	48,694,357	53,723,983	52,806,869
Legal Debt Margin as a Percentage of the Overall Debt Limitation	97.36%	95.21%	92.71%	89.88%	87.44%	84.62%	82.69%	81.47%	81.45%	80.16%
Unvoted Debt Limitation - 5.5% of Assessed Valuation	35,215,087	34,702,494	31,956,118	31,423,204	31,172,193	31,324,055	31,186,823	31,307,510	34,549,186	34,507,996
Gross Indebtedness	15,041,066	16,151,506	17,271,207	11,989,712	12,626,285	13,536,208	13,504,349	14,111,461	14,842,445	15,784,330
Less Debt Outside Limitation										
Bond Anticipation Notes	6,138,000	6,138,000	6,138,000	-	-	-	-	-	-	-
Special Assessment Bonds	80,000	98,000	116,000	134,000	152,000	173,000	194,000	225,000	256,000	297,000
OPWC Loans	6,479,213	6,234,726	6,064,499	5,493,430	4,692,155	4,094,528	2,700,239	2,243,771	1,511,029	1,398,737
Net Debt Within 5.5% Limitation	2,343,853	3,680,780	4,952,708	6,362,282	7,782,130	9,268,680	10,390,110	11,107,690	12,280,416	13,079,828
Unvoted Legal Debt Margin Within 5.5% Limitation	\$ 32,871,234	\$ 31,021,714	\$ 27,003,410	\$ 25,060,922	\$ 23,390,063	\$ 22,055,375	\$ 20,796,713	\$ 20,199,820	\$ 22,268,770	\$ 21,428,168
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	93.34%	89.39%	84.50%	79.75%	75.04%	70.41%	66.68%	64.52%	64.46%	62.10%
Total net debt applicable to limit as a percentage of debt limit										

Source: City Records

City of Twinsburg, Ohio

*Pledged Revenue Coverage
Last Ten Fiscal Years
Unaudited*

Fiscal Year	Special Assessment Revenue	Less: Operating Expenses	Net Available Revenue (A)	Principal (B)	Interest (C)	Coverage A/(B+C)
2010	\$ 56,540	\$ -	\$ 56,540	\$ 18,000	\$ 12,556	1.85
2011	40,113	-	40,113	18,000	11,793	1.35
2012	46,680	-	46,680	18,000	11,029	1.61
2013	41,697	-	41,697	18,000	10,266	1.48
2014	43,683	-	43,683	18,000	9,502	1.59
2015	42,485	-	42,485	18,000	8,611	1.60
2016	43,443	-	43,443	18,000	7,720	1.69
2017	44,156	-	44,156	18,000	6,805	1.78
2018	44,304	-	44,304	18,000	5,890	1.85
2019	46,724	-	46,724	18,000	4,975	2.03

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Net bonded debt equals: G.O. bonds, notes, and warrants outstanding (net of related premiums, discounts, and adjustments), less Debt Service funds' equity.

City of Twinsburg, Ohio

*Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited*

Fiscal Year	Population (1)	Per Capita Personal Income (2)(3)	Personal Income	Unemployment Rate
2010	18,508	\$ 38,081	\$ 704,803,148	9.00%
2011	18,460	40,528	748,146,880	7.30%
2012	18,456	42,292	780,541,152	6.20%
2013	18,544	42,767	793,071,248	6.30%
2014	18,556	44,751	830,399,556	4.50%
2015	18,573	46,163	857,385,399	4.80%
2016	18,585	46,963	872,807,355	4.90%
2017	18,685	48,701	909,978,185	4.80%
2018	18,762	50,872	954,460,464	4.90%
2019	18,856	38,143	719,224,408	4.00%

(1) Data from U.S. Department of Commerce, Bureau of Economic Analysis (Data reported for Twinsburg, OH)

(2) 2010-2018 data from U.S. Department of Commerce, Bureau of Economic Analysis (Data reported for Cleveland-Akron-Canton Combined Statistical Area)

(3) 2019 data from U.S. Census

City of Twinsburg, Ohio

*Principal Employers
Current Year and Nine Years Ago
Unaudited*

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
RGH Enterprises Inc.	1,099	1	11.13%	863	2	8.52%
Twinsburg Board of Education	714	2	7.23%	868	1	8.57%
Rx Options LLC	620	3	6.28%	-	-	0.00%
City of Twinsburg	553	4	5.60%	268	6	2.65%
Bottling Group LLC	505	5	5.11%	517	-	5.10%
Rockwell Automation Inc	440	6	4.45%	477	4	4.71%
Windstream Corporation	382	7	3.87%	-	-	0.00%
Hitachi Healthcare Americas Co	177	8	1.79%	166	9	1.64%
Cellco Partnership	165	9	1.67%	221	8	2.18%
The Cleveland Clinic Foundation	Data unavailable	10	-	-	-	0.00%
Pepsi Cola General Bottlers	-	-	0.00%	517	3	5.10%
Winstream Communications Inc.	-	-	0.00%	312	5	3.08%
General Electric	-	-	0.00%	257	7	2.54%
Chrysler Group LLC	-	-	0.00%	Data unavailable	10	-
Envision Pharmaceutical Holdings	-	-	0.00%	Data unavailable	-	-
Total	4,655		47.12%	4,466		44.08%
Total City Employment (1)(2)	9,878			10,131		

(1) 2019 Total City Employment based on U.S. Census Bureau 2018 ACS 5-Year Estimates

(2) 2010 Total City Employment based on U.S. Census Bureau 2010 ACS 5-Year Estimates

City of Twinsburg, Ohio

*Regular Full-Time Employees by Function/Program
Last Ten Fiscal Years
Unaudited*

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Council	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Mayor	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Finance	2.0	2.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Human Resources	1.0	1.0	1.0	-	1.0	1.0	1.0	1.0	1.0	1.0
Information Technology	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Public Works	29.0	30.0	32.0	33.0	34.0	37.0	36.0	37.0	37.0	37.0
Security of Persons and Property										
Communications	11.0	8.0	10.0	10.0	9.0	9.0	9.0	10.0	10.0	11.0
Fire	33.0	32.0	33.0	33.0	33.0	33.0	33.0	32.0	33.0	32.0
Police	32.0	32.0	31.0	34.0	31.0	33.0	34.0	36.0	38.0	39.0
Leisure Time Activities										
Parks and Recreation	4.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Senior Activity	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Community Development										
Building	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	4.0	4.0
Community Plan and Development	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Engineering	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0
Fitness Center										
Fitness Center	3.0	5.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0
Fitness Aquatics	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
Golf										
Aaron and Moses Restaurant	-	-	-	-	-	-	-	-	3.0	2.0
Glen Eagles Golf Course	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Glen Eagles MTCE	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Glen Eagles Banquest Center	-	-	-	-	-	-	-	1.0	1.0	1.0
Sewer	23.0	22.0	22.0	22.0	23.0	18.0	20.0	19.0	19.0	20.0
Total	160.0	157.0	162.0	164.0	167.0	169.0	173.0	176.0	181.0	182.0

Method: Using 1.0 for each full-time employee as of December 31.

Source: City Records

City of Twinsburg, Ohio

Operating Indicators by Function/Program Last Ten Fiscal Years Unaudited

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Public Works										
Branch Chipping:										
<i>Homes Served*</i>	-	-	-	3,950	3,912	4,274	4,444	6,222	3,838	4,214
<i>Material Chipped (cubic yards)*</i>				1,440	1,344	1,436	1,514	3,612	1,436	1,313
Leaf Removal:										
<i>Homes Served*</i>	-	-	-	5,237	5,495	5,570	5,946	5,477	4,241	4,669
<i>Opportunities for Pick Up*</i>	-	-	-	41	42	39	41	36	49	47
<i>Material Collected (cubic yards)*</i>	-	-	-	4,116	5,025	4,614	5,112	3,295	4,678	3,883
Snow and Ice Control										
<i>Number of Events**</i>	-	-	-	-	41	29	18	21	25	19
<i>Miles Covered**</i>	-	-	-	-	49,839	62,441	21,436	28,203	38,963	24,605
<i>Tons of Salt Used**</i>	-	-	-	-	10,954	7,418	4,084	6,102	7,171	2,482
Senior Snow Plowing										
<i>Number of Driveways Plowed**</i>	-	-	-	-	87	74	19	46	68	21
<i>Miles Covered**</i>	-	-	-	-	2,854	2,701	653	1,661	2,389	500
<i>Number of Events**</i>	-	-	-	-	18	14	4	9	14	4
Security of Persons and Property										
Fire										
Calls for Service	2,344	2,340	2,204	2,232	2,258	2,431	2,559	2,916	2,837	2,981
Inspections	1,149	1,203	1,224	1,324	1,446	1,446	1,346	1,337	943	212
Training:										
<i>Classes</i>	1,439	1,889	1,693	2,079	1,862	2,473	2,874	2,788	3,060	2,762
<i>Hours</i>	2,070	3,287	3,052	3,973	3,751	5,327	5,441	5,953	5,776	5,730
Police										
Warning	3,276	2,293	2,789	3,057	2,475	2,147	2,081	3,047	2,984	2,402
Citation	1,466	1,041	1,097	1,261	1,067	1,013	897	1,029	1,493	969
Verbal	1,740	1,344	1,083	1,174	667	688	656	1,015	1,654	1,668
Arrest	569	396	595	413	360	304	326	245	247	274
Calls for Service	39,184	36,209	36,928	29,726	28,215	27,650	27,055	30,018	32,683	29,644
Leisure Time Activities										
Day Camp Participations	3,320	3,607	3,743	3,640	3,765	3,991	4,624	4,465	4,494	3,474
Rock the Park Ticket Counts*	-	-	-	3,798	2,871	5,955	6,301	8,199	8,164	8,657
Fitness Center										
Members	6,092	6,460	6,629	6,645	6,596	6,694	6,303	6,394	5,812	6,957
Visits	43,831	46,364	47,339	46,398	46,276	45,412	45,984	44,676	44,043	41,890
Golf										
Rounds***	-	-	-	-	-	-	-	-	30,255	34,994
Sewer										
Daily Wastewater Flow (millions of gallons)	2.56	2.95	2.49	2.47	2.50	2.41	2.44	2.65	2.70	2.62

Source: City Records

City of Twinsburg, Ohio

Capital Asset Statistics by Function/Program Last Ten Fiscal Years Unaudited

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
City Hall Square Footage	33,909	33,909	33,909	33,909	33,909	33,909	33,909	33,909	33,909	33,909
Vehicles	30	31	28	29	29	34	34	32	46	42
Security of Persons and Property										
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	20	20	20	20	22	22	22	22	22	22
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Station Square Footage	20,919	20,919	20,919	20,919	20,919	20,919	20,919	20,919	20,919	20,919
Vehicles	18	18	18	20	21	21	20	20	21	21
Leisure Time Activities										
Number of Picnic Tables	83	83	83	83	83	83	83	83	83	83
Playground Equipment	16	16	16	16	16	16	16	17	17	17
Vehicles	18	18	17	17	15	16	14	15	4	4
Transportation										
City Bridges	6	6	6	6	6	6	6	6	6	6
Road Miles*	-	-	-	-	-	-	-	-	-	91
Street Lights	1,856	1,863	1,889	1,896	1,912	1,944	1,973	1,987	2,001	2,022
Traffic Signal Heads	255	255	263	265	271	271	279	284	284	284
Public Works										
Vehicles	8	12	9	10	9	9	8	8	8	8
Fitness Center										
Fitness Center Building	1	1	1	1	1	1	1	1	1	1
Golf										
Clubhouse	1	1	1	1	1	1	1	1	1	1
Mowers	11	11	12	15	15	17	17	17	17	17
Sewer										
Wastewater Collection Linear Feet*	-	-	-	-	-	-	-	-	-	517
Stormwater Collection Linear Feet*	-	-	-	-	-	-	-	-	-	546
Wastewater Facilities	1	1	1	1	1	1	1	1	1	1

Source: City Records

* - Data prior to 2019 unavailable

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF TWINSBURG

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 10/13/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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